

## ★● Political Groups Elude Facebook's Election Controls, Repost False Ads

[https://www.wsj.com/articles/political-groups-elude-facebooks-election-controls-repost-false-ads-11604268856?st=rweg0vmellig99a&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/political-groups-elude-facebooks-election-controls-repost-false-ads-11604268856?st=rweg0vmellig99a&reflink=desktopwebshare_permalink)

Updated Nov. 1, 2020 at 6:42 pm ET

- Political groups are getting around Facebook Inc.'s system for blocking false political advertising by reposting ads found to violate its policies, exposing a loophole in the company's efforts to contend with misinformation.
- Three political groups backing President Trump's re-election have adopted the tactic, repeatedly uploading with little or no alteration ads that Facebook had pulled down after its fact checkers judged them to be inaccurate, according to researchers on misinformation and a public archive Facebook maintains of ads run on its platform.
- Some of those reposted ads have been shown millions of times in swing states during the waning days of the U.S. presidential campaign, a period when Facebook has said it is taking extra care to stamp out misleading political ads.
- The ads were targeted heavily at swing states, including Wisconsin and Michigan, according to Facebook's ad archive.
- Facebook over the weekend pulled down some of the reposted versions of the ads that the Journal asked about.
- PolitiFact says it explains its decisions in its published fact checks.
- The Democratic National Committee, which flagged some examples of the ad reposting to Facebook and the Journal, has complained to Facebook for more than a year about its failure to consistently enforce its fact checkers' decisions, Nellwyn Thomas, the DNC's chief technology officer, said in a written statement.
- Facebook's political-ad policies have drawn criticism from both parties.
- Political advertisers, including from the Biden and Trump campaigns, said they have encountered ad glitches blocking approved ads that Facebook has since indicated it mostly solved.
- The reposted ads that Facebook fact checkers judged false have sometimes had wide reach.
- America First Action ran an ad saying that Mr. Biden plans to ban fracking, an oil and natural-gas drilling
- Mr. Biden has said he doesn't intend to ban fracking, other than halting new drilling permits on federally owned land.
- After Facebook removed the ad, America First Action uploaded the same claim repeatedly, often with the exact same wording.
- According to data compiled by Ms. Edelson of NYU, the ads have been shown more than 2.4 million times to Facebook users in Pennsylvania since they were first removed for misinformation.

## ★● Facebook Imposes Limits on Election Content, Bans 'Stop the Steal' Group

[https://www.wsj.com/articles/facebook-takes-down-group-organizing-protests-of-vote-counting-11604603908?st=u8pqybdmxvtognz&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-takes-down-group-organizing-protests-of-vote-counting-11604603908?st=u8pqybdmxvtognz&reflink=desktopwebshare_permalink)

Updated Nov. 5, 2020 at 10:26 pm ET

- The company announced temporary measures to limit the spread of false and possibly dangerous content late on Thursday, hours after it took down a fast-growing group called "Stop the Steal" that was organizing protests of vote counts around the country.
- Facebook will restrict the spread of live video on its platforms and reduce the likelihood that users will see content that its algorithms classify as potential misinformation.
- The steps are similar to emergency measures that the company has put in place in what it calls "at-risk countries" such as Myanmar, Ethiopia and Sri Lanka.
- Facebook's moves were seized on by many Republicans as further evidence that the company censors conservative speech.

- The "Stop the Steal" group, which grew to more than 361,000 members within 24 hours, was devoted to protesting the administration of the election, which the organizers allege has been marred by widespread ballot fraud.
- Facebook's decision to remove the group was "in line with the exceptional measures that we are taking during this period of heightened tension," a spokesman said. "
- It is absolutely beyond the pale that Facebook would selectively choose to shut down our group," said Kylie Jane Kremer, head of Women for America First, adding that Facebook is "selectively enforcing their new rules to silence conservatives."
- In addition to Ms. Kremer and others, two top organizers of the "Stop the Steal" group, Dustin Stockton and Jennifer Lawrence, are listed on Facebook as executives of a conservative media site called America First Projects.
- interfering in elections.
- Shutting down "Stop the Steal" was heavily discussed inside Facebook before its action Thursday, according to people familiar with the discussions.
- One person familiar with the internal debates said they were elevated to "the highest levels of the company."
- The "Stop the Steal" group was used at least in part to organize protests against the handling of vote counting in various parts of the country.
- One demonstration, called "Stop The Steal, Harrisburg, PA" occurred shortly before the group was removed.

## ★● Facebook Ads Could Be Reaching Saturation Point

[https://www.wsj.com/articles/facebook-ads-could-be-reaching-saturation-point-11606132807?st=2mcg3ebja9koaut&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-ads-could-be-reaching-saturation-point-11606132807?st=2mcg3ebja9koaut&reflink=desktopwebshare_permalink)

Nov. 23, 2020 at 7:00 am ET

- In addition to ads on its legacy Blue app, those on Instagram, which the company acquired for \$1 billion in 2012, accounted for roughly a quarter of Facebook's overall revenue in the 12 months ended Sept. 30, according to consensus estimates compiled by Visible Alpha.
- Ads on both platforms, which make up the vast majority of its revenue, now seem to be reaching a saturation point at just the wrong time.
- That experience is by design: According to an analysis of transcripts of multiple investor calls available on FactSet, Facebook has increased the number of ads served on its platforms by a quarterly average of nearly 30% year on year since the third quarter of 2015.
- But, especially since many of its users have fled its legacy app for the younger, "cooler" Instagram, oversaturation of that platform could risk flight of its users from Facebook platforms entirely.
- Indeed, on its third-quarter conference call, Facebook Vice President-Finance Susan Li noted that, post pandemic, lower user engagement should equate to more limited ad growth, making revenue growth in 2021 more reliant on ad pricing.
- With regulators threatening to break it up, Facebook isn't likely to be able to acquire anything meaningful for now.
- And adding ads to WhatsApp, a messaging service for which Facebook paid a whopping \$19 billion for 2014, would likely be a non-starter for many of its more than two billion users there for its encrypted privacy.
- Still, Facebook's attempts to generate revenue outside its ad business are unproven: Nearly 99% of overall revenue in the third quarter came from advertising.

## ★● Facebook's Latest Error Shakes Advertisers' Confidence

[https://www.wsj.com/articles/facebook-latest-error-shakes-advertisers-confidence-11606346927?st=vhb7ga2svb9bs1x&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-latest-error-shakes-advertisers-confidence-11606346927?st=vhb7ga2svb9bs1x&reflink=desktopwebshare_permalink)

Nov. 25, 2020 at 6:28 pm ET

- Facebook Inc. is offering millions of dollars in credits to some advertisers after discovering a glitch in a tool that tells advertisers how effective their ads may be in driving results, such as getting consumers to download an app or purchase a product.
- Facebook's "conversion lift" tool overestimated some campaign results for 12 months, the company quietly told its advertisers this month.
- The glitch skewed data that advertisers use to decide how much money to spend with the company.
- It isn't the first problem Facebook has discovered in its systems to measure advertisers' campaigns, and it is not likely to dent Facebook's ad revenue.
- "While making improvements to our measurement products, we found a technical issue that impacted some conversion lift tests," said a Facebook spokesperson in an email. "
- At one large buying agency, the size of ad credits will be around 0.5% of affected clients' annual budgets around the time of the glitch, according to a memo that the agency sent to clients that was obtained by The Wall Street Journal. "
- Facebook, which said it fixed the error in September, told advertisers about it this month, according to a memo that Facebook sent clients.
- The company is basing the amount of credits it is issuing to advertisers on an analysis that shows how much the error may have affected their actual investments during the period following the lift study.

## ★● Facebook to Buy Kustomer, Startup Valued at \$1 Billion

[https://www.wsj.com/articles/facebook-nears-purchase-of-startup-in-deal-that-values-it-at-1-billion-11606750196?st=cblnwfs5wpvh8u1&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-nears-purchase-of-startup-in-deal-that-values-it-at-1-billion-11606750196?st=cblnwfs5wpvh8u1&reflink=desktopwebshare_permalink)

Updated Nov. 30, 2020 at 12:53 pm ET

- Facebook Inc. said it would buy Kustomer, a startup that specializes in customer-service platforms and chatbots, part of an effort by the social-media giant to help companies use its platforms to do business.
- Though terms weren't disclosed, people familiar with the matter said it would value New York-based Kustomer at a little over \$1 billion.
- Closely held Kustomer, whose technology takes conversations from different channels and puts them on a single screen, was valued at \$710 million in a private funding round roughly a year ago, according to PitchBook.
- Increasingly, customers are communicating with companies by messaging instead of calling.
- Kustomer already has a relationship with Facebook.
- Kustomer was founded in 2015 by Brad Birnbaum and Jeremy Suriel, two entrepreneurs who sold a previous company to Salesforce.com Inc. Kustomer's investors include Coatue Management and Tiger Global Management.

