

Facebook Names Dropbox CEO Drew Houston to Board

https://www.wsj.com/articles/facebook-names-dropbox-ceo-drew-houston-to-board-11580769283?st=h13wt2eqvwgjos8&reflink=desktopwebshare_permalink

Feb. 3, 2020 at 5:34 pm ET

- Facebook Inc. appointed Dropbox Inc. Chief Executive Drew Houston to its board of directors.
- Mr. Houston, a friend of Facebook CEO Mark Zuckerberg who has credited him with providing valuable advice on running Dropbox and has appeared with him at social events, joins the board as an independent director.
- His arrival follows the departure of Netflix CEO Reed Hastings, former White House chief of staff Erskine Bowles and Susan Desmond-Hellmann over the course of the past year.
- Mr. Houston will continue to run Dropbox, which has 14 million paying customers and 2,300 employees.

★● EU Deepens Antitrust Inquiry Into Facebook's Data Practices

https://www.wsj.com/articles/eu-deepens-antitrust-inquiry-into-facebooks-data-practices-11580994001?st=fcd7myghcrn3ijb&reflink=desktopwebshare_permalink

Feb. 6, 2020 at 8:00 am ET

- European Union antitrust investigators have sought internal documents related to Facebook Inc.'s alleged efforts to identify and squash potential rivals, deepening authorities' preliminary probe into the social-media company, according to people familiar with the matter.
- The European Commission, the EU's executive arm, has in recent weeks ramped up its pursuit of documents related to allegations by rival companies and politicians that Facebook leveraged access to its users' data to stifle competition, rewarding partners and cutting off rivals, those people said.
- Investigators are reviewing changes Facebook made to software interfaces that let app developers access its data, as well as Facebook's use of Onavo, an Israeli virtual-private-network app the tech giant bought in 2013, the people added.
- As part of the preliminary probe, the commission in recent weeks ordered Facebook to produce an array of documents—including internal emails, chat logs and presentations related to those topics—using an EU law that allows for daily fines to punish noncompliance, the people familiar with the matter said.
- In the event of a formal probe resulting in a decision against the company, the EU could order Facebook to change its business practices and issue fines of up to 10% of world-wide annual revenue, which for Facebook would amount to more than \$7 billion, based on Facebook's revenue in 2019.
- The European Commission's decision to make binding requests stemmed in part from authorities' apparent lack of confidence that Facebook would comply fully, according to people familiar with the matter.
- The recent escalation of the EU's antitrust investigation into Facebook comes ahead of a Brussels trip the company is planning for Chief Executive Mark Zuckerberg, during which he might meet with EU competition chief Margrethe Vestager, according to a person familiar with the matter.
- Facebook's co-founders, Chris Hughes—in the past year have called to break up the company, which has more than 2.5 billion users world-wide who log on at least monthly, according to its most recent quarterly report.
- Antitrust officials are also weighing changes to competition rules to address some large tech companies.
- The Competition and Markets Authority, the U.K.'s competition enforcer, said in December that it was considering recommending a variety of new regulations, including one that would force Facebook to make some of its services interoperable with rivals' to ease the emergence of competition.
- The EU's preliminary probe and document requests have focused in part on allegations in a lawsuit filed against Facebook in 2015 by Six4Three LLC, according to people familiar with the matter.
- The Journal reported on some of the documents related to those allegations in 2018, and a cache was subsequently released by the U.K. Parliament, which is considering tighter regulation of social-media companies.

Canadian Court Is Urged to Rule Facebook Broke Privacy Laws

https://www.wsj.com/articles/canadian-court-urged-to-rule-facebook-broke-privacy-laws-11581023400?st=mfu814t69yreaoe&reflink=desktopwebshare_permalink

Feb. 6, 2020 at 4:10 pm ET

- Canada's main privacy watchdog on Thursday asked a court to hold hearings on Facebook Inc.'s privacy practices and force the company to change the way it handles users' personal information.
- The move comes after privacy commissioner Daniel Therrien said last year that an investigation by his office and his counterpart in the province of British Columbia found Facebook violated the country's privacy laws.
- Mr. Therrien said the Menlo Park, Calif., social-media company failed to protect Canadians' personal information when it allowed a third-party app to access users' data.
- Mr. Therrien also wants the court to order Facebook to change how it collects and discloses users' information, the statement said.
- Facebook said there is no evidence that Canadian user data was shared with Cambridge Analytica.
- The court will require the privacy commissioner to demonstrate through evidence and arguments that Facebook didn't comply with Canadian privacy laws, it said.

When Is the Voter Registration Deadline in Oklahoma? Facebook Almost Flubbed It

https://www.wsj.com/articles/when-is-the-voter-registration-deadline-in-oklahoma-facebook-almost-flubbed-it-11581080021?st=w1xxivooh7hl3qc&reflink=desktopwebshare_permalink

Updated Feb. 7, 2020 at 9:28 am ET

- Paul Ziriaux, the secretary of Oklahoma's state election board, recounted to a recent forum of election officials that Facebook had planned to send notifications directly to the Facebook feeds of state residents alerting them to the state deadline to register for the presidential primary.
- Facebook's proposed language mistakenly listed the Feb. 7 deadline as the last day to put registration forms in the mail, Mr. Ziriaux said.
- Instead, he said, registration forms need to be postmarked by that date to be valid under state law.
- A Facebook official said the snafu over the language in part resulted from company efforts to simplify notifications for mobile users and showed the company's outreach to states is working as intended.
- The company agreed to edit the language last week with the correct deadline before the notifications were pushed to Oklahoma users, according to Mr. Ziriaux and the company.
- Facebook plans to send similar notifications to users across the country, tailored to each state's voting rules.
- The company has been contacting election officials in all 50 states to check the alerts for accuracy, according to the company. "
- The notifications are part of Facebook's broader set of engagements with states that includes initiatives to safeguard elections after it was widely criticized for not doing enough to prevent misinformation on its platform in 2016.
- The company has described the election as a "wake-up call."
- Some states have praised Facebook's work.

