IN THE CHANCERY COURT OF DAVIDSON COUNTY, TENNESSEES FOR THE TWENTIETH JUDICIAL DISTRICTOR TO A SHVILLE

STATE OF TENNESSEE,	DAVIDSON CO. CHAN	CERY CT
ex rel. JONATHAN SKRMETTI,)	D C.&M.
ATTORNEY GENERAL and REPORTER,)	,0 0, a. i v
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Plaintiff,)	
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V .) Case No. 23-13	364-IV
)	
META PLATFORMS, Inc. and)	
INSTAGRAM, LLC,)	
)	
Defendants.)	
)	

CIVIL ENFORCEMENT COMPLAINT

- 1. The State of Tennessee, by and through Jonathan Skrmetti, its Attorney General and Reporter (the "State"), brings this civil law enforcement proceeding to stop Meta Platforms Inc.'s ("Meta" or the "Company") deceptive and unfair business practices that are fomenting a mental health crisis in this state, particularly through its operation of Instagram, LLC ("Instagram"), a Meta subsidiary and social media platform.
- 2. The Attorney General has investigated Meta for potential violations of the Tennessee Consumer Protection Act, § 47-18-108, (the "TCPA"). The investigation revealed that Meta flagrantly and repeatedly engaged in unfair and deceptive conduct at the expense of consumers—young users especially—across the country and in Tennessee.
- 3. The TCPA prohibits businesses from engaging in "unfair" practices, which are those that cause or are likely to cause injury to consumers that is not reasonably avoidable.
- 4. Meta has done exactly that, designing Instagram to be an addiction machine targeted at people under eighteen ("Young Users") who, as Meta well knows, have biologically

limited capacity for self-control. The widespread addiction harms Young Users in many ways, including by negatively impacting their mental well-being and impairing healthy development.

- 5. Instagram did not become so addictive by accident. Meta dedicated vast resources to understand Young Users' psychology and behavior so it could better exploit Young Users' developmental vulnerabilities through irresistible design features. Meta did this to capture an ever-increasing amount of Young Users' time and data, for the benefit of Meta's business.
- 6. Unlike other consumer products that have appealed to children for generations—like candy or soda—with Instagram there is no natural break point where the consumer has finished the unit of consumption. Instead, Instagram is a bottomless pit where users can spend an infinite amount of their time. And Meta profits from each additional second a user spends on the platform.
- 7. Meta has designed Instagram to exploit that dynamic, embedding in Instagram an array of design features that maximize youth engagement, peppering them with reminders to "log on" and making it psychologically difficult to "log off." These features—including notifications, automatically-playing videos, infinite scrolling, and ephemeral content—each serve as an obstacle to Young Users' free decision-making.
- 8. As the U.S. Surgeon General recently explained, children's attempt to resist social media is an unfair fight: "You have some of the best designers and product developers in the world who have designed these products to make sure people are maximizing the amount of time they spend on these platforms. And if we tell a child, use the force of your willpower to control how much time you're spending, you're pitting a child against the world's greatest product designers." ¹
- 9. Instagram's design and platform features have fueled the explosion of time that Young Users spend on Instagram. As Meta's internal data confirms—and as anyone who recently

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¹ Allison Gordon & Pamela Brown, *Surgeon General says 13 is 'too early' to join social media*, CNN (Jan. 29, 2023), https://www.cnn.com/2023/01/29/health/surgeon-general-social-media/index.html.

has spent time with adolescents can attest—Meta has successfully induced Young Users to spend vast amounts of time on Instagram. Indeed, for many Young Users, Instagram is viewed as an indispensable part of their identity, a forum to share a carefully cultivated personality "highlight reel," and a place where they must constantly be "present"—whether they want to or not.

- 10. All the while, Meta understands that Young Users' time spent on Instagram is not the product of free choice. As Meta's internal studies repeatedly demonstrate—and as a growing chorus of independent researchers have confirmed—Young Users feel addicted to Instagram. They widely report difficulty controlling their time spent on the application. And they frequently express that they would prefer to spend less time on Instagram but feel powerless to do so. Still, Meta has not introduced any product changes to meaningfully reduce Instagram's addictiveness.
- 11. The widespread compulsive use that Meta induced—and allowed to continue unabated—has come at a massive societal cost. In effect, Meta is conducting a potentially society-altering experiment on a generation of Young Users' developing brains. While this experiment's full impact may not be realized for decades, the early returns are alarming.
- 12. Researchers warn that compulsive use of social media platforms like Instagram impose a wide range of harms, including increased levels of depression, anxiety, and attention deficit disorders; altered psychological and neurological development; and reduced sleep, to name a few. And that is to say nothing of the immense opportunity cost imposed when youth spend critical years glued to Instagram, not engaged in the varied and profound experiences associated with growing up in the physical world.
- 13. In short, Instagram causes harm to Young Users and, because of Meta's design choices that make Instagram addictive, many Young Users cannot reasonably avoid that harm. This is an unfair practice that violates the TCPA.

- 14. Meta has also violated the TCPA by deceiving Tennessee consumers—and, critically, parents—on a large scale. Under the TCPA, a business engages in deceptive conduct when its acts, statements, or omissions tend to mislead a reasonable consumer or cause consumers to believe what is false. Here, in addition to failing to disclose Instagram's above-described addictive nature, Meta misled consumers, parents and guardians by concealing the significant risks Instagram presents to its users, particularly Young Users.
- 15. First, Meta has long known that Instagram was on-balance harmful for users, and especially ruinous for young women. But Meta did not share that information with consumers. Instead, Meta's leadership—including founder and Chief Executive Officer Mark Zuckerberg—repeatedly declined employees' requests to fund measures that would reduce Instagram's known harms. And rather than make its knowledge public, Meta limited internal access to alarming findings to mitigate the risk that information would be leaked to consumers, parents, and policymakers.
- 16. In one particularly distressing episode, Zuckerberg personally intervened to lift a ban on "selfie" filters that mimicked plastic surgery effects, even though Meta's retained experts overwhelmingly found that those filters had devastating effects on young women. Zuckerberg did this despite the strong urging of employees and other executives. Meta never publicly disclosed the harmful effects of this platform feature.
- 17. Second, Meta publicizes its "Community Standards Enforcement Reports" to create the façade that Instagram is a safe platform where harmful content is rarely encountered. Specifically, these reports tout the low "prevalence" of Community Standards violations, which the Company uses as evidence that Instagram is safe. But that is a false narrative that misleads consumers about the true extent of harmful experiences on Instagram.