## Facebook to Remove Covid-19 Vaccine Misinformation From Platforms

[https://www.wsj.com/articles/facebook-to-remove-covid-19-vaccine-misinformation-from-platforms-11607015562?st=g9mzz0z2ds7pqbq&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-remove-covid-19-vaccine-misinformation-from-platforms-11607015562?st=g9mzz0z2ds7pqbq&reflink=desktopwebshare_permalink)

Dec. 3, 2020 at 12:12 pm ET

- The social-networking giant said Thursday that over the coming weeks it would start removing false claims and conspiracy theories about Covid-19 vaccines that have been debunked by public health experts on Facebook and Instagram. "
- Facebook has come under fire in recent years by government agencies, politicians and others for its handling of the spread of misinformation.
- With additional Covid-19 vaccines expected to gain approval from regulators world-wide, the company is sharpening its focus on public health-related misinformation.
- More recently the company removed a post in October by President Trump that played down the deadliness of Covid-19.

- Facebook has said it added warning labels to about 167 million pieces of false Covid-19-related content on its flagship platform and Instagram between March and October, based on research by its independent fact-checking partners. —

## Trump Administration Claims Facebook Improperly Reserved Jobs for H-1B Workers

[https://www.wsj.com/articles/trump-administration-claims-facebook-improperly-reserved-jobs-for-h1-b-workers-11607023044?st=afpwb9f5mgtziyp&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/trump-administration-claims-facebook-improperly-reserved-jobs-for-h1-b-workers-11607023044?st=afpwb9f5mgtziyp&reflink=desktopwebshare_permalink)

Updated Dec. 3, 2020 at 6:42 pm ET

- The Trump administration has sued Facebook Inc., accusing the social-media company of illegally reserving high-paying jobs for immigrant workers it was sponsoring for permanent residence, rather than searching adequately for available U.S. workers who could fill the positions.
- The lawsuit reflects a continuing Trump administration push to crack down on alleged displacement of American workers.
- In a 17-page complaint filed Thursday, the Justice Department's civil-rights division said Facebook inadequately advertised at least 2,600 positions between 2018 and 2019 that were filled by foreign professionals on H-1B visas when the company was looking to sponsor them for permanent residency permits, known as green cards.
- The lawsuit also reflects long-running tensions between Silicon Valley and the Trump administration over the use of foreign workers in key technology roles.
- Justice Department officials said their investigation kicked off when Facebook filed an application with the Labor Department to hire a foreign worker as an art director, a role that requires a bachelor's degree and two years of experience.
- U.S. immigration laws set strict requirements for companies looking to apply for green cards on behalf of their employees.
- "Simply put, Facebook reserves these positions for temporary visa holders," the suit alleged.
- The Justice Department has investigated a number of companies as part of a broader initiative that began in 2017 to target those that disfavor U.S. workers.
- But most companies settle before the Justice Department can sue, making Thursday's action especially significant, legal analysts said.
- Officials described it as the largest case brought under the initiative and the first against a major technology company.
- Tech companies like Facebook rely on H-1B visas to plug gaps in their technical workforce, which they say is essential to building the software that powers products like the Facebook news feed.
- The U.S. unemployment rate for people in computer professions was 3% in October, according to an analysis of Bureau of Labor Statistics data by the National Foundation for American Policy.

## A Weak Visa Case Against Facebook

[https://www.wsj.com/articles/a-weak-visa-case-against-facebook-11607294582?st=0xew9h8ez3dzrs4&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/a-weak-visa-case-against-facebook-11607294582?st=0xew9h8ez3dzrs4&reflink=desktopwebshare_permalink)

Dec. 6, 2020 at 5:43 pm ET

- Last week the Trump Justice Department took its latest turn with a dubious civil-rights lawsuit against Facebook.
- Justice says Facebook's hiring and recruitment practices discriminate against American citizens in favor of foreign H-1B visa holders seeking green cards.
- U.S. immigration law allows employers to offer permanent positions to high-skilled H-1B visa holders after six years by sponsoring them for green cards.
- The DOJ complaint concedes that Facebook followed Labor's regulations.
- Facebook vigorously recruited
- U.S. workers for thousands of open positions.

- Facebook merely sought to retain foreigners who had been employed at the company for many years instead of taking a flyer on newcomers.
- Most U.S. employers prefer to hire Americans, but shortages in some fields—namely, science, technology, engineering and math—often force them to recruit abroad.
- The lawsuit continues the Trump Administration's campaign to discourage businesses from hiring workers on H-1Bs.
- The Biden Administration will inherit the Facebook case as well as DOJ's antitrust suit against Google.

## ★ How Facebook Spread Out With Deals for WhatsApp, Instagram and Others

[https://www.wsj.com/articles/how-facebook-spread-out-with-deals-for-whatsapp-instagram-and-others-11607548228?st=j6huo4bcv8i9f09&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/how-facebook-spread-out-with-deals-for-whatsapp-instagram-and-others-11607548228?st=j6huo4bcv8i9f09&reflink=desktopwebshare_permalink)

Updated Dec. 9, 2020 at 4:46 pm ET

- Facebook Inc., for the first time, is facing antitrust lawsuits in its home market.
- On Wednesday, the Federal Trade Commission and a group of attorneys general accused the Menlo Park, Calif., company of abusing its market position to squelch competition.
- The lawsuits scrutinize Facebook's acquisition strategy and its motivations to buy companies such as WhatsApp and Instagram.
- Here's a look at some of Facebook's key deals.
- Instagram Deal rationale: In April 2012, Facebook announced that it would buy Instagram for about \$1 billion in cash and stock. (
- What Facebook has done with it: Onavo data was used to help Facebook determine whether to buy WhatsApp in 2014, Mr. Zuckerberg said during a congressional hearing this year.
- Oculus co-founder Palmer Luckey left Facebook in 2017 after a series of gaffes strained his relationship with Facebook executives and virtual-reality developers.
- This year, Mr. Zuckerberg said Facebook was "laying the foundation for [augmented reality] glasses, which will be the Holy Grail of delivering a sense of presence."
- WhatsApp Deal rationale: Facebook snapped up WhatsApp, then a 55-employee company, in 2014 in a cash-and-stock deal initially worth about \$19 billion.
- The deal, ultimately worth about \$22 billion, helped cement Facebook's dominance in messaging.
- The service is now used by more than two billion people.
- Executives, including operating chief Sheryl Sandberg, pushed to include ads in WhatsApp, prompting the founders to leave Facebook.
- CTRL-Labs Deal rationale: Facebook acquired CTRL-Labs last year for an estimated \$500 million.
- Kustomer Deal rationale: Facebook in November said it would buy Kustomer, a New York-based startup that specializes in customer-service platforms and chatbots.

## ★ Facebook Antitrust Lawsuits: What Do the Cases Mean for the Social-Media Giant?

[https://www.wsj.com/articles/facebook-antitrust-lawsuits-what-do-the-cases-mean-for-the-social-media-giant-11607551755?st=qporj4q05m8o7g4&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-antitrust-lawsuits-what-do-the-cases-mean-for-the-social-media-giant-11607551755?st=qporj4q05m8o7g4&reflink=desktopwebshare_permalink)

Updated Dec. 9, 2020 at 6:36 pm ET

- The Federal Trade Commission and a group of 48 attorneys general have filed antitrust lawsuits against Facebook Inc. The Wall Street Journal previously reported that a focus of antitrust probes were the company's past acquisitions of potential competitors, such as photo-sharing service Instagram.
- Here's a look at why Facebook's past deal activity is under scrutiny: What does the Federal Trade Commission's lawsuit allege?
- The FTC alleges Facebook, founded in 2004, maintained a monopoly in the U.S. by acquiring companies that presented competitive threats. "