★ Facebook and IRS Prepare for \$9 Billion U.S. Tax Court Fight

https://www.wsj.com/articles/facebook-and-irs-prepare-for-9-billion-u-s-tax-court-fight-11581177600?st=gfwg8cex5jerzlv&reflink=desktopwebshare_permalink

Feb. 8, 2020 at 11:00 am ET

- Facebook Inc. and the Internal Revenue Service will square off in a U.S. Tax Court case that could cost the social-media giant more than \$9 billion and shape the government's ability to crack down on companies' efforts to shift profits to low-tax countries.
- The trial slated to start in the week ahead caps a nine-year dispute over how Facebook structured its international operations.
- The IRS argues that more of the company's profits should have been taxed at higher rates in the U.S., rather than in the company's Irish subsidiary.
- Facebook's practice of routing overseas profits to low-tax countries is common among U.S. multinationals, which have faced criticism in the U.S. and in Europe for not paying enough in taxes.
- The case could set the rules of the road for others with similar disputes in the pipeline. "
- The result will likely hinge on the valuation of intellectual property used by Facebook's overseas subsidiaries, which pay royalties to the parent company.
- But it has recently argued that its subsequent estimates of that value are even lower, so it is entitled to a refund.
- Facebook contends that the value should be low in part because the company's trajectory was uncertain when the transactions were done in 2010 and because the Irish subsidiary did so much work to expand its non-U.S. business.
- Facebook Ireland is entitled to profits from the foreign business it built."
- The IRS, depleted after budget cuts, has struggled in similar cases against large companies, losing to Xilinx Inc. and Amazon.com Inc. But last year it defeated Altera Corp., which had become a subsidiary of Intel Corp. The agency now relies on updated regulations that may lack problems judges found in prior versions.
- The dispute has spawned three separate federal lawsuits, along with a subsequent Tax Court case that could cost Facebook another \$680 million plus interest and penalties.
- The two sides have struggled to agree on basic facts, and the IRS threatened to call Ms. Sandberg and Chief Executive Officer Mark Zuckerberg as witnesses if the company and government can't come to terms on facts for the record.

★● As WhatsApp Tops 2 Billion Users, Its Boss Vows to Defend Encryption

https://www.wsj.com/articles/as-whatsapp-tops-2-billion-users-ceo-vows-to-defend-encryption-11581516000?st=ypzspox991stldh&reflink=desktopwebshare_permalink

Updated Feb. 12, 2020 at 10:53 am ET

- WhatsApp has surpassed more than two billion active users, and its leader is vowing to defend its fully private form of messaging against mounting threats from governments around the world.
- Wednesday's disclosure was the first time in two years that the company has divulged WhatsApp's user numbers.
- WhatsApp leader Will Cathcart PHOTO: FACEBOOK Mr. Cathcart said WhatsApp was committed to helping out law enforcement by providing metadata that could be useful in investigations, but that end-to-end encryption was necessary to keep users safe. "
- Mr. Cathcart declined to say how his company would react, if ordered to create a back door or lose access to a major market, saying he didn't want to "get into playing out every hypothetical," but he noted that his company has a history of standing up for encryption.
- Mr. Cathcart, 36 years old, said he came to the WhatsApp role in March after nine years at Facebook with a conviction that the company's focus on encryption and privacy communications was "the right model" for messaging, despite the commercial and regulatory complications.
- Mr. Cathcart took over WhatsApp after a turbulent period in which the company's founders left after clashing with Facebook over whether to impose advertising and their successor, Chris Daniels, left after disagreements with Facebook management over Mr. Zuckerberg's demand that WhatsApp become interoperable with Facebook's other platforms.
- interoperable with Facebook's other, still unencrypted messaging platform.

- WhatsApp has chosen not to develop many of the features that the Facebook native Messenger app has, and there is no reason to expect that interoperability would require it.
- Users of the two apps would still benefit from being able to send messages across Facebook's products "even if every feature we've added to one of the apps isn't available," he said.
- WhatsApp is best for private communication," he said. "

★● Stood Up: Facebook Keeps Europe Waiting Over Dating Feature

https://www.wsj.com/articles/stood-up-facebook-keeps-europe-waiting-over-dating-feature-11581519771?st=gsx7ymuhkgeqmp&reflink=desktopwebshare_permalink

Updated Feb. 12, 2020 at 12:17 pm ET

- Facebook Inc. is postponing the European rollout of its dating service which it planned to debut this week ahead of Valentine's Day, according to Ireland's top privacy regulator.
- The move came after the Irish Data Protection Commission raised issues with the feature's compliance with European Union data protection rules, the agency said.
- The company had been planning to launch the service on Thursday.
- Facebook says on its website that the dating service is available in 20 countries and "will be in Europe by early 2020."
- companies can use and share data. "
- Facebook said "we are taking a bit more time to make sure the product is ready for the European market.
- Companies that are planning a new service or product that could have an impact on the private data of customers are required to conduct a data processing impact assessment, or DPIA.
- The disruption comes as Facebook and other large internet companies face mounting pressure from regulators in Europe over their stewardship of billions of people's personal details.

● Facebook Suspends Accounts in Myanmar, Russia and Iran for Misinformation

https://www.wsj.com/articles/facebook-suspends-dozens-of-accounts-in-russia-for-spreading-misinformation-11581531063?st=4ueq76wckjr4vud&reflink=desktopwebshare_permalink

Feb. 12, 2020 at 1:11 pm ET

- Facebook Inc. said it removed dozens of fake accounts from countries including Myanmar, Iran and Russia that were spreading misinformation, the latest effort by the social-media company to curb manipulation of its platforms.
- The company on Wednesday said it suspended pages and groups on Facebook as well as fake accounts on Instagram for violating its policies. The actions removed false and misleading content on a range of topics, including U.S. elections and foreign affairs. In some cases, Facebook removed content that may have been factually correct but was presented in a misleading way or posted by people posing as somebody else.
- Facebook's announcement again shows that its platforms are popular tools for people seeking to sway public opinion. In some cases, Facebook said individuals used fake accounts that had been previously detected and disabled by its automated systems to post comments in Facebook Groups.

★● Facebook Delivers Long-Awaited Trove of Data to Outside Researchers

https://www.wsj.com/articles/facebook-delivers-long-awaited-trove-of-data-to-outside-researchers-11581602403?st=7oxvszx0hsksdw&reflink=desktopwebshare_permalink

February 13, 2020

- When Facebook Inc. in 2018 agreed for the first time to let a select group of academics study internal data about how content gets shared on its platform, it was billed as a breakthrough for understanding the social network's impact on society.
- Researchers at the time said they expected to get a functional data set within two months.
- It instead took closer to two years.
- After a series of delays in part due to privacy concerns, the data handoff on Thursday marks a long-awaited milestone that researchers said could lead to better understanding of patterns in fake news and the quality of information shared on Facebook.
- It is also a cautionary tale of the obstacles for outside researchers looking to collaborate with tech companies on projects using data that the companies control. "
- A statement from Facebook said that releasing the data without sacrificing user privacy required substantial research and extensive resources.
- Over the past two years, the company has devoted 20 full-time staff members —and \$11 million—to the effort. "
- information about widely shared web links, a data trove that could shed light on patterns in fake news and the quality of information shared on the platform.
- Under Social Science One's rules, Facebook had no control over the researchers given data access and can't review or restrict the publication of their conclusions.
- The initial round of projects approved for grants and data access include a study of Russian disinformation in Germany's 2017 election, an analysis of Facebook's influence on Taiwanese civic participation and more general investigations into how fake news stories travel across Facebook's platform. "
- Some privacy advocates objected.
- The Electronic Privacy Information Center called for the halt of the project, arguing in a 2018 letter that even the data set of widely shared links violated user privacy, Europe's data-privacy law and Facebook's obligations under its 2011 consent decree with the Federal Trade Commission.
- Delays in the project led to a mass-defection of the philanthropies that initially funded Social Science One's work, including the Koch and Knight foundations.
- While the project is now moving forward, even the restrictions on the data have been inadequate to quell all the concerns raised by privacy advocates. "