- 18. To illustrate, in a Community Standards Enforcement Report, Meta showcased the low "prevalence" of violating content, estimating for example that "between 0.05% to 0.06% of views were of content that violated our standards against bullying & harassment [on Instagram]." That creates the impression that bullying and harassing content is extremely rare on Instagram—just 5 or 6 in 10,000 pieces of content.
- 19. In reality, bullying and harassing content is rampant on Instagram; most of it just does not violate Instagram's Community Standards (which reasonable consumers, parents, and guardians would have no reason to know). Meta's internal surveys show that the incidence of bullying and harassing content is staggering, particularly among Young Users. According to Meta's robust internal survey taken during roughly the same time period, users reported that within the last seven days on Instagram:
 - 28.3% of all users witnessed bullying;
 - 27.2% of 13-15-year-olds witnessed bullying;
 - 29.4% of 16-17-year-olds witnessed bullying;
 - 8.1% of all users were the target of bullying;
 - 10.8% of 13-15-year-olds were the target of bullying;
 - 11.9% of all users received unwanted advances;
 - 13.0% of 13-15-year-olds received unwanted advances; and,
 - 14.1% of 16-17-year-olds received unwanted advances.
- 20. While reasonable consumers could not have understood the difference between Meta's reported "prevalence" metrics and the incidence of harm on Instagram, Meta's leadership certainly did. In fact, Meta's former Director of Engineering raised alarms about this issue to Zuckerberg, former Chief Operating Officer Sheryl Sandberg, and Instagram Head Adam Mosseri

more than two years ago. Meta's leadership ignored that email and continues to issue misleading reports to this day.

21. The State obtained testimony from the former Director of Engineering during its investigation. When asked if he believed "that Mr. Zuckerberg and other Company leaders focused on the 'prevalence' metric because it created a distorted picture about the safety of Meta's platforms," he testified "I do." When asked if he thought "Mr. Zuckerberg's public statements about prevalence created a misleading picture of the harmfulness of Meta's platforms," he testified "I do." And when asked if he was aware of any instances where the Company, in his view, minimized (*i.e.*, downplayed) the harms users were experiencing on Meta's platforms, he testified:

Every time that a Company spokesperson in the context of harms quotes prevalence statistics I believe that is what they are doing, that they're minimizing the harms that people are experiencing in the product.

- 22. Third, Meta misled the public through false, affirmative statements about its commitment to well-being related products and features. For instance, it long touted its "Time Spent" tools as a way for users (and parents) to manage engagement on Instagram and as a demonstration of Meta's commitment to well-being. But when Meta learned that its "Time Spent" tools delivered inaccurate data to consumers, Meta refused to sunset those tools—preferring to mislead its users (and parents) than suffer a public-relations hit for rolling back a purported "wellness" feature.
- 23. Fourth, Meta made material misrepresentations to develop trust among consumers, parents, and guardians that Instagram is a safe place for Young Users. In various public channels, Meta has represented (1) that it protects Young Users from harmful or inappropriate content on Instagram; (2) that it does not prioritize increasing users' time on Instagram; (3) that it does not place a monetary value on Young Users' use of Meta platforms; (4) that it has not changed its

internal data and research access policies in response to The Wall Street Journal's 2021 coverage of its internal research findings; (5) that it uses internal research findings to improve product safety on a regular basis; and (6) that its platforms are not addictive. Those representations were false.

- 24. In sum, through its acts, omissions, and statements, Meta carefully created the impression that Instagram is a safe platform where users were unlikely to experience significant harm and where users' mental health is protected. By creating that materially false and misleading impression, Defendants engaged in deceptive conduct that is outlawed by the TCPA.
- 25. Based on this misconduct, and as more fully described below, Tennessee brings this action pursuant to Tennessee Code Annotated § 47-18-108 of the Tennessee Consumer Protection Act of 1977 ("TCPA"). Through this action, the State seeks injunctive relief and civil penalties.

I. PARTIES

- 26. Jonathan Skrmetti, Attorney General and Reporter of the State of Tennessee, is the chief legal officer of the State of Tennessee and may file suits necessary for the enforcement of the law and public protection. The Attorney General is also empowered by Tennessee law and his common law authority to bring an action in the name of Tennessee to enforce these laws and protect the public.
- 27. Meta Platforms, Inc., is a Delaware corporation with a principal place of business in Menlo Park, California.²
- 28. Instagram, LLC is a Delaware corporation with a principal place of business in Menlo Park, California. Instagram, LLC is a subsidiary of Meta Platforms, Inc.
 - 29. Defendants Meta Platforms and Instagram acted in concert with one another and as

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² Until October 28, 2021, Meta Platforms was known as Facebook, Inc.

agents and/or principals of one another in relation to the conduct described in this Complaint.

30. All the allegations described in this Complaint were part of, and in furtherance of, the unlawful conduct alleged herein, and were authorized, ordered and/or done by Defendants' officers, agents, employees, or other representatives while actively engaged in the management of Defendants' affairs within the course and scope of their duties and employment, and/or with Defendants' actual, apparent and/or ostensible authority.

II. JURISDICTION AND VENUE

- 31. In this Complaint, the State asserts causes of action, and seeks remedies, based exclusively on Tennessee statutory, common, and decisional law.
- 32. The Complaint does not confer diversity jurisdiction upon federal courts pursuant to 28 U.S.C. § 1332, as the State is not a citizen of any state and this action is not subject to the jurisdictional provision of the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d). Federal question subject matter jurisdiction under 28 U.S.C. § 1331 is not invoked by the Complaint. Nowhere does the State plead, expressly or implicitly, any cause of action or request any remedy that necessarily arises under federal law.
- 33. The Chancery Court is authorized to hear this case as a court of general jurisdiction and under the TCPA.
- 34. This Court has personal jurisdiction over each Defendant because of their contacts in Tennessee. As is described more fully below, Defendants entered contracts with Tennesseans, directed marketing efforts towards Tennesseans, sold the opportunity to advertise to Tennesseans, and monitored their business success in Tennessee. The allegations in this Complaint, and in particular Paragraphs 37-97, establish that Defendants had minimum contacts with Tennessee and are incorporated by reference herein.
 - 35. Venue is proper in Davidson County pursuant to the TCPA's specific state

enforcement venue provision, Tenn. Code Ann. § 47-18-108(a)(4), because Davidson is a county where alleged violations took place and where Defendants have conducted or transacted business.