- After identifying two significant competitive threats to its dominant position— Instagram and WhatsApp—Facebook moved to squelch those threats by buying the companies, reflecting Chief Executive Mark Zuckerberg's view, expressed in a 2008 email, that 'it is better to buy than compete,'" the lawsuit said.
- The agency also accused the Menlo Park, Calif.-based company of anticompetitive conduct in how third-party apps access information from Facebook.
- The attorneys general have made generally the same argument as the FTC, accusing Facebook of unlawfully maintaining a monopoly in personal social networking through anticompetitive conduct spanning nearly a decade. "
- This marks the first government antitrust action against the social-media titan in the U.S., but the company has been under investigation for a long time.
- Last year, Facebook disclosed it was under investigation by the Federal Trade Commission but offered few details.
- Executives from several of Facebook's current and former rivals, including Snap Inc., as well as developers and founders who sold their companies to Facebook spoke to the FTC as part of its investigation, the Journal reported.
- What Facebook acquisitions are in focus as part of the FTC's probe?
- Both lawsuits included examination of whether Facebook stifled competition through acquisitions such as Instagram in 2012 and WhatsApp in 2014.
- Beyond the FTC, authorities in the U.S. and abroad have been probing Facebook since at least 2019.
- A few high-profile former Facebook executives and investors have publicly said they think the company should be broken up, including Chris Hughes, Facebook co-founder and Mr. Zuckerberg's former college roommate.
- In May 2019, Mr. Hughes wrote a lengthy op-ed in the New York Times, arguing that Facebook was too large and powerful and should be broken up.
- What has Facebook said about the breakup scrutiny?
- Facebook has pointed out that the FTC examined and approved its acquisitions of Instagram and WhatsApp.
- The company claims that forcing it to unwind those deals now, after years of investment, would have a chilling effect on the business community.
- Facebook, in a post on Twitter, said it was reviewing the complaints and would have more to say soon.
- Facebook previously rejected the idea it should be broken up.
- In a 14-page document prepared by company lawyers in October, Facebook said that splitting up its collection of platforms would defy established law, cost billions of dollars and harm consumers.

## Zuckerberg's Deal Making for Facebook Is Central to Antitrust Cases

[https://www.wsj.com/articles/zuckerbergs-deal-making-for-facebook-is-central-to-antitrust-cases-11607596201?st=jcl13mbx3lhdhry&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/zuckerbergs-deal-making-for-facebook-is-central-to-antitrust-cases-11607596201?st=jcl13mbx3lhdhry&reflink=desktopwebshare_permalink)

Dec. 10, 2020 at 5:30 am ET

- The Federal Trade Commission's lawsuit against Facebook Inc. puts the regulatory spotlight on the deal-making history of Chief Executive Officer Mark Zuckerberg, who has personally engineered the tech giant's biggest acquisitions.
- The FTC and a group of 46 states in separate antitrust lawsuits on Wednesday alleged that Facebook engaged in a yearslong campaign to acquire or stymie nascent technology companies that it feared could become rivals.
- The FTC said it was seeking court relief that could include forcing Facebook to sell two of its biggest acquisitions: messaging service WhatsApp and photo-sharing app Instagram, which competition authorities previously chose not to challenge.
- The claims put the CEO's competitive behavior front and center.



- Since co-founding the social network in his dorm as a Harvard sophomore, Mr. Zuckerberg has closely managed its approach to rivals, including the deals for Instagram, WhatsApp and virtual-reality company Oculus VR, which have helped make Facebook into a giant with a market value of around \$800 billion.
- Facebook said that the complaints amounted to "revisionist history" and that the company's success was based on investment, innovation and value to users and customers.
- Sheryl Sandberg, Facebook's chief operating officer, knew of the discussions but wasn't directly involved, the Journal reported at the time.
- Facebook's independent board members learned of the deal on April 8, when Mr. Zuckerberg sent an email declaring a deal to acquire Instagram for about \$1 billion was nearly complete.
- The states' lawsuit references evidence that emerged in the House investigation that Mr. Systrom agreed to negotiate in part because he feared Mr. Zuckerberg would "go into destroy mode" if he refused, wielding Facebook's clout to hurt Instagram.
- It's the CEO's job to be worried about competition," a person familiar with Facebook's thinking said Wednesday regarding Mr. Zuckerberg's role in deal making.
- Mr. Zuckerberg, in a post to Facebook employees Wednesday, disputed the government's characterization of the company's competitive practices, and vowed to fight in court. "
- Facebook's 2014 acquisition of Oculus was born of Mark Zuckerberg's fascination with virtual reality.
- Those companies are trying to build social networks and replace us," Mr. Zuckerberg wrote in a January 2013 email in support of blocking a group of Chinese and Korean messaging apps from advertising on Facebook, which was made public by the House Antitrust Subcommittee.
- Antitrust specialists say that even if the government can show Mr. Zuckerberg's intentions in doing deals were anticompetitive, that wouldn't on its own be enough to win a case against Facebook.

## The U.S. vs. Facebook: Why Is the FTC Filing an Antitrust Lawsuit Now?

[https://www.wsj.com/articles/the-u-s-vs-facebook-why-is-the-ftc-filing-an-antitrust-lawsuit-now-11607607238?st=I026jn2eqyi9mwi&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/the-u-s-vs-facebook-why-is-the-ftc-filing-an-antitrust-lawsuit-now-11607607238?st=I026jn2eqyi9mwi&reflink=desktopwebshare_permalink)

Dec. 10, 2020 at 8:33 am ET

- When Facebook Inc. acquired Instagram in 2012 and WhatsApp in 2014, U.S. antitrust enforcers reviewed the deals but made no attempt to block them.
- The question drives at the heart of lawsuits filed Wednesday by the Federal Trade Commission and 48 states and territories.
- The lawsuits accuse Facebook of acquiring the Instagram photo-sharing app and WhatsApp messaging service as part of an illegal strategy to monopolize social networking and foreclose competition.
- The lawsuits also come as Washington policy makers cool to Big Tech.
- Now the agency has announced that no sale will ever be final, no matter the resulting harm to consumers or the chilling effect on innovation," said Jennifer Newstead, Facebook's vice president and general counsel, in a blog post Wednesday.
- The company is taking steps to address broader concerns about Big Tech, she said, "but none of these issues are antitrust concerns, and the FTC's case would do nothing to address them."
- As a legal matter, the FTC says it is empowered to reconsider the deals.
- Instagram co-founder Kevin Systrom at one point questioned a decision at Facebook to limit the promotion of Instagram, according to the FTC suit.
- In its lawsuit Wednesday, the FTC mostly cited documents dated before the deals closed, including messages in which Facebook executives described fears that the fast-growing Instagram and WhatsApp could displace Facebook if they decided to expand beyond their main services. "
- It is better to buy than compete," Mr. Zuckerberg wrote in a 2008 email, according to the FTC lawsuit.

## Facebook's Profile Will Change, Win or Lose

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Dec. 10, 2020 at 12:54 pm ET

- On Wednesday, the Federal Trade Commission and 46 states sued the social-media company over anticompetitive practices, seeking to force the world's largest social network to unwind its acquisitions of Instagram and WhatsApp.
- Shares of Facebook were down less than 2%, on pace with a selloff affecting big tech peers on Wednesday, with an even more muted drop on Thursday.
- increasing by a quarterly average of almost 30% year on year for at least the last five years.
- Filling its acquired Instagram with them has contributed to that growth, first on the main feed and more recently in the app's Stories feature.
- Facebook already walks a fine line between engaging its users and annoying them.
- That certainly seems to be the plan for WhatsApp, for which Facebook paid an eye-popping \$19 billion in 2014, even though the nature of its encrypted communication seems directly at odds with advertising.
- Suddenly, Facebook's plans for WhatsApp seem all the more critical.
- Even if lawsuits against the company do little to change its current structure, it seems abundantly clear that growth through acquisition is no longer an option.

## ★● Break Up Facebook? It's Complicated, Tech Experts Say

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Dec. 10, 2020 at 5:48 pm ET

- Breaking up Facebook Inc. would be difficult and expensive, but not impossible, according to current and former employees along with tech-industry experts.
- In separate antitrust lawsuits filed on Wednesday, the Federal Trade Commission and a group of 46 state attorneys general said they would try to make Facebook divest itself of apps Instagram and WhatsApp if the company's conduct is found to be illegal.
- Should that push succeed, it would rank among the biggest breakups in corporate history alongside Standard Oil and AT&T .
- Yet a breakup would also be complex, requiring potentially years of engineering work on top of legal wrangling.
- Months before the FTC suit, Facebook called divestment of the apps "a complete nonstarter" in a briefing document, saying that disentangling them would result in diminished products, weaker security for user data and billions of dollars in redundant spending.
- In a memo sent to employees on Wednesday, Facebook Chief Executive Mark Zuckerberg said the lawsuits would take years to play out, and said he believed the company would prevail in court. "
- On the back end, employees regularly hop between the two platforms, which share data centers, some engineering tools and overlapping content-moderation systems. "
- The dependencies between the two apps run extremely deep on the back end."
- Alex Stamos, Facebook's former security chief, said breaking off Instagram could take years. "
- A WhatsApp separation would be easier on the front end, but arguably harder on the back, says a former Facebook engineer and others with knowledge of the company.
- But WhatsApp's encryption—which generally makes communications unreadable to others except for the sender and receiver—and other features have long prevented it from being as integrated into Facebook as Instagram has been.
- Plans to introduce advertising on WhatsApp were shelved last year because of resistance from WhatsApp executives and the hurdles to deploying Facebook's extensive data-mining on a largely encrypted platform.
- Integrating WhatsApp features, such as voice calls, with Facebook's own calling technology in its Messenger app, hasn't happened.
- The government's 1998 antitrust suit against Microsoft Corp. could be a possible precedent if Facebook loses the case, according to the person familiar with Facebook's thinking.



