Frequently Asked Questions about the Proposed Changes to the 2020 Privacy Order with Meta/Facebook

Q: What did the FTC announce?

A: The FTC issued an Order to Show Cause, which provides notice of a legal proceeding to Meta. Pursuant to this order, Meta has the opportunity to show cause why its 2020 order with the FTC should not be modified based on the information provided and in the manner the FTC proposes. The Commission's action today initiates a process, authorized under the FTC Act and Commission Rules. At the conclusion of this process, the Commission will determine what, if any, changes to the 2020 order are appropriate.

Q: What happened in 2020?

A: In April 2020, a <u>federal court approved a \$5 billion settlement</u> with Facebook, which changed its name to Meta in 2021. At the time, the FTC alleged that the company violated <u>a 2012</u> <u>Commission order</u> by failing to have reasonable privacy and data security measures. The resulting order not only contained a huge civil penalty, but also required the company to implement numerous changes to its privacy practices and put in safeguards to ensure the company protects users' information. The latest action stems from FTC allegations that Meta has failed to fully comply with the 2020 order.

Q: What does the FTC allege Facebook did wrong?

A: In its Preliminary Findings of Fact, which Meta will have a chance to respond to, the FTC alleges that Meta has failed to fully comply with the requirements it agreed to as part of the 2020 order. According to the Order to Show Cause, the independent assessor, tasked with reviewing whether the company's privacy program satisfied the 2020 order's requirements, identified several gaps and weaknesses in Facebook's privacy program. The FTC alleges that the breadth and significance of these deficiencies pose substantial risks to the public.

Q: Why is the FTC taking this unusual step?

A: The FTC uses the best tools at its disposal to protect the public given the facts of each case. This is the third time the FTC has had to address Meta's privacy and data security issues. To address this extremely rare circumstance, the Commission is using the tools at its disposal to protect the privacy of Meta's billions of users.

Q: What happens next?

A: Meta has 30 days to file an answer to the proposed order. In its answer, Meta will have a full opportunity to respond to the Preliminary Findings of Fact and the Commission's proposed order. If it disagrees with either or both, it will have the opportunity to explain why the FTC should not proceed as proposed, and to ask for further fact finding. The Commission will then carefully consider the arguments, conduct fact finding as appropriate, and reach a decision based on the record.

Q: Can Meta appeal any decisions made by the Commission in this matter?A: Yes. Meta could appeal any final decision by the Commission to any federal court of appeals in the country.