III. PRE-SUIT NOTICE

36. Consistent with Tenn. Code Ann. §§ 47-18-108(a)(2) and (3), the State certifies that it has provided Defendants with ten days' notice of its intention to initiate suit and an opportunity to respond or present reasons why suit should not be instituted.

IV. <u>FACTUAL ALLEGATIONS</u>

A. <u>Meta Engages in Trade and Commerce Through Its Advertising-Based Business Model.</u>

37. The TCPA applies to activities "affecting the conduct of any trade or commerce" in Tennessee. Tenn. Code Ann. § 47-18-102. In several ways, Meta and Instagram have engaged in trade and commerce in this state, including by providing a popular means of advertising to Tennesseans and offering a social media service to Tennesseans.

1. <u>Meta Offers Instagram in Exchange for Consumers' Valuable Consideration</u> that Enables Meta to Sell Advertising.

- 38. Meta owns, operates, and controls several social technology services, including multiple social media platforms. Among those is Instagram, which for years has been one of the most popular social media platforms globally and in Tennessee.
- 39. Through its mobile application and website, Instagram offers consumers—including Tennessee consumers—the opportunity to connect with friends, follow accounts, and explore various interests.
- 40. On Instagram, consumers interact with different "surfaces." Those include the main "Feed" and "Stories" surfaces that display content posted by accounts the consumer follows; the "Explore" surface that suggests new content to consumers; the "Reels" surface focused on short-form videos; and the "Direct Messaging" surface, which allows consumers to send messages

to one another.

- 41. No two consumers' experiences on Instagram are the same. Rather, Instagram presents a customized display to each consumer based on the interests and preferences they express on Instagram, along with other data in Meta's possession.
 - 42. To fully access Instagram, consumers must create an account.
 - 43. As part of the account-creation process, consumers enter a contract with Meta.
- 44. By entering that contract, users agree to comply with Instagram's Terms of Use (the "Instagram Terms"). ³
- 45. The Instagram Terms state that "The Instagram Platform is one of the Meta Products, provided to you by Meta Platforms, Inc. The Instagram Terms therefore constitute an agreement between you and Meta Platforms, Inc."
 - 46. Under the Instagram Terms, users do not pay money to use Instagram.
- 47. Rather, consumers offer Meta consideration in a different form: In exchange for the right to use Instagram, consumers agree to a host of terms that power Meta's advertising business.
- 48. For example, in a section titled "How Our Service Is Funded," the Instagram Terms explain that "[i]nstead of paying to use Instagram, by using the Service covered by these Terms [i.e. Instagram], you acknowledge that we can show you add that businesses and organizations pay us to promote on and off the Meta Company Products. We use your personal data, such as information about your activity and interests, to show you ads that are more relevant to you."
- 49. The Instagram Terms also state that Meta "allow[s] advertisers to tell us things like their business goal and the kind of audience they want to see their ads. We then show their ad to

³ Exhibit 1, *Instagram Terms of Use*, META (July 26, 2022).

people who might be interested. We also provide advertisers with reports about the performance of their ads to help them understand how people are interacting with their content on and off Instagram. For example, we provide general demographic and interest information to advertisers to help them better understand their audience."

- 50. In other words, under the Instagram Terms consumers pay for the Instagram experience by allowing Meta to build its advertising business with consumers' time and attention.
- 51. Consumers also pay for Instagram by agreeing to give Meta access to vast reams of data arising out of their Instagram use. Under Instagram's Terms, consumers "must agree to [Meta's] Privacy Policy to use Instagram."
- 52. Pursuant to Meta's Privacy Policy, each consumer must agree that Meta may collect a host of data, ranging from information about the consumer's activity on Instagram (such as the content they like and accounts they follow); the messages the consumer sends and receives; the content the consumer provides through Instagram's camera feature and the consumer's camera roll; the ways the consumer interacts with ads; the time the user spends interacting with various pieces of content; the hardware and software the consumer uses; the GPS, Bluetooth signals, nearby Wi-Fi access points, beacons and cell towers; and many other categories of data.
- 53. Consumers' payment in the form of time, attention, and data enables Meta to sell highly targeted, data-informed advertising opportunities, which is the foundation of Meta's business.

2. Advertising Is the Core of Meta's Business.

- 54. Deploying this business model, Meta has become one of the largest and most profitable advertising companies in the history of the world.
- 55. In particular, Meta has capitalized on its ability to offer highly targeted, datainformed advertising opportunities, including opportunities based on users' location.

- 56. As Zuckerberg has explained, "based on what pages people like, what they click on, and other signals, we create categories...and then charge advertisers to show ads to that category. Although advertising to specific groups existed well before the internet, online advertising allows much more precise targeting and therefore more-relevant ads."
- 57. On information and belief, relative to traditional advertising formats, Meta charges businesses a premium to access the "much more precise" advertising opportunities it can offer on its social media platforms, such as Instagram.
- 58. Consumers are served targeted advertisements during all or nearly all sessions on Instagram. And consumers see advertisements almost constantly on Instagram, often several times per minute. The advertisements Meta displays on Instagram are interwoven into most if not all of Instagram's "surfaces."
 - 59. In these ways, viewing advertisements is a core part of the Instagram experience.
- 60. Given this business model, Meta is motivated to maximize the time users spend on Instagram.
- 61. One incentive is that the more time users spend on Meta's platforms, the more "inventory" Meta can sell. For instance, if a user increases her time spent viewing their Instagram "feed" from one to five hours per day, Meta can deliver roughly five times the number of advertisements to that user. As a result, Meta can sell advertising opportunities that otherwise would not have existed. The increase in time spent therefore significantly increases the profits Meta can make off this user.
- 62. Another incentive is that, the more time a user spends on Instagram, the more data Meta collects about that user, which Meta translates into additional profits in various ways.

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⁴ Mark Zuckerberg, *Understanding Facebook's Business Model*, META, Jan. 24, 2019, https://about.fb.com/news/2019/01/understanding-facebooks-business-model/.