- Legal experts said forcibly separating Facebook, Instagram and WhatsApp isn't the only potential outcome if the antitrust cases succeed, although the lawsuits appear to have been framed with that as a possibility, they said. "

## Facebook Case Presents Test for Antitrust Enforcement, Federal Courts

[https://www.wsj.com/articles/facebook-case-presents-test-for-antitrust-enforcement-federal-courts-11607642669?st=5p2oxixuksjgctp&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-case-presents-test-for-antitrust-enforcement-federal-courts-11607642669?st=5p2oxixuksjgctp&reflink=desktopwebshare_permalink)

Updated Dec. 10, 2020 at 6:41 pm ET

- The sweeping government antitrust lawsuits against Facebook Inc. laid down a new bipartisan marker for enforcement after years of hesitancy, but they will be tested by a federal court system that has proved skeptical of broad antitrust intervention.
- The lawsuits, filed Wednesday by the Federal Trade Commission and 46 states, allege the social-media giant illegally preserved a social-networking monopoly through a years-long campaign of freezing out potential rivals and buying nascent competitors such as Instagram and WhatsApp.
- Facebook vowed a vigorous court battle, saying its acquisitions made those apps better.
- It accused the government of attempting to rewrite history.
- The cases come amid a national debate about whether a handful of tech companies have become too dominant— and whether antitrust enforcers should have done more to police powerful firms and concentrated industries.
- Criticism of the FTC and Justice Department, which share antitrust authority, has come from Democrats and Republicans alike.
- Weeks before the Facebook suit, the Justice Department and 11 states brought an antitrust case against Google.
- The FTC previously chose not to challenge the Instagram and WhatsApp deals, a fact Facebook emphasized after the lawsuits were announced.
- The commission in turn says it is challenging not just the acquisitions but also a broader pattern of conduct at Facebook that it believes to be anticompetitive.
- Notre Dame law professor Stephen Yelderman, a former Justice Department antitrust attorney, said the case "is unquestionably one of the most important antitrust enforcement actions of a generation." "

## ★ Breaking Up Facebook

[https://www.wsj.com/articles/breaking-up-facebook-11607644442?st=zj2zikqdhfi0psu&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/breaking-up-facebook-11607644442?st=zj2zikqdhfi0psu&reflink=desktopwebshare_permalink)

Dec. 10, 2020 at 6:54 pm ET

- But the purpose of U.S. antitrust law isn't to remedy social or political problems.
- That's essentially what the FTC on a 3-2 vote and the AGs are seeking with their lawsuits that asks courts to force Facebook to divest its Instagram (2012) and WhatsApp (2014) acquisitions.
- According to the FTC complaint, Mr. Zuckerberg sought to buy Instagram and WhatsApp to neutralize competition.
- Note also that Instagram and WhatsApp were complementary apps to Facebook, not direct competitors.
- While Facebook kept Instagram free, it monetized the platform by adding ads.
- The FTC says Facebook now has a digital monopoly in display ads, but this defines the market too narrowly.
- The FTC suit also says Facebook blocked app developers that use its platform from cooperating with competitors.
- But Facebook isn't obligated by law to give developers free access to its platform, or provide its user data to help competitors.
- Facebook's real offense seems to be that it is simply too big.
- This unprecedented after-the-fact antitrust review would set a new standard that could be used to break up any unpopular company.

# Facebook Lawsuits Take Aim at Data-Sharing Tool Key to Digital Economy

[https://www.wsj.com/articles/facebook-lawsuits-take-aim-at-data-sharing-tool-key-to-digital-economy-11607646680?st=9hk6t4tvwsh1lkd&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-lawsuits-take-aim-at-data-sharing-tool-key-to-digital-economy-11607646680?st=9hk6t4tvwsh1lkd&reflink=desktopwebshare_permalink)

Dec. 10, 2020 at 7:31 pm ET

- Dueling antitrust lawsuits against Facebook Inc. highlighted the social-media giant's acquisitions of photo-sharing platform Instagram and messaging service WhatsApp.
- The suits filed Wednesday by the Federal Trade Commission and 46 state attorneys general argue Facebook leveraged its trove of user information both to entice third-party developers onto the platform and to bend them toward its will.
- The lawsuits come as the coronavirus pandemic has accelerated companies' use of data analytics to better understand their customers and transform their businesses.
- Many tech platforms use APIs, giving third-party developers access New York Attorney General Letitia James on Wednesday joined 45 other state attorneys general and the Federal Trade Commission in suing Facebook Inc., alleging that it illegally stifled competition.
- FTC officials allege Facebook encouraged developers to make games, e-marketing tools and other apps by hooking into the platform through various APIs.
- Mr. Atkinson pointed to the financial sector, where big banks and fintech startups have similarly sparred over API access and data security.
- Facebook previously cited user privacy in limiting developers' access to user data.
- The antitrust actions, which could take years to play out in court, may also have downstream effects on deal making amid an economic shake-up, analysts say.
- Tech consolidation has accelerated over the past six months, as larger, well-capitalized companies bought competitors, taking advantage of low interest rates and the economic uncertainty sparked by the pandemic, according to a report Thursday by PricewaterhouseCoopers LLP.
- Federal regulators previously approved Facebook's deals for Instagram and WhatsApp. "

## In India, Facebook Fears Crackdown on Hate Groups Could Backfire on Its Staff

[https://www.wsj.com/articles/in-india-facebook-fears-crackdown-on-hate-groups-could-backfire-on-its-staff-11607871600?st=bv65fad57ha2uhu&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/in-india-facebook-fears-crackdown-on-hate-groups-could-backfire-on-its-staff-11607871600?st=bv65fad57ha2uhu&reflink=desktopwebshare_permalink)

Updated Dec. 13, 2020 at 10:48 am ET

- Members of a Hindu nationalist organization known as Bajrang Dal claimed responsibility in a video describing the incursion that has been viewed almost 250,000 times on Facebook.
- The social-media company's safety team earlier this year concluded that Bajrang Dal supported violence against minorities across India and likely qualified as a "dangerous organization" that should be banned from the platform, according to people familiar with the matter.
- Facebook Inc. balked at removing the group following warnings in a report from its security team that cracking down on Bajrang Dal might endanger both the company's business prospects and its staff in India, the people said.
- Mr. Stone said the security team's warning that banning Bajrang Dal could endanger both Facebook's interests and employees was "a subject for discussion as part of the standard process."
- Adherents of Bajrang Dal, which has been deemed a militant religious organization by the U.S. Central Intelligence Agency, have been convicted of hate crimes and religiously motivated killings, and some Facebook communities devoted to it celebrate images of people beaten or killed for their alleged offenses against Hinduism.
- Facebook's security team also issued warnings about risks from banishing two other right-wing Hindu nationalist groups active on the platform: Sanatan Sanstha and Sri Ram Sena, according to people familiar with the matter.

- A group of Facebook's employees said in an internal letter and posts on Facebook discussion groups that the presence of Bajrang Dal on its platform, among other organizations, casts doubt on the company's commitment to tackle hate speech in India.
- Bajrang Dal has more than 2,000 offices across India, and some of its members have undertaken violence against Christians, Muslims and secularists.
- The group is a militant youth wing of a group affiliated with the Hindu nationalist Rashtriya Swayamsevak Sangh organization, for which Prime Minister Narendra Modi worked for decades before his landslide election victory in 2014.
- At Facebook, the review of the group had been listed as "blocked" for most of the year in its internal project management system, a label that usually meant that work had stopped, people familiar with the matter said.

