

Facebook Agrees to Pay \$5 Billion and Implement Robust New Protections of User Information in Settlement of Data-Privacy Claims

The Department of Justice, together with the Federal Trade Commission (FTC), today announced a settlement that requires Facebook to implement a comprehensive, multi-faceted set of compliance measures designed to improve user privacy and provide additional protections for user information. The settlement also requires Facebook to pay an unprecedented \$5 billion civil penalty — the most ever imposed in an FTC case and among the largest civil penalties ever obtained by the federal government.

In a complaint filed today, the United States alleges that Facebook violated an administrative order issued by the FTC in 2012 by misleading users about the extent to which third-party application developers could access users' personal information. The complaint further alleges that Facebook violated the Federal Trade Commission Act by deceiving users about their use of this and additional sensitive information.

As reflected in the stipulated order filed with the complaint, Facebook has agreed to settle these allegations by paying a \$5 billion civil penalty and implementing robust, new compliance measures that will change how Facebook prioritizes and approaches user privacy issues. These new compliance measures include appointment of an independent assessor to monitor Facebook's conduct, privacy reviews for all new or modified Facebook products, establishment of a new Independent Privacy Committee on Facebook's Board of Directors, annual compliance certifications by Facebook CEO Mark Zuckerberg, and various reporting and record-keeping requirements. Under the stipulated order, the Department of Justice and FTC will share responsibility for monitoring and enforcing Facebook's compliance.

"The Department of Justice is committed to protecting consumer data privacy and ensuring that social media companies like Facebook do not mislead individuals about the use of their personal information," said Assistant Attorney General Jody Hunt for the Department of Justice's Civil Division. "This settlement's historic penalty and compliance terms will benefit American consumers, and the Department expects Facebook to treat its privacy obligations with the utmost seriousness."

"Despite repeated promises to its millions of world-wide users that they could control how their personal information is shared, Facebook took steps to undermine consumers' choices," said FTC Chairman Joe Simons. "The magnitude of the \$5 billion penalty and sweeping conduct relief are unprecedented in the history of the FTC. The relief is designed not only to punish previous violations but, more importantly, to change Facebook's entire privacy culture to decrease the likelihood of continued violations. The Commission takes consumer privacy seriously, and will enforce FTC orders to the fullest extent of the law."

This matter was handled by attorneys in the Civil Division's Consumer Protection Branch, including Deputy Assistant Attorney General David M. Morrell, Director Gustav W. Eyler, Assistant Director Andrew E. Clark, Senior Litigation Counsel Lisa K. Hsiao, and Trial Attorneys Patrick R. Runkle and Jason Lee, in conjunction with staff at the FTC's Division of Enforcement.