63. As described more fully below, Meta has succeeded in capturing a breathtaking amount of consumer time, attention, and data—especially on Instagram, and especially of Young Users.

3. <u>Meta Prioritizes Acquiring Young Users and Maximizing Their Time Spent</u> on Instagram.

- 64. In Meta's business model, not all consumers are created equal. Young Users are Meta's prized demographic.
- 65. Meta has pursued increasing Young Users' time spent on its platforms as one of the Company's most important goals.
- 66. For instance, as of November 2016, Meta's "overall goal remain[ed] total teen time spent . . . with some specific efforts (Instagram) taking on tighter focused goals like U.S. teen total time spent."⁵
- 67. This strategy was directed by Zuckerberg, who "decided that the top priority for the company in 2017 is teens."
- 68. On information and belief, Meta has worked to maximize Young Users' "time spent" throughout its corporate history.
- 69. This is especially true of Instagram, which is central to Meta's Young Users acquisition strategy.
- 70. As Meta knows, Instagram is especially appealing to Young Users and is Meta's most popular application with that demographic. Meta therefore devotes vast resources to increasing Young Users' engagement on Instagram.
 - 71. Meta's internal studies show that Young Users have an outsized influence on their

⁵ Exhibit 2, document produced by Meta during the State's investigation bearing bates number ("Meta Doc. No.") MT-IG-AG-00147577.

⁶ Exhibit 3, Meta Doc. No. MT-IG-AG-00212419.

entire households' attitudes towards Instagram. As Meta's internal research shows, "[t]eens are household influencers bringing [family] members (parents and younger siblings) to IG, as well as shaping what is 'normal' behavior on IG."

- 72. Even more fundamentally, Meta pursues Young Users because Meta's advertising customers value that audience.
- 73. Among other reasons, Meta's advertising partners want to reach Young Users because they: (1) are more likely to be influenced by advertisements, (2) may become lifelong customers, and (3) set trends that the rest of society emulates.
- 74. Notably, Meta allows advertisers to target Young Users on Instagram based on their age and location.
- 75. On information and belief, many advertisers pay Meta a premium to serve advertisements to Young Users. And many advertisers are willing to pay Meta for the opportunity to reach Young Users in specific geographic markets, such as those in Tennessee.
- 76. Meta is motivated to increase Young Users' time spent on Instagram not only because it is a meaningful stream of advertising business, but also, because the data that Meta collects from that use is itself highly valuable to the Company.
- 77. In short, Meta has many strong short-term and long-term financial incentives to increase the time that Young Users spend on its platforms.
- 78. As described below, Meta has chased that goal with incredible success, capturing a mind-boggling amount of time and attention from a generation of Young Users.
- 79. Meta has profited immensely from its business model. Meta reported earning \$116.6 billion in revenue in 2022, with \$23.2 billion in net income, making Meta one of the largest

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⁷ Ex. 4, Meta Doc. No. MT-IG-AG-00022634 (pg. 4).

companies in the United States by revenue and income. And because of his ownership stake in Meta, Zuckerberg is one of the wealthiest people in the world.

80. In addition to financial success, Zuckerberg's role as Meta's CEO and Founder has made him a public figure able to exert significant influence not only over the Company, but also over society writ large. In a private email exchange with at least four billionaires (and a knighted former member of Parliament), one of Meta's major investors told Zuckerberg that he believed "Mark Zuckerberg has been cast as *the spokesman* for the Millennial Generation – as the single person who gives voice to the hopes and fears and the unique experiences of this generation, at least in the USA." 8

81. In a response, Zuckerberg agreed with that sentiment, stating that "I am the most well-known person of my generation." 9

4. <u>Meta Directed its Business Model Towards Tennessee.</u>

82. Instagram is massively popular among young Tennesseans. According to Meta's internal metrics, from July 2020 to June 2021 over 475,000 Tennessee teens used Instagram monthly. During that time, over 350,000 Tennessee teens used Instagram daily. Between October 2022 and April 2023, over 500,000 "young adults" (according to Meta's internal definition) in Tennessee used Instagram daily. And during that time, over 800,000 "young adults" in Tennessee used Instagram monthly.

83. Meta was able to achieve this level of engagement by consciously directing its business into—and working to enhance its brand in—Tennessee.

⁸ Ex. 5, Meta Doc. No. MT-IG-AG-00239874 (pg. 5).

⁹ *Id.* (pg. 4).

¹⁰ Ex. 6, Meta Doc. No. MT-IG-AG-00216682.

¹¹ Id.

¹² Ex. 7, Meta Doc. No. MT-IG-AG-00216683.

¹³ *Id*.

- 84. For example, on August 12, 2020, Sandberg penned a "Guest Column" in the Tennessean titled "Nashville Area is a Special Place and Facebook Wants to be a Part of It." ¹⁴
- 85. In the column, Sandberg touted the various ways Nashvillians used Meta's products in the wake of the March 2020 tornadoes, during the Covid-19 pandemic, and in relation to various philanthropic causes.
- 86. Speaking for Meta (then with the corporate name "Facebook"), Sandberg expressed that "Nashville is a special place—and it is a community we want to be a part of."
- 87. Sandberg's column announced Meta's "major investment in the local area with our new data center in Gallatin." It boasted that Meta is "also investing in two solar energy projects in Lincoln and Madison counties." And the column described Meta's efforts to support small and black-owned businesses in Tennessee during the pandemic.
- 88. Sandberg concluded: "These are difficult times for everyone, but [Meta] is proud to be joining the Music City community and we are determined to do what we can to help."
- 89. In conjunction with the publication of Sandberg's 2020 column, multiple Meta employees participated in a one-hour discussion with The Tennessean's editorial board. Internal documents show that the Company viewed this as "an opportunity to proactively reach out and build relationships with the outlet and Board and provide a positive, forward looking message relating to the impact of [Meta]...particularly in Tennessee."¹⁵
- 90. In addition to working to bolster its image in Tennessee, Meta closely tracks Instagram's performance in the State.
 - 91. For example, Meta monitors the following metrics for Instagram usage in

¹⁴ Ex. 8, Sheryl Sandberg, *Nashville Is a Special Place and Facebook Wants to be Part of It*, THE TENNESSEAN, Aug. 12, 2020, https://www.tennessean.com/story/opinion/2020/08/12/facebook-investment-in-nashville-area-gallatin-data-center/3340004001/.