Zuckerberg Pitches How Facebook Should Be Regulated Over Content

https://www.wsj.com/articles/zuckerberg-pitches-how-facebook-should-be-regulated-over-content-11581794890?st=tgdrtg15mddnc09&reflink=desktopwebshare_permalink

Feb. 15, 2020 at 2:28 pm ET

- Facebook Inc. Chief Executive Mark Zuckerberg said the social-media giant falls somewhere between a newspaper and a telecommunications company, in terms of responsibility for content, and should be regulated as such.
- Mr. Zuckerberg, speaking in front of government and security officials at an annual security conference here, rejected comparisons between tech giants like his and traditional news-media outlets, which are routinely held accountable for their content.
- A different comparison, he said, would be telecommunications companies, which aren't generally held responsible for the content — like voice communications and data—that pass through their networks each day. "
- I actually think where we should be is somewhere in between," he said.
- He didn't describe specifically what sort of system he thought would work, or what he would be willing to support.
- His comments come ahead of a visit by Mr. Zuckerberg next week to Brussels, where he is expected to discuss with European Union officials a variety of regulatory issues.

★ Zuckerberg Tells EU Regulators Facebook Wants More Content Liability

https://www.wsj.com/articles/zuckerberg-tells-eu-regulators-facebook-wants-more-content-liability-11581961804?st=581de9c8lpmhkl4&reflink=desktopwebshare_permalink

Feb. 17, 2020 at 12:50 pm ET

- Mark Zuckerberg called on the European Union's top regulator to create customized legislation for online platforms, with the Facebook chief executive accepting some responsibility for the content shared by users.
- Mr. Zuckerberg said regulators should consider requiring internet platforms to report more frequently about the content that they detect and take down due to concerns about terrorism, graphic violence, hate speech or child exploitation. "
- Some countries in Europe, notably France and the U.K., are considering rules requiring platforms to take down hateful content within tight time frames.
- In a white paper published Monday, the company said that a 24-hour deadline "would create still more perverse incentives," as companies would focus on the deadline irrespective of how many people watch the content, whereas priority should be given to content that goes viral.
- Thierry Breton, the EU commissioner for internal market and services, who met with Mr. Zuckerberg on Monday, told reporters afterward that the Facebook white paper "is too low in terms of responsibility.
- He criticized Facebook for not mentioning its market dominance in its white paper.
- Mr. Zuckerberg warned against regulation that would prevent small enterprises from using Facebook's data-analysis services for advertising, allowing them to do the type of marketing that only big companies used to have resources for.
- He said 25 million small businesses in Europe use Facebook services. "

★ 'Facebook: The Inside Story' Review: The Path to Domination

https://www.wsj.com/articles/facebook-the-inside-story-review-the-path-to-domination-11582606800?st=b4wqokfyndd88ch&reflink=desktopwebshare_permalink

Feb. 25, 2020 at 12:00 am ET

- Over a third of them use the Facebook platform each month and around 2.3 billion use at least one of Facebook's services each day, according to the company's most recent earnings call.
- As veteran technology journalist Steven Levy explains in "Facebook: The Inside Story," it's complicated.
- Facebook's early expansion was driven by a "high-energy team with a long leash," Mr. Levy writes.
- At first, Facebook lacked a robust business model, a problem solved in 2008 by its new chief operating officer, Sheryl Sandberg, who, Mr. Levy writes, was "like Wendy parachuting onto the island of Lost Boys."
- The company's granular knowledge of its users permitted advertisers to target their messages with exceptional precision.
- The "Like" button was proposed in 2007 to make it as easy as possible, according to its co-creator Justin Rosenstein, "to spread little bits of positivity and love."
- Facebook's demographic stratification proved useful not only to advertisers but also to political campaigns and, as it turned out, to a Russian disinformation campaign aimed at the 2016 election.
- It was a tool that was offered as a free virtual private network (VPN) to improve Wi-Fi security; again, it funneled data back to Facebook. "
- Only the paranoid survive," said Silicon Valley legend Andy Grove, a maxim that Facebook took to heart, as Mr. Levy shows.
- When Google was considering the purchase of the messaging start-up WhatsApp in 2014, CEO Larry Page strolled into the meeting a half-hour late.
- Facebook's relentless focus on growth, Mr. Levy points out, has come at a price: the erosion of public trust.

- Yet Facebook remains phenomenally successful: As the Journal recently reported, many of the same Democratic candidates who call for Facebook's dismemberment are spending millions of dollars advertising on the platform because of its singular power.

Chenault Leaves Facebook Board After Disagreements With Zuckerberg

https://www.wsj.com/articles/chenault-leaves-facebook-board-after-disagreements-with-zuckerberg-11584140731?st=8kf0kbhf9to5p34&reflink=desktopwebshare_permalink

Updated March 13, 2020 at 8:30 pm ET

- Kenneth Chenault will be leaving Facebook Inc.'s board of directors following disagreements with Mark Zuckerberg over the company's governance and political policies, according to people familiar with the matter.
- The announcement that Mr. Chenault won't run for another term on Facebook's board, made after markets closed Friday, adds to significant turnover among the tech giant's directors.
- Mr. Chenault and other independent board members have in recent months clashed with management over both political advertising and Facebook's policies related to discourse on its platform, said the people familiar with the matter.
- Mr. Chenault, the chairman of venture-capital firm General Catalyst and a former chief executive of American Express Co., joined Facebook in January in 2018 as an independent director.
- Trillium has pushed Facebook to split its chief executive and board chairman roles and has advocated for the company to name a new lead independent director, a position left vacant since the departure of Ms. Desmond-Hellmann last year.
- Among the recent additions to Facebook's board was Dropbox Inc. Chief Executive Drew Houston, a friend of Mr. Zuckerberg's who has appeared with him at social events.
- In a statement, Mr. Chenault said he was stepping down to take a "once in a lifetime" opportunity to join the board of Berkshire Hathaway Inc. "During the time I served on the board, the company made progress in dealing with new challenges and continued to expand its reach and to grow the business," he said. "
- Mr. Zuckerberg thanked Mr. Chenault for his contribution to the company. "

