

**ORDER FOR CIVIL PENALTY,  
MONETARY JUDGMENT, AND  
INJUNCTIVE RELIEF AND  
MEMORANDUM IN SUPPORT**

On July 24, 2019, the United States of America, acting upon notification and authorization of the Attorney General by the Federal Trade Commission (“FTC”), filed its Complaint for Civil Injunction, and Other Relief against Facebook, Inc. (“Facebook”). The parties have entered into a Stipulated Order for Civil Penalty, Monetary Judgment, and Injunctive Relief (“Stipulated Order”). The Stipulated Order requires Facebook to pay a \$5 billion civil penalty and imposes significant injunctive relief, primarily in the form of an amended administrative order that will be entered by the FTC.

The United States respectfully requests that, as soon as practicable, this Court enter the Stipulated Order and effectuate the comprehensive settlement. Facebook has conferred with Facebook regarding this motion. Facebook consents to the entry of the Stipulated Order.

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the FTC Act by using phone numbers provided to enable two-factor authentication—an enhanced account-security tool—for advertising purposes.

Following extensive negotiations, the parties have settled the Complaint’s allegations by the Stipulated Order. In addition to imposing a \$5 billion civil penalty—the largest civil penalty ever awarded in an FTC enforcement action—the Stipulated Order requires Facebook to consent to the reopening of the FTC’s earlier administrative proceeding against it so the FTC can replace the 2012 Order with an Amended Order, which is Attachment A to the Stipulated Order. The Amended Order, which would remain in effect for 20 years, contains substantial new compliance terms drafted to ensure that Facebook and Facebook-controlled companies, such as WhatsApp and

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negotiated relief, see *United States v. Fokker Servs.*, 838 F.3d 733, 744 (D.C. Cir. 2016) (consent orders should be reviewed by the district court in a manner that “avoid[s] encroaching on the Executive’s core discretion over enforcement decisions”), the injunctive-relief provisions articulate specific but flexible compliance terms designed to ensure that Facebook and its controlled companies protect user data and offer clear user notifications and controls. For example, the injunctive-relief provisions:

- € expand protections for consumer information, including any information for which there is a Facebook privacy setting, as well as sensitive personal and financial information;
- € prohibit misrepresentations regarding the “use” of protected information;
- € require Facebook to select an independent assessor, approved by the government, to monitor its compliance with the Amended Order;
- € require Facebook to submit to the government privacy-review reports for every new or modified product, service, or practice that it considers implementing;
- € require Facebook to create an Independent Privacy Committee of its Board of Directors, with members designated through an independent nominating committee established by Facebook;
- € mandate annual CEO certifications of compliance with the Amended Order;
- € require Facebook to submit a prompt written report to the government and the independent assessor about any incident in which the information of 500 or more users was accessed by a third party in violation of Facebook’s policies;
- € add important recordkeeping requirements related to third-party access to protected user information; and

€ empower the government to conduct full discovery to investigate concerns regarding non-compliance with the injunctive relief.

Taken as a whole, the proposed settlement is thus fair, adequate, meaningful, and represents a significant achievement for American consumers. It addresses the issues that gave rise to the FTC investigation in an effective and efficient manner, obtaining immediate relief and a massive civil penalty. The injunctive provisions of the settlement also are carefully calibrated to ensure the privacy of Facebook users' data over the course of the next two decades, to prevent further incidents of unauthorized data sharing as much as possible, and to allow for the taking of speedy and adequate measures if user data is inadvertently compromised. These provisions, which do not exist today, are plainly in the public interest, as they directly affect the privacy choices of 210 million Americans with Facebook accounts and millions more who interact with Facebook-controlled companies. See

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