¹⁵ Ex. 9, Meta Doc. No. MT-IG-AG-00199968.

Tennessee: the amount of time active teens spent on Instagram per day (approximately 35 minutes);¹⁶ teen "penetration" in the state (approximately 70%);¹⁷ the ratio of teen daily active users versus monthly active users (approximately 0.72);¹⁸ teen monthly active user "story participation" rates (approximately 0.76%);¹⁹ the amount of "feed media" daily active teens consumed per day on Instagram (approximately 18);²⁰ the amount of "stories" that daily active teens consumed per day on Instagram (approximately 26);²¹ the percentage of Facebook Android monthly active users on Instagram (43.4%);²² and the reduction in monthly active users over a two month time period (21,268; a 1% decrease).²³

- 92. Perhaps most strikingly, Meta's internal metrics show that as of 2020, Meta determined that Instagram had fully "saturated" the market for Tennesseans under 35 years of age. ²⁴ That same year, Meta found that it had fully "penetrated" the teenage market in Tennessee. ²⁵ Presumably, these metrics mean that Meta believed that, as of 2020, there were as many Instagram accounts for teenagers in Tennessee as there were teenagers in the State.
- 93. In addition to studying usage rates, Meta works to understand the impact Instagram has on Tennessee consumers, including Tennessee Young Users. For example, in 2020 Meta partnered with organizations in Nashville to observe teens at school, presumably to better understand Instagram's role in the lives of those young Tennesseans. ²⁶

¹⁶ Ex. 10, Meta Doc. No. MT-IG-AG-00018939 (pg. 3). Meta gathered these usage metrics around October 11, 2017.

¹⁷ *Id.* (pg. 2).

¹⁸ *Id.* (pg. 3).

¹⁹ *Id.* (pg. 5).

²⁰ *Id.* (pg. 6).

²¹ Id

²² Ex. 11, Meta Doc. No. MT-IG-AG-00005337.

²³ Ex. 12, Meta Doc. No. MT-IG-AG-00007601 (pg. 22).

²⁴ Ex. 13, Meta Doc. No. MT-IG-AG-00022714 (pg. 28).

²⁵ Ex. 14, Meta Doc. No. MT-IG-AG-00031572 (pg. 7).

²⁶ Ex. 15, Meta Doc. No. MT-IG-AG-00121596. This research was ultimately not conducted due to the emergence of Covid-19.

- 94. Similarly, in 2019, Meta conducted "interviews with vulnerable users in Memphis, TN" to study that population's experience on Instagram.²⁷
- According to Meta's public advertising library, Meta regularly sells advertisements specific to Tennessee. All manner of Tennessee entities—from Graceland to Dollywood, from the Nashville Zoo to the Tennessee Aquarium, from the Memphis Grizzlies to the Tennessee Titans, from the Knoxville News Sentinel to the Tennessean, to countless others—advertise on Instagram to reach a Tennessee audience and expand their own business in Tennessee. On information and belief, Meta profits through its sale of Tennessee-targeted advertising opportunities.
- 96. In sum, Meta not only makes Instagram available in Tennessee. It also—at a minimum—promotes its brand in Tennessee, touts its investments in Tennessee, tracks Instagram's performance in Tennessee, studies Instagram's impact on Tennesseans, and sells advertisements to Tennessee entities so that they could expand their businesses in Tennessee. And by virtue of Meta's business model, Meta has entered (at least) hundreds of thousands of contracts with consumers in Tennessee and sold the opportunity to serve ads specifically to those Tennessee consumers.
 - 97. The conduct described herein constitutes trade and commerce within Tennessee.

B. Meta Operates Instagram in a Manner That Is Unfair to Young Users.

- 98. The TCPA prohibits businesses from engaging in "unfair" practices, which are those that cause or are likely to cause injury to consumers that is not reasonably avoidable.
- 99. Instagram is not reasonably avoidable for many Young Users because it is highly addictive and designed to exploit Young Users' biologically limited capacity for self-control. And

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²⁷ Ex. 16, MT-IG-AG-00105112 (pg. 9).

Instagram harms Young Users in many ways, including by negatively impacting their mental well-being and impairing their healthy development. Whatever benefits Instagram may offer Young Users do not outweigh the significant harms it imposes.

100. In these ways, Defendants have engaged in unfair practices that violate the TCPA.

1. Meta Understands Young Users Have Limited Powers of Self Control.

- 101. Meta designed Instagram to exploit known vulnerabilities in Young Users' neurological development, making Instagram biologically difficult—and in some cases impossible—for teens to resist.
 - 102. As Meta's founding president, Sean Parker, explained in 2018:

The thought process that went into building these applications, Facebook being the first of them ... was all about: 'How do we consume as much of your time and conscious attention as possible?' That means that we need to sort of give you a little dopamine hit every once in a while, because someone liked or commented on a photo or a post or whatever. And that's going to get you to contribute more content and that's going to get you ... more likes and comments. It's a social-validation feedback loop ... exactly the kind of thing that a hacker like myself would come up with, because you're exploiting a vulnerability in human psychology. The inventors, creators—me, [Meta founder] Mark [Zuckerberg], [Instagram founder] Kevin Systrom on Instagram, all of these people—understood this consciously. And we did it anyway.²⁸

- 103. On an ongoing basis, Meta pours massive resources into understanding Young Users' cognitive vulnerabilities.
- 104. For example, in the late 2010s, Meta's consumer market research team created a "very deep body of work over the course of years/months" studying teens. That group did "enormous work and investment" in "teen foundational research."²⁹

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²⁸ Ex. 17; Alex Hern, 'Never Get High on Your Own Supply' - Why Social Media Bosses Don't Use Social Media, THE GUARDIAN, Jan. 23, 2018, https://www.theguardian.com/media/2018/jan/23/never-get-high-on-your-own-supply-why-social-media-bosses-dont-use-social-media. Emphasis in this Complaint is added unless otherwise noted. ²⁹ Ex. 18, Meta Doc. No. MT-IG-AG-00124625 (pg. 3). Emphasis in original.

105. But that "very deep body of work" was not enough. In 2020, Meta started the "Teen Ecosystem Understand" project, which was an ongoing effort to study Young Users. Led by Instagram's "growth" team, this project sought to deliver insights that would allow Meta to make Instagram increasingly irresistible to Young Users.