Facebook Gives Employees Extra \$1,000 and Good Reviews Amid Coronavirus

https://www.wsj.com/articles/facebook-gives-employees-extra-1-000-and-good-reviews-amid-coronavirus-11584464623?st=avefnckw0u1x2m&reflink=desktopwebshare_permalink

Updated March 17, 2020 at 2:12 pm ET

- Facebook Inc. will give all of its full-time employees an additional \$1,000 in their next paycheck and will give everyone the same "exceeds expectations" performance review for the first half of the year.
- By giving all of its roughly 45,000 full-time staffers the same review, Facebook is ensuring that all of those employees receive their biannual bonuses.
- Most employees of Facebook and other tech companies have already started working from home.
- Facebook is also sending its contractors, including content moderators, home with pay, according to a company news release Monday night.
- Facebook employees will still gather reviews from colleagues and managers, a spokeswoman said, but everyone's rating will be set to "exceeds expectations" during the first half of 2020.
- Facebook also said it is planning to provide \$100 million in cash and advertising credits to small businesses to help them deal with difficult financial conditions.

★ Facebook Accused in Amended Lawsuit of Knowing Ad Audiences Were Inflated

https://www.wsj.com/articles/facebook-accused-in-amended-lawsuit-of-knowing-ad-audiences-were-inflated-11584745492?st=1oo7d8hnzd6vwx&reflink=desktopwebshare_permalink

Updated March 20, 2020 at 11:58 pm ET

- Facebook Inc. employees were aware that the company was overestimating how many people advertisers could reach, according to an amended complaint filed this week in a nearly two-year-old lawsuit accusing the company of misrepresenting that data. "
- This is a lawsuit waiting to happen," a Facebook product manager wrote to colleagues in October 2018, regarding the company's alleged overstatements, according to the amended complaint filed Thursday.
- The emails were produced as part of the discovery process in the lawsuit, which is seeking class-action status and was originally filed by a small-business owner in federal court in San Francisco in 2018.
- These allegations are without merit and we will defend ourselves vigorously," a spokesperson for Facebook said in a statement.
- The company has previously said the estimates were never meant to be precise guarantees and couldn't plausibly have harmed customers.
- My question lately is: How long can we get away with the reach overestimation?"
- The alleged potential audience errors wouldn't directly affect what Facebook's customers paid for ads because they were a measurement of how many people could potentially see an ad, not whether actual users viewed or clicked on it.
- In March 2019, Facebook announced that it was changing how it measures potential reach to exclude users who were active on the platform but were not shown ads in the past month.

OK, Fine, Let's All Get Back on Facebook

https://www.wsj.com/articles/ok-fine-lets-all-get-back-on-facebook-11584763207?st=tr4i9kidgalmdj9&reflink=desktopwebshare_permalink

March 21, 2020 at 12:00 am ET

- Our new coronavirus reality confronts us with an extreme challenge: stop our physical selves from being in contact with almost everything and everyone, yet remain connected in all possible ways.
- It's been almost exactly two years since Facebook's Cambridge Analytica scandal.
- The reality is, the company collects more personal data than it needs to perform the services it offers users, and has been evasive and even dishonest when asked about all of that data collection.
- Yet just one week into self-isolation, I'm pointing a Facebook-connected camera at my son.
- March 2018: The Cambridge Analytica scandal: The data firm working on the Trump campaign had harvested the data of millions of unknowing users through an innocent-looking Facebook app, using the info to target political ads.
- Facebook Groups. There's no better way to connect with your local community.
- Facebook says it does not use the content you post or engage with in groups for ad targeting; however, your membership in a group might "inform your ad experience," a Facebook spokesperson said.
- Log into Facebook Messenger or WhatsApp on the touchscreen and you can video call any of your contacts.
- Facebook says it doesn't listen to, view or keep the contents of video or audio calls.
- Similar to an Amazon Echo, the Portal is always listening for a "Hey Portal" prompt (or the "Alexa" prompt if you enable Amazon's assistant on the device).
- And while Facebook says it doesn't use Portal calls or voice commands for advertising, it might use information about how you use the product—how often you call, what apps you use, etc.—for advertising.
- Facebook says the \$129-and-up Portal has seen increased sales and usage in the last week.
- Oculus Quest. Due to coronavirus-related hardware production delays, it's sold out.
- Will the company—and yes, other tech giants— use this as an opportunity to dial-up data collection?
- Leaders with authoritarian tendencies tend to use crises as cover for implementing surveillance," said Roger McNamee, an early Facebook investor and author of "Zucked: Waking Up to the Facebook Catastrophe." "
- He says he himself uses Facebook sparingly, and wouldn't touch a Portal.

- I'm willing to spend more time with Facebook right now, but I'm still not ready for it to point a camera and microphone at my family.

★ Facebook Usage Soars, But Online Advertising Plunges

https://www.wsj.com/articles/facebook-warns-that-skyrocketing-usage-wont-lead-to-increased-revenue-11585083493?st=qax4db0axcr2x85&reflink=desktopwebshare_permalink

Updated March 24, 2020 at 7:05 pm ET

- In a post on Tuesday afternoon, Facebook said total messaging across the platform's services has increased 50% in countries hit hard by the virus, with video messaging more than doubling.
- In Italy, which has undertaken some of the strictest restrictions on public life of any country outside China, group video calling is up by more than 1000% from a month ago and usage of all Facebook apps is up 70%.
- The company said the higher usage wouldn't protect it from expected declines in digital advertising across the globe. "
- Twitter Inc. on Monday said its financial performance would fall short this quarter as a result of the pandemic.
- As companies begin to pull back on advertising spending because of the coronavirus pandemic and growing economic uncertainty, digital and local media companies are more vulnerable to such retrenchment in the short-term, ad buyers said.
- Unlike national television ads, which are often purchased many months in advance and are harder to cancel, most digital ad buys can be canceled within days, buyers and industry analysts say. "
- Indeed, the New York Times was among the first companies to warn that the virus was causing an ad slowdown.
- Another issue facing publishers and digital media companies, such as Facebook and Twitter, is that some advertisers are trying to avoid news content that has turned even more negative amid the spread of the coronavirus.
- Categories of digital advertising at the highest risk include staples for Facebook: Travel, entertainment, retail
- But the increased usage that the company has noted is paired with decreased advertising demand, meaning that auction prices for Facebook ads would likely plummet unless the company chooses to restrict the supply.
- With fewer advertisers competing for Facebook users' attention, each impression would be worth less across the board, unless the company chooses to cut back on the number of ads shown.
- Facebook's stock is down 28% year to date, slightly more than the Nasdaq index but slightly less than the S&P. Appeared in the March 25, 2020, print edition.