## ★ Facebook Wades Into 'Fortnite' Maker's Dispute With Apple

[https://www.wsj.com/articles/facebook-looks-for-allies-in-privacy-battle-with-apple-11608138311?st=yca4ag6zatfsuel&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-looks-for-allies-in-privacy-battle-with-apple-11608138311?st=yca4ag6zatfsuel&reflink=desktopwebshare_permalink)

Updated Dec. 16, 2020 at 6:49 pm ET

- Facebook has been feuding with Apple for months on issues ranging from prices for paid apps to privacy-rule changes.
- As part of a pledge to assist challenges to what it called Apple's anticompetitive behavior, Facebook plans to provide supporting materials and documents to Epic Games Inc. The "Fortnite" parent sued Apple this year, claiming the tech giant's App Store operates like a monopoly.
- We're standing up to Apple for small businesses everywhere," the ads begin. "
- The Federal Trade Commission and 46 states sued the company this month, accusing it of buying upstart rivals to choke off competition.
- The FTC's case aims to force Facebook to unwind acquisitions of WhatsApp and Instagram, two of its landmark deals.
- By aiding Epic, Facebook is wading further into a battle over Apple's App Store commission that is being waged by several other companies, including Spotify Technology SA and Tinder owner Match Group Inc. Epic filed suit against Apple and Alphabet Inc.'s Google in August after the companies pulled "Fortnite" from their app stores because the developer added an unauthorized payment system to the survival game that skirted a 30% fee they both collect on in-app purchases.

## ★ Unilever Says It Will Resume Advertising on Facebook in U.S.

[https://www.wsj.com/articles/unilever-says-it-will-resume-advertising-on-facebook-in-u-s-11608245092?st=g301k326r4dr9yf&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/unilever-says-it-will-resume-advertising-on-facebook-in-u-s-11608245092?st=g301k326r4dr9yf&reflink=desktopwebshare_permalink)

Dec. 17, 2020 at 5:44 pm ET

- Unilever PLC said it would resume advertising on Facebook Inc. in the U.S. after withdrawing over the summer amid calls for brands to protest the company's handling of hate speech and misinformation on its platforms.
- Civil-rights groups including the Anti-Defamation League and the NAACP asked marketers to pull ad spending from Facebook for July in a campaign they dubbed "Stop Hate for Profit," saying the social-media giant hadn't made enough progress battling hate speech and misinformation on its platforms.
- Coca-Cola Co., which halted all social-media advertising in July but did not formally join the "Stop Hate for Profit" campaign, returned to Facebook and Instagram on Oct. 15, according to a company spokeswoman.
- Facebook said it is developing controls to help advertisers manage what type of content their ads appear next to and is testing potential solutions internally. "

- Those that did boycott didn't appear to make much of a dent in Facebook's ad business during the second
- It cited the boycott among the factors contributing to its performance in the third quarter, along with economic uncertainty related to the coronavirus pandemic.
- Facebook's third-quarter revenue grew 22% year-over-year to \$21.2 billion.
- Jonathan A. Greenblatt, chief executive of the Anti-Defamation League, said Unilever and other large and small advertisers who pulled ads from Facebook helped push the social-media giant to begin to address the problem of hate speech on its platforms. "

## Slow Down the Campaign Against Facebook

[https://www.wsj.com/articles/slow-down-the-campaign-against-facebook-11608305628?st=woo6dl60fz7gzv1&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/slow-down-the-campaign-against-facebook-11608305628?st=woo6dl60fz7gzv1&reflink=desktopwebshare_permalink)

Dec. 18, 2020 at 10:33 am ET

- Congress decided to go after the RCA, a global company that was dominant in the consumer electronics business.
- As part of a 1958 consent decree, suddenly anybody could license RCA patents at no cost.
- Gary Sandstedt St. Louis The lawsuit against Facebook by the Federal Trade Commission and 48 states is another in a long list of flimsy suits or threats here and abroad against cash-rich tech companies.
- The last thing America should do is follow in the footsteps of the U.K. or European Union, whose barriers to innovation have resulted in a dearth of successful technology businesses.
- Spotify today is the only leading global internet firm to have emerged from the continent.
- Instead, America has focused on protecting consumers and encouraging competition.
- When a company reserves jobs for temporary visa holders, it discriminates against U.S. workers, and the Immigration and Nationality Act makes such discrimination illegal.
- Finally, your assertion that there is no incentive to hire temporary workers because of the cost to petition for a green card ignores that a company gets a worker who effectively is beholden to it, as well as the well-documented effects on prevailing wages.

## ★● Google, Facebook Agreed to Team Up Against Possible Antitrust Action, Draft Lawsuit Says

[https://www.wsj.com/articles/google-facebook-agreed-to-team-up-against-possible-antitrust-action-draft-lawsuit-says-11608612219?st=rn04feenoud4e4m&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/google-facebook-agreed-to-team-up-against-possible-antitrust-action-draft-lawsuit-says-11608612219?st=rn04feenoud4e4m&reflink=desktopwebshare_permalink)

Updated Dec. 22, 2020 at 12:25 am ET

- Facebook Inc. and Alphabet Inc.'s Google agreed to "cooperate and assist one another" if they ever faced an investigation into their pact to work together in online advertising, according to an unredacted version of a lawsuit filed by 10 states against Google last week.
- Ten Republican attorneys general, led by Texas, are alleging that the two companies cut a deal in September 2018 in which Facebook agreed not to compete with Google's online advertising tools in return for special treatment when it used them.
- Google used language from "Star Wars" as a code name for the deal, according to the lawsuit, which redacted the actual name.
- The lawsuit itself said Google and Facebook were aware that their agreement could trigger antitrust investigations and discussed how to deal with them, in a passage that is followed by significant redactions.
- The final version of the lawsuit didn't make public details about the deal's value.
- The draft states that starting in the deal's fourth year, Facebook is locked into spending a minimum of \$500 million annually in Google-run ad auctions. "
- Facebook is to win a fixed percent of those auctions," the draft version says.
- According to the draft version, an internal Facebook document described the deal as "relatively cheap" when compared with direct competition, while a Google presentation said if the company couldn't "avoid competing with" Facebook, it would collaborate to "build a moat."

- As the two sides neared agreement, according to the draft, Facebook's negotiating team sent an email to Mr. Zuckerberg, saying the company faced options: "invest hundreds more engineers" and spend billions of dollars to lock up inventory, exit the business, or do the deal with Google.
- The Facebook allegations add a new wrinkle—that Google cut a deal with a competing middleman, one that the states describe as Google's "largest potential competitive threat."
- states' other accusations—namely that Google is maintaining an illegal monopoly.
- In addition to the suit filed in Texas, Google was hit last week in a separate antitrust lawsuit joined by 38 attorneys general, which alleged that it maintained monopoly power over the internet-search market through anticompetitive contracts and conduct.

## ★● Inside the Google-Facebook Ad Deal at the Heart of a Price-Fixing Lawsuit

[https://www.wsj.com/articles/inside-the-google-facebook-ad-deal-at-the-heart-of-a-price-fixing-lawsuit-11609254758?st=y20a515rixru3f9&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/inside-the-google-facebook-ad-deal-at-the-heart-of-a-price-fixing-lawsuit-11609254758?st=y20a515rixru3f9&reflink=desktopwebshare_permalink)

Updated Dec. 29, 2020 at 1:59 pm ET

- State attorneys general said in a lawsuit earlier this month that a 2018 business agreement between two digital advertising giants, Facebook Inc. and Alphabet Inc.'s Google, was an illegal price-fixing deal.
- Ten Republican attorneys general, led by Texas' Ken Paxton, say Google gave Facebook special terms and access to its ad server, a ubiquitous tool for allocating advertising space across the web.
- The Justice Department sued Google in October for allegedly using anticompetitive tactics to preserve its search monopoly and could add further allegations.
- Header bidding allowed the publishers to directly solicit bids from multiple ad exchanges at once, leading to more favorable prices for publishers.
- By 2016, about 70% of major publishers used the tool, according to the states' lawsuit.
- Google worried a big rival might embrace header bidding, such as the Facebook Audience Network ad service, or FAN, cracking Google's profitable monopoly over ad tools, the states allege.
- The Facebook service said it paid publishers \$1.5 billion in 2018, the last time it provided such details on its financial payouts. "
- Wall Street Journal publisher News Corp, an outspoken Google critic, was among the companies contacted by antitrust investigators, along with New York Times Co., Gannett Co., Nexstar Media Group Inc., Condé Nast and others, people familiar with the matter said.
- Google also told Facebook which ad opportunities were likely produced by bots rather than by consumers, and it didn't charge Facebook for those impressions, according to the draft suit.
- Other auction participants asked Google for the same information but were denied it, the final lawsuit says, redacting the information in question.
- The Jedi Blue contract also appears to address the concerns of Facebook and rivals that Google both runs ad auctions and participates in them.
- The contract states Google won't use data about Facebook's bidding history, known as bid response data, to influence pricing, "reverse engineer" Facebook's strategies, or "adjust or otherwise influence in real-time the bid response of another bidder (including Google)," according to the draft lawsuit.