106. On information and belief, the Teen Ecosystem Understand and Consumer Market Research projects were two of many Meta initiatives to study Young Users and capture more of their time and attention.

2. <u>Instagram's "Teen Fundamentals" Study Shows Instagram's Power to</u> <u>Induce Compulsive Use Among Young Users.</u>

107. A May 2020 report arising out of the Teen Ecosystem Understand project illustrates the lengths to which Meta studied, understood, and considered the ways in which Instagram is difficult for Young Users to resist, given their neurological vulnerabilities.³¹

108. Titled "Teen Fundamentals," the 97-page internal presentation³² purports to be a "synthesis of adolescent development concepts, neuroscience as well as nearly 80 studies of our own product research." One of the presentation's goals was to "look...to biological factors that are relatively consistent across adolescent development and gain valuable unchanging insights to inform product strategy today." ³⁴

- 109. The first section of the internal presentation, titled "Biology," contains several images of brains in various stages of development.³⁵
 - 110. As part of the "Biology" section, the presentation explains that "Unlike the body

³⁰ *Id*.

³¹ Ex. 19, Meta Doc. No. MT-IG-AG-00145496.

³² Meta employees regularly convey information to one another through slideshows using Microsoft PowerPoint or similar products.

³³ Ex. 19 (pg. 1).

³⁴ *Id.* (pg. 6).

³⁵ *Id.* (pg. 7).

which functions wholly from day one, the brain essential [sic] spot trains certain areas and functions at a partial capacity before it is wholly developed...The teenage brain is about 80% mature. The remaining 20% rests in the frontal cortex...at this time teens are highly dependent on their temporal lobe where emotions, memory and learning, and the reward system reign supreme."³⁶

- 111. The discussion continues: "teens' decisions are mainly driven by emotion, the intrigue of novelty and reward...[making] teens very vulnerable at the elevated levels they operate on. Especially in the absence of a mature frontal cortex to help impose limits on the indulgence in these." 37
- 112. The next section of the Teen Fundamentals presentation is titled "Behavior." That section notes that "the teenage brain happens to be pretty easy to stimulate." ³⁸
- 113. Offering an example, the internal presentation observes that "everytime [sic] one of our teen users finds something unexpected their brains deliver them a dopamine hit."
- 114. The next slide explains that "teens are insatiable when it comes to 'feel good' dopamine effects." 40
- 115. And the following slide highlights that "teens brains' [sic] are especially 'plastic' or keen to learn presenting a unique opportunity that coupled with curiosity can send teens down some interesting rabbit holes..."⁴¹
- 116. Suggesting another way that teen brains are "easy to stimulate," the presentation notes that "a huge driver for teen behavior is the prospect of reward. This is what makes them

³⁶ *Id.* (pgs. 10-11).

³⁷ *Id.* (pg. 12).

³⁸ *Id.* (pgs. 13-14).

³⁹ *Id.* (pg. 22).

⁴⁰ *Id.* (pg. 23).

⁴¹ *Id.* (pg. 24).

predisposed to impulse, peer pressure, and potentially harmful risky behavior like drugs, stunts, and pranks..."⁴²

117. Building on that theme, elsewhere the presentation observes that "approval and acceptance are huge rewards for teens and interactions are the currency on IG. DMs [direct messages], notifications, comments, follows, likes, etc. encourage teens to continue engaging and keep coming back to the app."⁴³

118. In several places, the presentation confirms that Instagram successfully exploits those vulnerabilities.

119. For example, the internal presentation concedes that:

[T]een brains are much more sensitive to dopamine, one of the reasons that drug addiction is higher for adolescents and keeps them scrolling and scrolling. And due to the immature brain they have a much harder time stopping even though they want to – our own product foundation research has shown teens are unhappy with the amount of time they spend on our app. 44

120. But that was not enough for the presentation's author(s). Instead, the presentation repeatedly asks how Instagram could become even more irresistible to teens, asking the audience to consider:

- "So, now that we know this what is the effect of teen's biology on their behavior? And how does this manifest itself in product usage?" 45
- "How well does IG cater to [teens' desired] activity? How does it stack up against intentful [sic] discovery platforms?"⁴⁶
- "Teen's [sic] insatiable appetite for novelty puts them on a persistent quest to discover new means of stimulation...how can your team give teens somewhere new to go or something new to find from the product you work on?" ⁴⁷

⁴² *Id.* (pg. 47).

⁴³ *Id.* (pg. 54).

⁴⁴ *Id.* (pg. 48).

⁴⁵ *Id.* (pg. 13).

⁴⁶ *Id.* (pg. 24).

⁴⁷ *Id.* (pg. 27).

121. In the end, the internal presentation reiterates: "I want to remind you all once more of the core things that make teens tick. New things, feeling good and reward. We are not quite checking all of these boxes...some teens are turning to competitors to supplement for [sic] those needs." It concludes: "we [would] do well to think hard about how we can make IG an app tailored to the teenage mindset."

122. The Teen Fundamentals report was shared with various teams inside Meta, culminating in its presentation to Instagram's leadership team (including Mosseri) in June 2020.⁵⁰

123. In response to the presentation, Instagram's leadership requested additional research, which led to a subsequent report titled "Deepening Rewards to Drive More Meaningful Daily Usage," designed to "unpack" the concept of "rewards." As part of that report, Instagram employees conducted user interviews and "synthesized this data with academic literature to understand how it applies at a psychological level." Through this and other related projects, Instagram continued to use its scientific understanding of Young Users' brains to gain competitive advantage.

124. On information and belief, the Teen Fundamentals presentation is just one illustration of the ongoing process by which Meta studies Young Users' neurological development to improve the company's bottom line.

3. Instagram's Features Induce Compulsive Use.

125. Leveraging its understanding of "the things that make teens tick," Meta exploited Young Users' diminished capacity for self-control through an array of Instagram features that led

⁴⁸ *Id.* (pgs. 56-57).

⁴⁹ *Id.* (pg. 58).

⁵⁰ Ex. 20, Meta Doc. No. MT-IG-AG-00024188.

⁵¹ Ex. 21, Meta Doc. No. MT-IG-AG-00013682.

⁵² Ex. 22, Meta Doc. No. MT-IG-AG-00145596.

Young Users to habitually—and in many cases compulsively—use Instagram. Those tools include notifications, ephemerality, auto-play and infinite scroll.