Facebook Pledges \$100 Million for News Outlets Hit by Coronavirus Outbreak

https://www.wsj.com/articles/facebook-pledges-100-million-for-news-outlets-hit-by-coronavirus-outbreak-11585562400?st=e3o319dcwwfe03k&reflink=desktopwebshare_permalink

March 30, 2020 at 6:00 am ET

- Facebook Inc. is pledging \$100 million in grant money and promised ad spending to help struggling news outlets weather the financial blow of the coronavirus outbreak.
- News outlets—particularly smaller, local newspapers—face substantial advertising revenue declines as shuttered or disrupted businesses pull back spending.
- Facebook's offering falls into two categories: \$25 million in emergency grant funding to help smaller news outlets with immediate needs related to coronavirus coverage, and \$75 million in ad spending to help news outlets of all sizes—both in the U.S. and abroad—make up for the expected revenue shortfall. "
- Gordon Borrell, an advertising market analyst, estimates that local advertising will drop by 25% this year, amounting to a decline of roughly \$30 billion.

- Earlier this month, Facebook announced a separate program to offer \$100 million in cash grants and advertising credits to up to 30,000 eligible small businesses.
- Facebook and Google were expected to earn 61% of all digital ad revenue in the U.S. this year, according to estimates from eMarketer before the crisis.
- Many news outlets have argued that the tech platforms should pay licensing fees.
- Google has been in early talks with publishers to pay for the use of their content, people familiar with the matter have said.

Facebook's Fact Checkers Fight Surge in Fake Coronavirus Claims

https://www.wsj.com/articles/facebooks-fact-checkers-fight-surge-in-fake-coronavirus-claims-11585580400?st=u6xqbfqe97ca293&reflink=desktopwebshare_permalink

Updated March 30, 2020 at 2:04 pm ET

- These are among the viral social-media memes debunked by Lead Stories, a fact-checking site co-founded by Los Angeles entrepreneur Alan Duke.
- The former CNN producer's company, Lead Stories, helps Facebook Inc. and other social-media platforms limit the spread of virus-related misinformation by flagging it as false.
- The claims that Lead Stories debunks are then labeled as false on Facebook, which limits their spread and links to Lead Stories' reviews.
- Since its first coronavirus fact check in mid-January, Lead Stories has fact checked more than 200 viral coronavirus claims.
- Lead Stories has traditionally battled political publishers and for-profit hoaxers in places ranging from the U.S. to Macedonia and Pakistan.
- And where Lead Stories has become used to complaints from the publishers of stories it rated as false, it now hears from regular users upset that it has debunked a meme they shared. "
- PHOTO: JULIA DUKE As is common with Facebook's more than 60 global fact-checking partners, Lead Stories was launched with independent funding but has sustained itself in part with Facebook money.
- The tech giant started the fact-checking program in late 2016 after criticism of how it handled misinformation during the 2016 presidential race.
- But human fact checkers remain central to Facebook's defenses, and even before the coronavirus pandemic the company was ramping up its investments.
- Mr. Duke declined to say by how much money Facebook is paying Lead Stories, but said it was a multiple of the \$359,000 it earned under its 2019 contract.
- The funding let Lead Stories increase hiring.
- It now has 10 full-time employees and six part-time fact checkers, mostly former CNN employees.
- In January, video-sharing app TikTok said it would begin reviewing user reports of misinformation with a U.S.-based moderation staff, and that it was working with third-party groups.
- He spent five months working for the National Enquirer's parent company before quitting to co-found Lead Stories.
- The work can be rough, Mr. Duke said, with one employee quitting after learning about the frequency that Lead Stories' reporters and editors have received threats from people they fact check.
- The company reviews a tiny fraction of the billions of social-media posts produced each day.
- Lead Stories' traffic is up nearly 10-fold, Mr. Duke said, with about 8,000 users reading its reviews at any given time—a number that reflects how Facebook slows the spread of posts that it labels as inaccurate.

★● Facebook's Road to Redemption Runs Straight Down Main Street

https://www.wsj.com/articles/facebooks-road-to-redemption-runs-straight-down-main-street-11586114470?st=no8vaze4l15mo4&reflink=desktopwebshare_permalink

Updated April 5, 2020 at 4:24 pm ET

- The company sees small business as an area where Facebook can prove itself to us again.
- One-third of small businesses in America don't have a formal web presence at all, according to Ms. Sandberg, but many of those businesses have long had a Facebook page.
- Of the 140 million small businesses using Facebook globally, 90% use only free services.
- But ads Facebook's Sheryl Sandberg.
- The social network plans a \$100 million rescue fund for small businesses.
- Mr. Dudas, also a full-time firefighter, closed the store in March but kept two full-time employees on the payroll.
- Many comic-book sellers use eBay for online sales, but Mr. Dudas's approach is mostly centered on real-life transactions and in-person experiences.
- Carol & John's has long used Facebook to promote products and events.
- Last week it hosted a Facebook Live gathering to sell discounted comic books as a way to raise much-needed cash.
- Mr. Dudas told a story with each comic, selling 90% of available books and pulling in \$3,000. "
- Ms. Sandberg called me primarily to discuss a \$100 million rescue fund Facebook will be doling out to small
- The company has created a new fundraising tool for small businesses, which operates much like a GoFundMe campaign, and made EBAY -2.12% Appeared in the April 6, 2020, print edition.
- a way for companies to sell digital gift cards.
- Its new "Business Resource Hub" is far more used than Facebook's traditional business home page.
- The \$100 million grant pales in comparison to a government stimulus plan, but dwarfs some of the relief efforts set up by other tech companies and many cities.
- Facebook will spend \$40 million of that in the U.S., focused on small businesses located near 34 cities where it has operations. "
- I asked her why the company doesn't just offer lower advertising rates for small businesses, and she said such an offer wouldn't most effectively meet a business owner's needs. "
- They need money," she said, adding that reduced ad rates would certainly be less expensive for the company.
- More than a half-million business owners have sent inquiries since Facebook announced the program last month.
- Applications will be accepted starting this week.

