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## FEDERAL JUDGE APPROVES \$5 BILLION FACEBOOK SETTLEMENT ORDER

✧ *Mike Tomkies and Lindsay Valentine.*

On April 23, 2020, the U.S. District Court for the District of Columbia approved the July 2019 Federal Trade Commission's ("FTC") settlement order against Facebook. The July 2019 FTC complaint against Facebook alleges that Facebook repeatedly used deceptive disclosures and setting to undermine users' privacy preferences in violation of a 2012 order between the FTC and Facebook.

The 2012 order prohibited Facebook from making misrepresentations about the privacy or security of consumers' personal information and the extent to which it shares personal information, such as names and dates of birth, with third parties. It also required Facebook to maintain a reasonable privacy program that safeguards the privacy and confidentiality of user information. The July 2019 complaint alleges that Facebook violated the 2012 order by deceiving its users when the company shared the data of users' Facebook friends with third-party app developers, even when those friends has set more restrictive privacy settings.

The July 2019 order requires that Facebook (i) pay \$5 billion to the FTC, (ii) establish an independent privacy committee on its board of directors and (iii) designate compliance officers who will be responsible for Facebook's privacy program. The July 2019 order also strengthens external oversight of Facebook by enhancing the independent third-party assessor's ability to evaluate the effectiveness of Facebook's privacy program and identify gaps and by authorizing the FTC to use discovery tools provided by the Federal Rules of Civil Procedure to monitor Facebook's compliance with the order.

On April 24, 2020, the FTC's Chairman Joe Simons issued a statement regarding the Federal Court's approval of the Facebook settlement, stating that: "the historic \$5 billion settlement is 'by far' the largest monetary penalty ever obtained by the United States on behalf of the FTC and the second largest in any context. At the same time, the Court also highlights that the conduct relief included in this settlement will require Facebook to consider privacy at every stage of its operations and provide substantially more transparency and accountability for its executives' privacy-related decisions."

Please let us know if you have any questions.

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