- 126. Collectively, these and other Instagram features created and exploited obstacles to Young Users' free decision-making, causing them to spend more time on Instagram than they otherwise would.
 - i. Young Users Have Difficulty Resisting Notifications That Draw Them onto Instagram.
- 127. Meta causes Young Users to increase their time spent on Instagram by inundating them with notifications. The Instagram mobile application, by default, peppers users (including Young Users) with frequent alerts or notifications intended to cause users to open the application.
- 128. Echoing Meta's "Teen Fundamentals" research, academics have observed that these notifications impact the brain in similar ways as narcotic stimulants:

Although not as intense as [sic] hit of cocaine, positive social stimuli will similarly result in a release of dopamine, reinforcing whatever behavior preceded it . . . Every notification, whether it's a text message, a "like" on Instagram, or a Facebook notification, has the potential to be a positive social stimulus and dopamine influx. ⁵³

- 129. Preying on that vulnerability, Meta inundates Young Users with Instagram notifications. On information and belief, by default Meta notifies Young Users when another user follows them, likes their content, comments on their content, "tags" them, mentions them, sends them a message, or "goes live" (if the young person follows the user).
- 130. As Meta's internal findings show, Young Users have a difficult time resisting these notifications.
 - 131. In an internal analysis of "Levers for Teen Growth," a member of the "Instagram

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⁵³ Ex. 23, Trevor Haynes, *Dopamine, Smartphones & You: A Battle for Your Time*, HARV. UNIV. GRAD. SCH. OF ARTS & SCI., May 1, 2018, https://sitn.hms.harvard.edu/flash/2018/dopamine-smartphones-battle-time/.

Growth Data Science Team" notes that Meta could "Leverage teens' higher tolerance for notifications to push retention and engagement."⁵⁴

- 132. In a November 2019 internal presentation entitled "IG Notification Systems Roadshow," Meta's employees acknowledge that some of its users are "overloaded because they are inherently more susceptible to notification dependency."⁵⁵
- 133. Similarly, an internal presentation titled "State of US Teens 2020"—authored by the "IG Growth Analytics" team—observes that teens "have longer time spent than adults because they tend to have more sessions per day than adults. This may be because US teens are more sensitive to notifications and have more notification-driven sessions than adults."⁵⁶
- 134. Further, Meta dispenses notifications and other "rewarding" content on a variable or intermittent schedule, amplifying their addictive nature.
 - ii. Ephemeral Nature of Instagram Content Exploits Young Users' Fear of Missing Out.
- 135. As Meta's own research has concluded, Young Users are developmentally wired to fear missing out. Meta induces constant engagement by making certain Instagram experiences and content ephemeral.
- 136. Ephemeral content is only available on a temporary basis, not on a schedule convenient for the user. This incentivizes users to engage with content immediately, lest they miss out on the content forever.
- 137. For example, Instagram's popular Stories surface displays user-created images, videos, and narratives for twenty-four hours, at most, before that content disappears.
 - 138. Similarly, Instagram's Live feature gives users the ability to livestream videos to

⁵⁴ Ex. 24, Meta Doc. No. MT-IG-AG-00004405 (pg. 9).

⁵⁵ Ex. 25, Meta Doc. No. MT-IG-AG-00028901 (pg. 14).

⁵⁶ Ex. 14 (pg. 51).

followers or the public during a specific session, after which the video is typically no longer available.

- 139. In the case of Live, for instance, a young person's failure to quickly join the live stream when it begins means that the user may miss out on the chance to view the content entirely. Often, Instagram sends users notifications that an account they follow is going live so that users do not miss out.
- 140. Likewise, because Stories delete within 24 hours, Young Users must constantly monitor that Surface if they desire to keep up with the accounts they follow.
- 141. Meta could make Live videos and Stories available for viewing days or weeks after they are created, allowing Young Users to take meaningful breaks from Instagram (for instance, during the school week or while on vacation) without missing content. Instead, Meta deploys ephemeral content features because it knows Young Users' fear of missing out on content will keep them glued to Instagram.
- 142. Meta's internal documents acknowledge that Instagram's ephemeral features drive compulsive Instagram use.
- 143. For instance, an October 2019 internal presentation entitled "Teen Mental Health Deep Dive" discusses the findings from a survey of over 2,500 teenagers who use Instagram on at least a monthly basis.⁵⁷
- 144. That presentation notes that "[y]oung people are acutely aware that Instagram can be bad for their mental health, yet are compelled to spend time on the app for fear of missing out on cultural and social trends." 58
 - 145. Even though ephemerality fuels out-of-control Instagram usage, Meta has pressed

⁵⁷ Ex. 26, Meta Doc. No. MT-IG-AG-00000029 (pg. 3).

⁵⁸ *Id.* (pg. 25).

forward. Illustrating the Company's mindset, in 2021 a user experience researcher observed that direct messages on Instagram "were not urgent (especially compared to other apps like Snapchat)" and "consisted mainly of videos and memes from friends which could be watched at [a user's] leisure." The researcher noted that "we need to develop new products that increase the possibilities for time-sensitive interactions on [Instagram]..." ⁵⁹

- iii. <u>Features Like Infinite Scroll and Autoplay Induce Perpetual, Passive Instagram Use.</u>
- 146. Meta has also implemented tools that induce perpetual, passive Instagram use.
- 147. For example, Instagram presents an infinite scroll on several key surfaces. In other words, Instagram partially displays additional content at the bottom of the user's screen, such that the user is typically unable to look at a single post in isolation (without seeing the top portion of the next post in their feed).
- 148. Instagram teases this yet-to-be-fully-viewed content indefinitely; as the user scrolls down the feed, new content is automatically loaded and previewed. This design choice makes it difficult for Young Users to disengage because there is no natural end point to the display of new information.
- 149. Making matters worse, Instagram does not stop displaying new information when a user has viewed all new posts from their peers.
- 150. Instead, Instagram displays new, unviewed content, provoking the Young Users' fear of missing out.
 - 151. Meta also deploys the auto-play feature to keep Young Users on Instagram.
- 152. Much like infinite scroll, Instagram's Stories surface automatically and continuously plays content, encouraging Young Users to remain on the platform *ad infinitum*.

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⁵⁹ Ex. 4 (pg. 32).