## Twitter, Facebook Lock Trump Out of His Accounts

[https://www.wsj.com/articles/facebook-and-twitter-take-steps-to-remove-calls-for-violence-as-protesters-storm-u-s-capitol-11609971394?st=alufv4ul03tol1r&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-and-twitter-take-steps-to-remove-calls-for-violence-as-protesters-storm-u-s-capitol-11609971394?st=alufv4ul03tol1r&reflink=desktopwebshare_permalink)

Updated Jan. 6, 2021 at 9:56 pm ET

- Facebook Inc. and Twitter Inc. removed posts from President Trump and temporarily locked his accounts, as the social-media platforms worked to tamp down content that could further fuel riots in the U.S. capital.
- The companies on Wednesday also limited other posts that they deemed to be inciting violence or undermining the electoral process, in what amounted to the industry's strongest actions to date to rein in controversial content on their platform.

- Twitter first said it limited the ability of users to share content, including a video about the riots from Mr. Trump due to a "risk of violence," adding that it was taking other measures to slow the spread of potentially dangerous content.
- Facebook and YouTube also took down Mr. Trump's video entirely on Wednesday afternoon, and Facebook removed a subsequent post from the president and said it was blocking him from posting for 24 hours on both its main platform and its Instagram unit because of policy violations. "
- Some social-media researchers and activists on Wednesday called on the platforms to suspend Mr. Trump's accounts for longer or permanently. "
- U.S. election officials have characterized the November election as the most secure in U.S. history.
- Still, the false statements from Mr. Trump and some of his supporters unleashed weeks of viral claims about attempted election theft and posts that encouraged violence.
- President Donald Trump, seen here at a Republican National Committee Victory Rally in Georgia earlier this week, is now banned from posting on his Facebook account through at least the end of his term.
- "The violent protests in the Capitol today are a disgrace," a spokesperson for Facebook said in a statement. '
- A lot of this stuff has been tolerated for years and years—and it's not going to stop today.' —
- Claire Wardle, co-founder and U.S. director of First Draft News Twitter on Wednesday reminded users in a series of messages that calls to violence are against its rules, and said it has been significantly restricting the engagement of tweets that threaten the integrity of U.S. institutions.
- In the video Mr. Trump posted on social media, he described the rioters as very special, called the election stolen and fraudulent and said he understands how the protesters feel.

## Facebook Suspends Trump Indefinitely Amid Pressure on Social Media to Clamp Down

[https://www.wsj.com/articles/president-trump-to-regain-ability-to-tweet-from-his-personal-twitter-account-11610032898?st=1wm3xl5pkmfkz11&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/president-trump-to-regain-ability-to-tweet-from-his-personal-twitter-account-11610032898?st=1wm3xl5pkmfkz11&reflink=desktopwebshare_permalink)

Updated Jan. 7, 2021 at 8:37 pm ET

- Facebook Chief Executive Mark Zuckerberg said in a post that the ban on Mr. Trump would last at least two weeks—through the inauguration of President-elect Joe Biden—adding that the risks of his using the service during this period "are simply too great."
- The ban, which applies to Facebook's flagship blue app and Instagram, was initially due to last 24 hours when the company on Wednesday said it removed a video from Mr. Trump that reiterated unsubstantiated claims the election was stolen and expressed support for the protesters. "
- Twitter Inc. reinstated Mr. Trump's access to his personal account, which has more than 88 million followers, after he deleted three tweets that the company said represented "repeated and severe violations" of its civic integrity policy.
- A YouTube spokesman said Thursday that any channel posting new videos that spread misinformation about widespread voter fraud would be penalized, a move that temporarily restricts content from being uploaded or live-streamed.
- Several videos that Mr. Trump posted Wednesday to his channel deemed to violate company rules were removed, a spokesman said.
- YouTube is a unit of Google, which is owned by Alphabet Inc. Snapchat parent Snap Inc. and Amazon.com Inc.'s Twitch also placed limits on Mr. Trump's accounts.
- A Snap spokeswoman said the president's account was locked indefinitely because the company "will not amplify voices who incite racial violence and injustice."
- Social-media companies have been facing increased pressure from some lawmakers and users to take a tougher stance on Mr. Trump, calling for longer account suspensions or a permanent ban.
- "It was clear from all the QAnon slogans and paraphernalia these were people who had been radicalized by Facebook," he said.
- The efforts from large platform operators to fact-check or slow the spread of Mr. Trump's posts started before the November election.



- A range of business leaders and trade groups denounced his posts Wednesday and urged for a peaceful transition of power.
- Online stores run by the Trump Organization and Trump campaign were taken offline Thursday by Shopify Inc., an e-commerce software provider.

## ★● Facebook Turned on Trump After Warnings That 'Business as Usual Isn't Working'

[https://www.wsj.com/articles/facebook-turned-on-trump-after-warnings-that-business-as-usual-isnt-working-11610578907?st=6ezjbcsr1zucej&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-turned-on-trump-after-warnings-that-business-as-usual-isnt-working-11610578907?st=6ezjbcsr1zucej&reflink=desktopwebshare_permalink)

Jan. 13, 2021 at 6:01 pm ET

- User reports of violent content jumped more than 10-fold from the morning, according to documents viewed by The Wall Street Journal.
- A tracker for user reports of false news surged to nearly 40,000 reports an hour, about four times recent daily peaks.
- By midafternoon Wednesday, Mr. Zuckerberg and other senior executives had taken their first steps: Two of Mr. Trump's posts came down and Facebook privately classified the U.S. as a "temporary high-risk location" for political violence, expanding on a regional designation for the Washington area that was already in place, according to documents viewed by the Journal.
- Next, Facebook announced it was banning the president for 24 hours.
- Before the open of business Thursday, Mr. Zuckerberg said Facebook would extend its ban of Mr. Trump through at least the inauguration.
- Later that morning it deleted one of the most active pro-Trump political groups on Facebook, the #WalkAway Campaign, which was cited repeatedly for breaking Facebook's rules last year but never taken down, according to a person familiar with the situation.
- At a Reuters conference on Monday, Facebook Chief Operating Officer Sheryl Sandberg said the company has no plans to lift its Trump ban.
- While niche platforms have surged in popularity among many of the groups associated with the riot, distortions about the election that fed the violence have also been prevalent on mainstream platforms, say analysts including Jared Holt, a visiting research fellow at the Atlantic Council's Digital Forensic Research Lab who has tracked extremists' activities related to the election and transition of power.
- Facebook long tried to draw a line—with mixed success—between merely provocative content and posts that are likely to lead to real-world harm.
- The social media-fueled genocide in Myanmar, which Facebook in 2018 said it could have done more to prevent, is perhaps the most stark example of the latter.
- Current and former employees said the company's senior executives appear to be responding to the shifting political winds. "
- The threat of continued violence and civil unrest was at the core of this decision."
- Though the company subsequently applied labels to some of Mr. Trump's posts, neither measure has fully recovered.
- Originally designed for countries where Facebook has been used to carry out genocide or incite political bloodshed, many of the techniques deployed this week were first imposed in the U.S. shortly after the Nov. 3 election—then gradually lifted as questions of the vote's outcome were put to rest.

## ★● Facebook and Amazon Boosted Lobbying Spending in 2020

[https://www.wsj.com/articles/facebook-and-amazon-boosted-lobbying-spending-in-2020-11611500400?st=ox5mwyz6c8z23ef&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-and-amazon-boosted-lobbying-spending-in-2020-11611500400?st=ox5mwyz6c8z23ef&reflink=desktopwebshare_permalink)

Updated Jan. 24, 2021 at 5:24 pm ET

- Facebook Inc. and Amazon .com Inc. topped all other U.S. companies in federal lobbying expenditures last year, according to a Wall Street Journal analysis of the most recent disclosures.