★ Facebook Ad Rates Fall as Coronavirus Undermines Spending

https://www.wsj.com/articles/facebook-ad-rates-fall-as-coronavirus-undermines-spending-11586530801?st=a8l9sh2d6l7m9i1&reflink=desktopwebshare_permalink

April 10, 2020 at 11:00 am ET

- Facebook Inc.'s ad business is feeling the impact of the new coronavirus.
- Facebook is trying to keep what spending it can, partly by chasing ad budgets that were once intended for televised sports, according to senior ad agency executives familiar with the matter.
- Prices in Facebook's ad auctions nonetheless plunged between February and March, according to executives at several companies that do business on the platform.
- The cost to put an ad in front of Facebook users 1,000 times in March dropped 15% to 20% from February, according to a recent analysis by one advertising holding company's buying group.
- March ad spending on Facebook and Instagram through 4C was down 5% from March 2019, Mr. Goldman said.
- Facebook isn't alone: The cost of 1,000 impressions fell 22% on Facebook sibling Instagram from February to March, Mr. Goldman said.
- YouTube, part of Alphabet Inc.'s Google, also saw a 15% to 20% drop in prices from February to March, according to the ad-holding buying group.
- Marketers might need the money later in the year if the economy improves and ad prices leap, he said.

- Money in play Facebook was accelerating its efforts to attract advertisers' TV budgets this year well before the pandemic forced sports leagues to suspend play and delayed the Olympics until 2021, depriving marketers of anticipated big, live audiences.
- But in March, Facebook proposed to ad buyers that its video ad offerings could be a suitable landing spot for ad dollars being reallocated from sports sponsorships and media, according to senior ad agency executives and an email reviewed by The Wall Street Journal. "
- However, some advertisers are now electing to save the money they are no longer spending on sports programming. "
- Conversion rates, measuring whether people actually buy items or take other steps after they click an ad, declined 7% for Wpromote's e-commerce clients in March compared with February, according to the agency. "
- People were still searching for things, but they weren't purchasing," said Kevin Simonson, vice president of social for Wpromote.
- The drop in conversion rates also propelled one direct-to-consumer brand to reduce its monthly Facebook ad spending by 30% in March, said the brand's founder.
- Most recently, however, both ad performance and prices seem to be ticking back up.
- Conversion rates rose 10% in the week of March 30 compared with the previous week, according to Wpromote.
- In the long run, large ad ecosystems such as those owned by tech giants including Facebook, Google and Amazon.com Inc. will fare better than some rivals in the pandemic and its aftermath, said 4C's Mr. Goldman.

★● Coronavirus Misinformation Spreads on Facebook, Watchdog Says

https://www.wsj.com/articles/coronavirus-misinformation-spreads-on-facebook-watchdog-says-11587436159?st=0g5bsw5aya3m5ta&reflink=desktopwebshare_permalink

April 20, 2020 at 10:29 pm ET

- Posts on Facebook are promoting bogus Covid-19 cures and conspiracy theories about the origins of the coronavirus, despite efforts by the social-media giant to crack down on misinformation, a watchdog group says.
- Sites with millions of Facebook followers have touted high doses of vitamin C and silver particles as able to cure the virus, according to NewsGuard, which tracks and rates news sites it says traffic in dubious information.
- Other Facebook pages have spread the unproven theory that 5G wireless technology spreads the virus, NewsGuard said.
- "If a piece of content contains harmful misinformation that could lead to imminent physical harm, then we'll take it down," Mr. Zuckerberg wrote. "
- NewsGuard, which was founded in 2018 by Court TV founder Steven Brill and former Wall Street Journal publisher L. Gordon Crovitz, employs a team of reporters to investigate and flag sites that frequently publish fake news.
- It has been critical of Facebook's approach to policing content, saying the social-media company only flags fraudulent posts after they have already appeared and possibly been shared widely.
- For its latest report, the group looked for what it calls superspreader coronavirus misinformation pages, ones that had more than 100,000 followers, had posted information that NewsGuard deemed false and had posts that remained up on Facebook with no warning as of Friday.
- The coronavirus, which causes the disease called Covid-19, quickly became a popular topic for Google searches, news reports and other posts online after it surfaced in China.
- A network of Facebook pages connected to Realarmacy.com, which promotes homeopathic remedies and is critical of pharmaceutical companies, has posted unproven claims that high doses of vitamin C or colloidal silver are coronavirus treatments, NewsGuard said.
- Colloidal silver has long been falsely promoted as a cure-all for a variety of ailments.

- Many of the pages NewsGuard cited had previously focused on promoting other unsupported theories, like that 5G technology causes cancer.
- The theory that 5G helped spread the coronavirus has been debunked.

★ Facebook Puts Limits on Protest Organizers

https://www.wsj.com/articles/facebook-curbs-organizing-of-lockdown-protests-11587419628?st=sf4ytvyxaneu2b0&reflink=desktopwebshare_permalink

April 20, 2020 at 5:53 pm ET

- Facebook Inc. is banning posts and groups promoting anti-lockdown protests that don't comply with government health directives, as organizers of those events seek to recruit new members on social media.
- Dozens of protests have taken place in recent days, with participants complaining of shelter-in-place restrictions and pushing for state governments to allow more freedom to return to normal activities as the coronavirus pandemic plays out.
- Facebook groups, some with tens of thousands of members and some using near-identical language in their descriptions, have popped up in states like Michigan, Minnesota and Pennsylvania.
- Facebook removed content related to anti-lockdown protests planned in California, New Jersey and Nebraska. "
- Some of the content also attempts to erode trust in public-health authorities, who say social distancing rules have slowed the spread of the virus and reduced the number of deaths attributable to it.
- The move again injects Facebook into an increasingly polarized national debate.
- While some governors have asked protesters to stay home, President Donald Trump expressed his support for their actions in tweets over the weekend The president's son on Monday criticized Facebook's move. "
- Donald Trump Jr. posted to Twitter. "
- The protest in Lansing last week was organized by the Michigan Conservative Coalition.
- Mr. McNeilly said nobody in the DeVos family, including Education Secretary Betsy DeVos, backed the protest.
- In the aftermath of the Michigan protests, similar "Operation Gridlock" events have been organized in other cities.
- Ben Dorr, a pro-gun activist who is the executive director of the group Minnesota Gun Rights, launched a Facebook group last week called "Minnesotans Against Excessive Quarantine," later renamed "Reopen Minnesota."
- He then created a similar group in Wisconsin, and his brothers, also pro-gun activists, established groups in other states.
- People's livelihoods are being annihilated," Mr. Dorr said in an interview.
- Mr. Dorr is organizing a protest in Madison, Wis., later this week.
- Nearly six in 10 people surveyed in a new Wall Street Journal/NBC News poll said they were concerned that the country would move too fast to loosen restrictions aimed at slowing the outbreak, compared with about three in 10 who said the greater worry was the economic impact of waiting too long.

