AG Derek Schmidt joins multistate lawsuit seeking to end Facebook’s illegal monopoly

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TOPEKA – (December 9, 2020) – Kansas Attorney General Derek Schmidt today joined a bipartisan coalition of attorneys general in filing a lawsuit against Facebook Inc., alleging the company is engaging in business activities that stifle competition to protect its monopoly while at the same time reducing user privacy and online options.

Schmidt joined a lawsuit filed in the U.S. District Court for the District of Columbia alleging that Facebook violated Section 2 of the Sherman Act, in addition to multiple violations of Section 7 of the Clayton Act. Both federal acts govern business practices as they relate to antitrust and monopolies. The lawsuit alleges that, over the past decade, Facebook has illegally acquired competitors in a predatory manner and cut services to smaller threats, depriving users from the benefits of competition and reducing privacy protections and services along the way.

"Unfettered by the check-and-balance of competition, Facebook’s unlawful monopoly gives it tremendous power to impose terms and conditions for how its users’ private information is collected, maintained and used to further its business interests," Schmidt said.

The coalition of attorneys general of 48 states, territories and the District of Columbia is asking the court to halt Facebook’s anticompetitive conduct and block the company from continuing the behavior in the future. The coalition also asks the court to restrain Facebook from making acquisitions in excess of $10 million without advance notice to the plaintiff states. The court is also asked to provide any additional relief it determines is appropriate, including divestiture or restructuring of illegally acquired companies or current Facebook assets or business lines.

Separately, but in coordination with the multistate coalition, the Federal Trade Commission also today filed a complaint against Facebook in the U.S. District Court for the District of Columbia.

A copy of the states’ federal complaint can be found at https://bit.ly/33TeJ0j.

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