



Attorney General

Josh Stein

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Attorney General Josh Stein Sues Facebook



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For years, Facebook has used its monopoly power as a social networking website to stifle competition and innovation and to sell alarming amounts of user data to make money, all at the expense of the many people who use its platform.

North Carolinians deserve better – they deserve choice and they deserve better privacy. That’s why I’m suing Facebook and why I’ll do everything in my power to protect competition and consumers.”



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Contact:

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(RALEIGH) Attorney General Josh Stein today sued Facebook Inc. (Facebook), alleging that the company used its monopoly power to buy competitors and cut services to others to maintain its monopoly, which ultimately harms people by reducing privacy protections, degrading services, and stifling competition. Attorney General Stein was part of the executive committee [leading the multistate investigation](#) into Facebook.

“Facebook is a prime example of what happens when a company gets too big and too powerful – people suffer,” said Attorney General Josh Stein. “For years, Facebook has used its monopoly power as a social networking website to stifle competition and innovation and to sell alarming amounts of user data to make money, all at the expense of the many people who use its platform. North Carolinians deserve better – they deserve choice and they deserve better privacy. That’s why I’m suing Facebook and why I’ll do everything in my power to protect competition and consumers.”

Since 2004, Facebook has facilitated sharing content through its social media platform in exchange for a user’s time, attention, and personal data. It then monetizes user engagement and user data to sell highly targeted advertising on its platform.

To maintain market dominance, Facebook has engaged in a defensive moat-building strategy to buy or bury rivals or potential rivals that present a competitive threat. In line with this strategy, Facebook acquired WhatsApp in 2014 and Instagram in 2012, both direct threats to Facebook's monopoly. When competitors refuse to be bought out, Facebook has moved to cut them off from using the Facebook platform or degraded the quality and functionality of their Facebook experience, effectively blocking their access to users.

As a result of these actions, Facebook continues to have a monopoly in the social network marketplace and profits from the user data it accumulates by surveilling users' activities and selling this information to advertisers. Facebook's actions have also led to weaker privacy controls on its platform, a lack of action to remove fake accounts, an overload of advertising on its site that disrupts the posts users wish to see and interact with, and decreased innovation in the marketplace.

The coalition is asking the court to:

1. Halt Facebook's illegal, anticompetitive conduct and block the company from continuing this behavior in the future.
2. Restrain Facebook from making further acquisitions valued at or more than \$10 million without notifying the states in advance.
3. Provide any additional relief it determines is appropriate, including the divestiture or restructuring of illegally acquired companies or current Facebook assets or business lines.

The Federal Trade Commission (FTC) also today filed a separate complaint against Facebook in the U.S. District Court for the District of Columbia in coordination with the states' complaint.

Attorney General Stein is joined in today's lawsuit by the Attorneys General of New York, California, Florida, Iowa, Nebraska, Ohio, Tennessee, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, the District of Columbia, and the territory of Guam.

A copy of the complaint is available [here](#).

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