Facebook Adds India's Richest Man as a Friend

https://www.wsj.com/articles/facebook-adds-indias-richest-man-as-a-friend-11587553253?st=yxm5040pyvzrtw&reflink=desktopwebshare_permalink

April 22, 2020 at 7:00 am ET

- The social-media giant will pay \$5.7 billion for just under 10% of Jio Platforms, which owns India's largest telecom operator, Reliance Jio Infocomm.
- The deal is Facebook's largest external investment after its \$22 billion acquisition of WhatsApp in 2014.
- With more than 388 million subscribers, Jio is part of Reliance Industries , the retail-to-energy conglomerate controlled by India's richest man, Mukesh Ambani.
- Morgan Stanley estimated that the transaction could cut the company's net debt by 12%.
- Partnering with Reliance could help Facebook navigate India's formidable regulatory landscape better.

- Facebook and Jio said they could work together on areas such as e-commerce and payments.

★● Facebook Bets \$5.7 Billion That Mobile Giant Holds Key to India

https://www.wsj.com/articles/facebook-bets-5-7-billion-that-mobile-giant-holds-key-to-india-11587566637?st=wcey16sjmyqa5na&reflink=desktopwebshare_permalink

April 22, 2020 at 10:43 am ET

- Facebook Inc.'s \$5.7 billion tie-up with an Indian mobile leader could create a new kind of animal in the world's biggest untapped digital market: a social media behemoth wedded to a mobile infrastructure titan—both coveting e-commerce.
- Now the two companies are expected to square off against some formidable online shopping rivals: Amazon.com Inc. and Walmart Inc., which have each invested billions in the South Asian market.
- Facebook's deal, announced Tuesday, is its largest foreign investment, forging a partnership through a 9.99% stake in Indian telecommunications operator Jio Platforms Ltd. Facebook shares were up 5% Wednesday.
- It also brings Reliance closer to Facebook's WhatsApp, a ubiquitous platform for Indian consumers just getting online.
- New Delhi has also been increasingly hostile to foreign tech firms, tweaking rules in ways that benefit local players.
- Mr. Ambani in a video message released Wednesday said the deal reflected the "combined power" of Jio's network and Facebook's "intimate relationship with the Indian people."
- Amazon is investing \$5 billion to expand its India operations, and Walmart in 2018 acquired India's biggest homegrown e-commerce firm, Flipkart, for \$16 billion.
- While the Reliance group is one of India's largest retailers—largely through a network of local and international brands it has bought—it has yet to prove itself in e-commerce.
- Forrester Research Inc. projects Indian e-commerce sales to more than double to \$68.4 billion by 2022, from \$26.9 billion in 2018.
- Roughly half of India's 1.3 billion have yet to get online, but they are expected to start transacting online when they do.

Facebook's \$5 Billion Privacy Settlement Wins Court Approval

https://www.wsj.com/articles/facebook-5-billion-privacy-settlement-wins-court-approval-11587752759?st=etcv55eb4vvxgjm&reflink=desktopwebshare_permalink

April 24, 2020 at 2:25 pm ET

- A judge approved Facebook Inc.'s \$5 billion settlement with the Federal Trade Commission over privacy violations, the agency announced Friday—overruling objections that the deal didn't adequately punish the company.
- Judge Timothy Kelly of the U.S. District Court for the District of Columbia greenlighted the deal reached last summer, which included the \$5 billion fine, restrictions on some aspects of Facebook's business decisions, and ongoing oversight of the social media giant.
- FTC and Facebook had urged the court to approve the deal, while privacy advocates argued it brushed aside some of Facebook's illegal actions and pressed the court to reconsider it.
- FTC Chairman Joseph Simons said the agency was pleased with the decision. "

★● Facebook Launches Its Answer to Zoom

https://www.wsj.com/articles/facebook-launches-its-answer-to-zoom-11587752287?st=0uk8wzuvgeff7gx&reflink=desktopwebshare_permalink

Updated April 24, 2020 at 4:39 pm ET

- Facebook Inc. is rolling out a new video-chat feature to rival Zoom, part of a suite of new offerings aimed at users kept home by the coronavirus.
- The company said Friday that it is launching Messenger Rooms, an invitation-based group video chat that can accommodate up to 50 people, along with additional video options for gamers and singles looking to chat with matches on Facebook Dating.
- The company also announced an expansion of its Messenger Kids app, which includes parental restrictions, to new countries.
- Mr. Zuckerberg said last month that Facebook's platforms have seen a surge in use because of the coronavirus, with video messaging doubling since the onset of the pandemic.
- In the hardest-hit areas, such as Italy, video calling rose by more than 1,000%.
- The company now says that more than 700 million people use one of its voice- or video-calling options each day.
- The Rooms product is one of several features announced by the company Friday with the goal of allowing users to transition quickly to live video when using other Facebook products.
- Facebook stressed the privacy-friendly features of the Rooms product, which allows a chat's organizer to lock it and easily remove people on the call.

Facebook Isn't Zoom's Biggest Problem

https://www.wsj.com/articles/facebook-isnt-zooms-biggest-problem-11588025776?st=1zz94oquxtpi909&reflink=desktopwebshare_permalink

April 27, 2020 at 6:16 pm ET

- Facebook's co-founder personally announced his company's expanded efforts in videoconferencing on Friday.
- This includes a new service called Rooms that would let Facebook users run video gatherings for up to 50 people, seemingly targeting the very market that has made Zoom a household name during the coronavirus pandemic.
- The news was enough to send Zoom shares down 6% on Friday, though they recovered some of that ground on Monday.
- Wall Street expects the company's billings to grow 47% in the current fiscal year, topping \$1 billion for the first time.
- Facebook isn't the only scaled-up tech giant with its eyes on Zoom.
- Zoom, meanwhile, is still scrambling to improve its image following numerous reports about security and privacy vulnerabilities to its service.

Mark Zuckerberg Asserts Control of Facebook, Pushing Aside Dissenters

https://www.wsj.com/articles/mark-zuckerberg-asserts-control-of-facebook-pushing-aside-dissenters-11588106984?mod=Searchresults_pos6&page=1

April 28, 2020 at 4:49 pm ET

- In December, Facebook Inc.'s top brass gathered at Mark Zuckerberg's more than 700-acre beachfront estate in Kauai, Hawaii, for an unusual board meeting to discuss how to redirect the company after years of turmoil.
- Within months, Facebook announced the departure of two directors, and added a longtime friend of Mr. Zuckerberg's to the board.
- The moves were the culmination of the chief executive's campaign over the past two years to consolidate decision-making at the company he co-founded 16 years ago.
- It is far from certain that Mr. Zuckerberg's repositioning of Facebook, and his role at the top, will lead to a lasting turnaround in its reputation following more than three years of controversy over the spread of misinformation, loose oversight of user data and the company's competitive practices.