- It was the second straight year they outspent all other companies, including stalwarts such as AT&T Inc. and Boeing Co. Facebook, facing federal and state antitrust lawsuits as well as a series of hearings summoning CEO Mark Zuckerberg to Washington, spent nearly \$20 million in 2020, up nearly 18% from the previous year.
- Apple Inc. disclosed \$6.7 million in lobbying spending for 2020, down from a record \$7.4 million in 2019.
- Apple and Google declined to comment on the lobbying spending.
- Google and Facebook face multiple antitrust lawsuits, and Amazon and Apple have been the subject of preliminary inquiries that could advance further under the Biden administration.
- Social media's role in the Jan. 6 Capitol riot gave new urgency to those plans—and led Facebook, Amazon and others to suspend political donations, curtailing a source of influence.
- A key part of the companies' playbook is funding groups that agree with the companies' agenda.
- In a separate disclosure of its political activity, Google said in December that it is a member or a substantial contributor to nearly 200 trade associations and political advocacy groups, including several that work on antitrust issues.
- Some of the groups have criticized Google.
- When a Colorado-led coalition of attorneys general filed an antitrust suit against Google in mid-December over its dominance in online search, the president of the Connected Commerce Council—one of the Google-funded groups—issued a statement blasting the action.
- It also brought on two former staffers from the Senate Judiciary Committee, which oversees antitrust and other tech-related issues.
- Amazon, the subject of a preliminary FTC inquiry, last year recruited an antitrust lawyer from the Justice Department and hired four former FTC officials, including three antitrust lawyers and an economist.
- Apple hired a Justice Department lawyer and a former FTC antitrust official who also advised FTC Commissioner Rebecca Slaughter, now the agency's acting chairwoman.
- Some of the companies also buy Washington-focused ads.
- This month, Big Tech offered the Biden administration help combating the coronavirus pandemic and highlighted long-shared policy priorities.
- A senior Amazon executive publicly wrote Mr. Biden a letter on Inauguration Day, offering IT and logistical help in rolling out a coronavirus vaccine.
- Google CEO Sundar Pichai tweeted praise of Mr. Biden's first-day executive actions on the pandemic, climate change and immigration.

## Facebook's Fear Factor Is Overblown

[https://www.wsj.com/articles/facebook-fear-factor-is-overblown-11611794608?st=2efkmit6puol32t&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-fear-factor-is-overblown-11611794608?st=2efkmit6puol32t&reflink=desktopwebshare_permalink)

Jan. 27, 2021 at 7:43 pm ET

- The social-media giant reported monster fourth-quarter results.
- Total revenue grew by 33% year-over-year— well above Wall Street's estimate—driven by advertising revenue growth of 31%.
- They will appear less flattering, however, in the second half of the year—a time when the company says it also could face pressure from ad targeting and regulatory headwinds.
- Analysts are expecting daily active users on the platform to continue to grow sequentially in the first quarter, alleviating some investors' concerns of attrition following the platform's January suspension of former President Donald Trump.
- Advertisers should continue to find superior value in Facebook's platform relative to competitors.
- Investors also have worried for months now about the revenue impact of Apple's impending iOS update, which will hamper advertisers' ability to track users' data in order to market themselves and monetize their ads on Facebook's platform.

# ★ Facebook's Zuckerberg Sees Battles Escalating With Apple on Privacy, Messaging

[https://www.wsj.com/articles/facebook-fb-4q-earnings-report-2020-11611717463?st=a4u3i7vtnah1vs8&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-fb-4q-earnings-report-2020-11611717463?st=a4u3i7vtnah1vs8&reflink=desktopwebshare_permalink)

Updated Jan. 27, 2021 at 8:56 pm ET

- Facebook Inc. posted record revenue and profit in the fourth quarter while warning of challenges including growing friction with Apple Inc., which Chief Executive Mark Zuckerberg said is increasingly one of his company's biggest competitors.
- Apple and Facebook have tussled in recent years on issues ranging from data collection to app-store fees, though the latest flashpoint is centered on the iPhone maker's plan to enable users to opt out of third-party apps from collecting certain data—a move Facebook has said could hamper its ad-targeting capabilities.
- Mr. Zuckerberg also said Apple and Facebook are likely to collide as competitors on other fronts in the years ahead, including in categories such as immersive computing as well as messaging.
- It posted revenue of \$28.07 billion, up from \$21.08 billion in the final quarter of 2019.
- Facebook's showing in digital advertising during the final months of 2020 could bode well for Google parent Alphabet Inc., Pinterest Inc., Snap Inc. and Twitter Inc., which all are due to release their quarterly financial reports next month.
- Facebook has been in a yearslong push to position its platforms as a must-use for large advertisers to reach its billions of users world-wide but also as a home for small businesses to engage with customers and for individual sellers to market their goods.
- Revenue from the category that includes Facebook Marketplace and the company's virtual-reality business more than doubled in the latest quarter from a year earlier to \$885 million. "
- Facebook recently referred the matter to an independent committee to determine whether Mr. Trump should be allowed back.
- Analysts have been looking for signs that Facebook is making progress in efforts to expand its business beyond advertising in areas such as e-commerce and virtual reality.
- On the earnings call, Mr. Zuckerberg said the company's short-form video feature Instagram Reels is gaining traction with users and that Oculus headsets were a popular holiday gift item.
- and Facebook Marketplace could be responsible for \$3 billion of additional revenue for the company this year, according to a recent note from Morgan Stanley .
- The note cited a survey that found about a third of Americans use Shopping and Reels monthly while more than half use Marketplace.

# ★ Facebook Undercuts Its Own Apple Argument

[https://www.wsj.com/articles/facebook-undercuts-its-own-apple-argument-11611855576?st=7baufp1d8ew8f30&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-undercuts-its-own-apple-argument-11611855576?st=7baufp1d8ew8f30&reflink=desktopwebshare_permalink)

Jan. 28, 2021 at 12:39 pm ET

- Facebook, currently the sixth most valuable company in the S&P 500, used its fourth-quarter earnings call late Wednesday to step up its case against Apple Inc., the benchmark index's most valued enterprise.
- Chief Executive Officer Mark Zuckerberg mentioned the iPhone maker more than half a dozen times in his opening presentation, describing Apple as "one of our biggest competitors," and one that has "every incentive to use their dominant platform position to interfere with how our apps and other apps work, which they regularly do to preference their own."
- For good measure, he also criticized the security of Apple's highly popular iMessage service.
- The source of his ire is a coming update to Apple's iOS operating system that will require users to opt-in to ad-tracking features used by Facebook and many other internet advertisers.
- the change means "many small businesses will no longer be able to reach their customers with targeted ads."
- And he accuses Apple of acting in its own competitive interests.

- And Facebook itself said Wednesday that it expects revenue growth to "remain stable or modestly accelerate sequentially" in the first two quarters of this year, despite the company's expectation that the changes from Apple will take effect late in the first quarter.
- And Facebook's share price actually rose Thursday morning, while Apple's fell more than 2% following its own blockbuster results Wednesday.

## ★● Facebook's Oversight Board Overturns Some Content Decisions in First Rulings

[https://www.wsj.com/articles/facebook-oversight-board-overturns-some-content-decisions-in-first-rulings-11611849906?st=1oeg3n8q632i9jo&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-oversight-board-overturns-some-content-decisions-in-first-rulings-11611849906?st=1oeg3n8q632i9jo&reflink=desktopwebshare_permalink)

Updated Jan. 28, 2021 at 2:25 pm ET

- Facebook Inc.'s independent content-oversight board issued its first five rulings Thursday, overturning four instances where it found the company unfairly infringed upon users' speech on the platform or misapplied vague rules on content that could cause imminent harm.
- Among the board's decisions were a determination that Facebook's algorithms were wrong to remove a post about breast cancer identification that featured a woman's nipple, and a finding that Facebook had been too strict in removing a French user's post praising hydroxychloroquine, a once widely discussed treatment for Covid-19 that medical authorities have generally found not to be effective.
- The group also said Facebook erred in taking down a post from a user in Myanmar with photos of a drowned Syrian Kurd child with text that said Muslims were too focused on insults of the Prophet Muhammad and appeared unconcerned about the treatment of Muslim Uighurs in China.
- Facebook, which owns Instagram, has recently been moving toward more expansive use of algorithmic content moderation.
- Ms. Thorning-Schmidt also said the board hopes to be able to consider matters in the future on how Facebook's algorithms promoted content to users.
- On the post referencing hydroxychloroquine, the board said Facebook's removal decision was incorrect because the content didn't encourage people to take the drug without a prescription and merely criticized government policy.
- It also called for Facebook to create new rules around health-related misinformation and increase transparency around such decisions.
- Facebook has 30 days to respond to recommendations made by the board on larger policy questions.