- Mr. Zuckerberg had long relied on Sheryl Sandberg, his chief operating officer and de facto deputy, to handle policy and operational issues, and on Chris Cox product officer and a longtime friend, to oversee many of the biggest changes to the platform.
- It also gave Mr. Zuckerberg new power over Instagram and WhatsApp, units he had promised to leave independent.
- Shortly after the announcement, Mr. Cox, viewed as a potential successor to Mr. Zuckerberg, unexpectedly stepped down after 13 years.
- Last April, Facebook disclosed that two longtime independent directors would leave the board: Netflix Inc. CEO Reed Hastings and Erskine Bowles, a former investment banker and a Clinton administration official.
- My goal for the next decade isn't to be liked but to be understood."
- Changes on the board were part of Mark Zuckerberg's campaign to consolidate decision-making at Mr. Zuckerberg needed more board support.
- He had been sparring with one of his longest-serving directors, venture capital luminary Marc Andreessen, people familiar with the matter said.
- As Facebook worked toward complying with the FTC settlement, the two were "at each other's throats," one of the people said.
- Mr. Zuckerberg and other top leaders saw an opportunity for Facebook to play an important role, people familiar with the matter said.
- The company spokesman disputed that Mr. Zuckerberg had encouraged deputies to think of Facebook's response as a public-relations opportunity. "
- Over an early March weekend, a group of 20 senior managers worked on a coronavirus information hub—such as tips on social distancing—with Mr. Zuckerberg weighing in from his compound in Palo Alto, Calif. It was rolled out within days.
- During March, Facebook added Robert M. Kimmitt, a businessman and former deputy Treasury secretary, as its new lead independent director.
- Also joining the board Nancy Killefer, a former McKinsey & Co. executive, and Tracey Travis, the chief financial officer of Estée Lauder Cos.
- The board now has 11 members, pending a shareholder vote scheduled for May.
- Of the nine Facebook directors at the start of 2019, only four will remain: Mr. Zuckerberg, Ms. Sandberg, Mr. Andreessen and venture capitalist Peter Thiel.
- Facebook announced \$100 million in aid to small businesses, which account for much of its ad sales, and another \$100 million in aid for the news industry.
- Last week, Facebook made its biggest overseas investment, buying a nearly \$6 billion stake in a telecom operator in India, where Mr. Zuckerberg had long tried to expand Facebook.

Facebook's Usage Is Hot; Future Ad Business Maybe Not

https://www.wsj.com/articles/facebook-usage-is-hot-future-ad-business-maybe-not-11588199121?st=pvh6vidf5bfefs1&reflink=desktopwebshare_permalink

Updated April 29, 2020 at 6:27 pm ET

- The social media giant said Wednesday that first-quarter ad revenue grew 17% year over year to \$17.4 billion.
- Daily active users grew to 1.73 billion—Facebook's largest sequential increase since the first quarter of 2017, as the pandemic has relegated consumers' social lives to online pursuits.
- Facebook noted that ad revenue in the first three weeks of April looked flat versus year-ago levels, showing stabilization after sharp declines in March.
- Morgan Stanley's Brian Nowak estimates small businesses comprise 30% to 40% of Facebook's overall advertising base.
- He forecasts their ad spending will fall 50% from a year earlier in the second quarter.
- Facebook last month offered \$100 million in cash grants and ad credits to small businesses, signaling their importance to its own livelihood.

Facebook Shares Soar as Ad Sales Stabilize

https://www.wsj.com/articles/facebook-rides-surge-in-usage-to-strong-growth-11588192751?st=kpdmqkj1lkb82i1&reflink=desktopwebshare_permalink

Updated April 29, 2020 at 6:47 pm ET

- Advertisers, in turn, are returning to the platform after a steep drop in ad sales in March, the company said.
- Facebook's announcement that ad sales stabilized in April was a surprise, helping drive a 10% gain in the company's shares in after-hours trading.
- Still, the reduced demand in the first quarter contributed to a significant decline in the cost of ads on the platform.
- Chief Executive Mark Zuckerberg said on a call with analysts that the company would remain in growth mode.
- Mr. Zuckerberg said the company's ability to spend on its coronavirus efforts was a justification of its famously high margins. "
- Facebook brought in \$17.7 billion in revenue in the first quarter, typically its lightest, up from \$15.1 billion a year ago and beating analyst projections of \$17.3 billion, according to FactSet.
- The company reported earnings of \$4.9 billion, or \$1.71 per share, coming in just under the \$1.74 per share that analysts expected.
- The company reported 1.73 billion daily active users of its core Facebook platform, up 11% year-over-year, exceeding analysts expectations of 1.70 billion.
- The crisis will likely lead to Facebook reducing operational spending overall by at least \$2 billion, Mr. Wehner said, as the company cuts back on business-related hiring, travel and events due to the virus.
- Facebook warned that the savings likely wouldn't be enough to prevent a decline in the company's operating margin, which stood at 33% for the first quarter. "

FBI Director Wray Previously Represented Facebook in Encryption Fight Before Turning Critic

https://www.wsj.com/articles/fbi-director-wray-previously-represented-facebook-in-encryption-fight-before-turning-critic-11588269684?st=i2r1fkwj45inhjy&reflink=desktopwebshare_permalink

Updated April 30, 2020 at 2:43 pm ET

- FBI Director Christopher Wray, who has been pushing tech companies to give law-enforcement authorities access to encrypted messages, once advocated the opposite view when representing Facebook Inc.'s WhatsApp in a legal case involving the messaging service's use of such technology, according to a new court filing.
- Mr. Wray was involved in the legal matter, which remains under seal, before he took the top job at the Federal Bureau of Investigation while he was employed as a partner at King & Spalding LLC, Facebook said in a court filing.
- King & Spalding's involvement in the case dates back to December 2015, the filing states.
- The work for WhatsApp, which hadn't been previously disclosed, placed Mr. Wray on the other side of a high-profile clash between law enforcement agencies and Silicon Valley over government access to encrypted communications.
- Facebook and Apple both offer end-to-end encryption.
- This month the increasingly popular videoconferencing service provider Zoom Video Communications Inc. said it hired outside security experts to develop its own end-to-end encryption system.
- After working as a senior Justice Department official during the George W. Bush administration, Mr. Wray spent a decade at King & Spalding representing high-profile clients including Johnson & Johnson, Wells Fargo & Co. and former New Jersey Gov. Chris Christie, according to ethics disclosure forms released in 2017 as part of his Senate confirmation process for the FBI role.

- Only a handful of such requests have been publicly disclosed which, Ms. Granick said, is problematic because it means that legal requests to undermine end-to-end encryption are being done without the public's knowledge.
- Facebook has been pushing back against such requests. "
- Facebook's filing was unsealed Wednesday in a civil dispute the social-media giant has brought against Israeli cybersecurity firm NSO Group.
- Facebook has sued the company for allegedly violating U.S. hacking law by targeting WhatsApp users and installing spyware on their mobile phones.
- NSO Group disputes the allegations.