## ★● Facebook to Test News Feed Controls for Advertisers

[https://www.wsj.com/articles/facebook-to-test-news-feed-controls-for-advertisers-11611928801?st=w8h1w6ojm6jumpy0&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-to-test-news-feed-controls-for-advertisers-11611928801?st=w8h1w6ojm6jumpy0&reflink=desktopwebshare_permalink)

Jan. 29, 2021 at 9:00 am ET

- Facebook Inc. said it would soon begin building and testing new controls to let marketers keep their ads away from topics they want to avoid.
- In a blog post, Facebook said it plans to test a solution that will let an advertiser select a topic that it wants to steer clear of, which will determine where and how their ads show up on Facebook, including in the news feed.
- A children's toy company that wants to avoid content related to a new crime show, for example, could select the "crime and tragedy" category as a topic to exclude, the company said.
- Last July, more than 1,100 advertisers paused their advertising with Facebook following calls from civil-rights groups to boycott the platform over its handling of hate speech and misinformation.
- Since the boycott, some major advertisers have been privately pressuring Facebook to offer new tools on this front, according to people familiar with the matter.
- Advertisers already have brand-safety controls for ads on other parts of Facebook, such as ads that appear within videos on Facebook.
- But Facebook's biggest and most important ad placement is in its news feed, which helped the company grow to about \$84.17 billion in ad revenue in 2020. "

- Facebook said developing and testing the new brand-safety controls for the news feed will take much of the year.

## ★🟢 Apple's Privacy Change Will Hit Facebook's Core Ad Business. Here's How.

[https://www.wsj.com/articles/apples-privacy-change-will-hit-facebooks-core-ad-business-heres-how-11611938750?st=btt9k800bmnfjx4&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/apples-privacy-change-will-hit-facebooks-core-ad-business-heres-how-11611938750?st=btt9k800bmnfjx4&reflink=desktopwebshare_permalink)

Updated Jan. 29, 2021 at 11:49 am ET

- Facebook Inc. will suffer damage to its core business when Apple Inc. implements new privacy changes, advertising industry experts say, as it becomes harder for the social-media company to gather user data and prove that ads on its platform work.
- Facebook warned this week that Apple's new feature, which is expected to roll out this quarter, will pose risks for its business, but the company hasn't detailed how it is exposed.
- The core of Facebook's business, its flagship app and Instagram, would be under pressure, too.
- The Apple change will require mobile apps to seek users' permission before tracking their activity, restricting the flow of data Facebook gets from apps to help build profiles of its users.
- Apple has defended its policy, saying it is giving priority to user privacy.
- studied Facebook's business, said he expects the company to take a 7% revenue hit in the second quarter as marketers spend less and ad prices decline as a result of Apple's change.
- The fight is happening as Facebook and other tech giants are under antitrust scrutiny over their dominance.
- More than 85,000 iOS apps had installed Facebook code that relays data back to the company as of December, according to analytics firm MightySignal.
- Madan Bharadwaj, chief technology officer and co-founder of Measured, a marketing measurement company, estimates that Facebook will only be able to claim credit for about 50% of the sales it currently does, as a result of the change. "
- In August, when Facebook first warned of the coming Apple change, it pointed to Facebook Audience Network, a small part of its business that facilitates ad placements on websites and apps.
- Apple's move is part of a broader tightening of privacy rules in the digital advertising ecosystem, from government regulations in Europe and California to Google's announced plans to get rid of third-party "cookies," bits of code used to track users on desktop browsers.
- The silver lining for Facebook, Mr. Poulton said, is that its competitors will also be hurt by the Apple change, particularly those in the business of serving automated, or "programmatic," ads in real-time across the web.

## Facebook Hires Its First Chief Compliance Officer

[https://www.wsj.com/articles/facebook-hires-its-first-chief-compliance-officer-11611964622?st=16keqvgjogamxys&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/facebook-hires-its-first-chief-compliance-officer-11611964622?st=16keqvgjogamxys&reflink=desktopwebshare_permalink)

Jan. 29, 2021 at 6:57 pm ET

- Facebook Inc. has hired its first chief compliance officer, as the social media company faces increasing scrutiny from regulators.
- Henry Moniz, who has been the chief compliance officer and chief audit executive at media company ViacomCBS Inc., will join Facebook on Feb. 8 to lead the company's global compliance team, according to Facebook.
- He will be the first person to hold the compliance chief title at Facebook.
- Mr. Moniz will report to Facebook's general counsel, Jennifer Newstead.
- Facebook, meanwhile, is battling antitrust allegations.
- Mr. Moniz was previously the chief compliance officer and chief audit officer at Viacom before its merger with CBS.

# ● Facebook Knew Calls for Violence Plagued 'Groups,' Now Plans Overhaul

[https://www.wsj.com/articles/facebook-knew-calls-for-violence-plagued-groups-now-plans-overhaul-11612131374?mod=Searchresults\\_pos11&page=1](https://www.wsj.com/articles/facebook-knew-calls-for-violence-plagued-groups-now-plans-overhaul-11612131374?mod=Searchresults_pos11&page=1)

Jan. 31, 2021 at 5:16 pm ET

- 2019 redesigned its flagship product to center on what it called Groups, forums for like-minded users.
- Chief Executive Mark Zuckerberg called them the new "heart of the app."
- The effort began after Facebook's own research found that American Facebook Groups became a vector for the rabid partisanship and even calls for violence that inflamed the country after the election.
- The changes, which Facebook escalated after the Jan. 6 riot at the U.S. Capitol, involve overhauling the mechanics of a product that was meant to be central to its Facebook executives were aware for years that tools fueling Groups' rapid growth presented an obstacle to their effort to build healthy online communities, and the company struggled internally over how to contain them.
- The company's data scientists had warned Facebook executives in August that what they called blatant misinformation and calls to violence were filling the majority of the platform's top "civic" Groups, according to documents The Wall Street Journal reviewed.
- Those Groups are generally dedicated to politics and related issues and collectively reach hundreds of millions of users.
- In response, Facebook ahead of the election banned some of the most prominent problem Groups and took steps to reduce the growth of others, according to documents and people familiar with its decisions.
- After the Capitol riot, Facebook took down more of the Groups and imposed new rules as part of what it called an emergency response.
- Facebook has canceled plans to resume recommending civic or health Groups, said Guy Rosen, Facebook's Vice President of Integrity, a role that oversees the safety of users and discourse on the platform.
- Facebook will also disable certain tools that researchers argued had facilitated edgy Groups' rapid growth and require their administrators to devote more effort to reviewing member-created content, he said.
- Facebook, like some other tech giants, has caught criticism for banning certain content and people, including Mr. Trump.
- The concept became central to Facebook's branding, as it battled criticism over issues from data privacy to Cambridge Analytica's role in the 2016 election.
- Nina Jankowicz, a social media researcher at the Woodrow Wilson Center in Washington, D.C., said she became alarmed after hearing a Facebook representative advise a European prime minister's social-media director that Groups were now the best way to reach a large audience on the platform. "
- If Facebook didn't rethink its approach, she warned, Groups could undermine democracy.
- The August 2020 internal presentation showed U.S. Groups tied to mercenary and hyperpartisan entities using Facebook's tools to build large audiences.
- It deemed a Group called "Trump Train 2020, Red Wave" as having "possible Macedonian ties" and of hosting the most hate speech taken down by Facebook of any U.S. Group.
- The Group grew to more than a million members within two months of its creation last summer, according to data archived by the fact-checking website Snopes, before Facebook took it down in September.
- The comments in the Group included death threats against Black Lives Matter activists and members of Congress, researchers said, and Facebook had flagged it 174 times for misinformation within three months.
- Facebook's public-policy team balked at taking action against prominent conservative Groups, and managers elsewhere in the company questioned proponents of the proposed restrictions about the effects on growth, according to internal documents and the people familiar with the decisions.
- Even before Mozilla published its letter, Facebook had temporarily stopped making algorithmic recommendations to Groups dedicated to political or civic issues, a Facebook spokesman said.



- Facebook also halted showing previews of Group content to prospective new members, capped the daily number of invitations members could send each day, and began freezing comment threads when they repeatedly triggered automated filters for hate speech and violence, internal documents show.
- The new rules, which Facebook designed to be temporary and largely didn't announce publicly, couldn't contain the viral growth of some Groups after the election.
- Most notably, a Group called "Stop the Steal" that was organizing election protests around the country grew to 361,000 members in less than 24 hours without any promotion from Facebook's algorithms.
- After violence related to ballot counting failed to materialize in the following days, Facebook began to loosen some of the restrictions on Groups, according to internal documents.
- It reminded employees and reporters that the measures had always been temporary.
- On Jan. 6, after the rally organized by Amy and Kylie Kremer—the mother-daughter creators of the original "Stop the Steal" Group, which Facebook closed Nov. 5—a group of Trump supporters stormed the Capitol.
- Mr. Zuckerberg approved instituting the break-glass measures Facebook had recently lifted and added more restrictions on Groups, internal documents show.
- In a public blog post, he blamed President Trump for trying to use Facebook "to incite violent insurrection."
- Facebook required administrators to approve more posts in Groups with histories of violating its rules—a technique Facebook's integrity staff had recommended in August but that the company hadn't fully implemented.
- The company has dissolved 40 of the top 100 groups listed in the August presentation.