153. Meta employees understand that these are powerful tools. Tellingly, when news broke that a competitor was turning off auto-play for users under 18, Meta's internal research team expressed surprise. One employee observed that "[t]urning off autoplay for teens seems like a huge move! Imagine if we turned off infinite scroll for teens." A second responded "Yeah, I was thinking the same thing. Autoplay is HUGE."

154. Meta's popular Reels surface has these same characteristics. An internal strategy presentation shows that Reels is "a TikTok competitor for short and entertaining videos" and one of "three big bets" that "Instagram focused on...to bring value to teens" in 2020.⁶¹

155. Videos on Reels automatically and perpetually play as the user swipes the screen up to the next video. The short-form nature of Reels makes it difficult for Young Users to close the app. Other aspects of Reels—including the placement of the like, comment, save, and share buttons on top of the video— reduce or prevent interruption and keep the user constantly viewing videos.

156. Internally, Meta employees recognized that Reels' design was harmful to Young Users. As one employee observed in September 2020, "Reels seems to be everything they denounce in the stupid documentary [i.e. Netflix's Social Dilemma, which raised alarms about teens' time spent on social media], and everything we know from our research: passive consumption of an endless feed, without any connection to the content creator. Yay." A Meta mental health researcher responded, "[e]xactly. Ugh." 62

157. On information and belief, the above-described Instagram features are but a small sample of the tools Meta has deployed that induce Young Users to spend more time on Instagram

⁶⁰ Ex. 27, Meta Doc. No. MT-IG-AG-00058023.

⁶¹ Ex. 14 (pg. 29).

⁶² Ex. 28, Meta Doc. No. MT-IG-AG-00132387.

than they otherwise would.

4. <u>Instagram Addicts Many Young Users.</u>

158. Because of Meta's design choices, Instagram has already hooked a generation of Young Users.

159. Meta's studies confirm that Young Users use Instagram at alarming rates. They also show that Young Users want to reduce their time on Instagram—and that Instagram's engagement-inducing features overpower Young Users' desire to leave the application. Meta's studies also confirm that compulsive Instagram use has detrimental effects on Young Users' mental health, sleep, and relationships. But because Young Users' compulsive use benefit Meta's bottom line, Meta does not take meaningful steps to rescue Young Users from this emerging crisis.

160. For example, in a February 2019 internal presentation titled "Instagram Teen Well-Being Study: US Topline Findings," Meta observed that "App Addiction is Common on IG." The presentation notes that 23% of teenage monthly active users find that they often feel like they "waste too much time on" Instagram.⁶³

161. In September 2019, Meta commissioned a third-party study on Teen Mental Health. That study's first "Topline Headline" is that "Instagram is an inevitable and unavoidable component of teens [sic] lives. Teens can't switch off from Instagram even if they want to."⁶⁴

- 162. Another "Topline Headline" is that "Teens talk of Instagram in terms of an 'addicts' narrative' spending too much time indulging in a compulsive behavior that they know is negative but feel powerless to resist."
 - 163. A later slide observes that "[t]eens are hooked despite how it makes them

⁶³ Ex. 29, Meta Doc. No. MT-IG-AG-00103082 (pg. 37).

⁶⁴ Ex. 30, Meta Doc. No. MT-IG-AG-00103653 (pg. 7).

⁶⁵ *Id*.

feel...Instagram is addictive, and time-spend on platform is having a negative impact on mental health."66

164. The Teen Mental Health report also finds that teens "know they stay up later than they should and miss out on sleep to stay plugged in" to Instagram.⁶⁷

165. Elsewhere, the report notes that "[y]oung people are acutely aware that Instagram is bad for their mental health, yet are compelled to spend time on the app for fear of missing out on cultural and social trends." 68

166. Relatedly, in an October 2019 discussion regarding mental health research, a Meta employee observed that:

[T]eens told us that they don't like the amount of time they spend on the app...they often feel 'addicted' and know that what they're seeing is bad for their mental health but feel unable to stop themselves. This makes them not feel like they get a break or can't switch off social media. In the survey, about 30% (and even larger proportions of those who are unsatisfied with their lives) said that the amount of time they spend on social media makes them feel worse. ⁶⁹

167. Along the same lines, in March 2020, one Instagram employee asked if there were "any recent studies where we explicitly talk about time spent tools and why teens want them." ⁷⁰

168. In response, a different employee confirmed that "[t]he feedback, essentially, is that (1) teens feel addicted to IG and feel a pressure to be present, (2) like addicts, they feel that they are unable to stop themselves from being on IG, and (3) the tools we currently have aren't effective at limiting their time on the ap [sic]."⁷¹

⁶⁶ *Id.* (pg. 15).

⁶⁷ *Id*.

⁶⁸ *Id.* (pg. 29).

⁶⁹ Ex. 31, Meta Doc. No. MT-IG-AG-00024085.

⁷⁰ Ex. 32, Meta Doc No. MT-IG-AG-00171389.

⁷¹ *Id*.

169. But despite that survey feedback, Meta made sure not to speak about the concept of "addiction" publicly. In that same March 2020 exchange, the two employees discussed a draft public statement regarding "efforts to combat social media addiction."⁷²

170. The first asked: "Do we want to call it addiction? Maybe not." The second clarified: "(this is internal only)." The first employee responded: "Internal only makes it better. I'm just a little cautious about calling it addiction." The second responded: "Totally agree, we would never want to say that!"⁷³

171. Employees continued to grapple with this issue in September 2020, when Netflix released The Social Dilemma, which accused Meta of addicting Young Users to Instagram.

172. That thesis rang true among Meta employees. In one exchange among several Instagram employees, Instagram's Director of Data Science stated "[by the way] there is a new Netflix [documentary] basically saying we're creating a world of addicts…" A second employee responded that the documentary "makes me feel like tech plays to humans' inability to have self-control lol."⁷⁴

173. In response, Instagram's Director of Data Science stated, "Yeh that's exactly what the [documentary] says. I think its true [to be honest]...I do worry what it does to young people who are still developing their brains and social skills, as well as being more susceptible to mean comments or lack of friends/feedback."⁷⁵

174. A third employee asked if Meta was "creating addicts or facilitating them...giving existing addicts a really accessible outlet?" The second employee clarified, "a really accessible outlet that optimizes for time spent...[and] keeps people coming back even when it stops being

⁷² *Id*.

 $^{^{73}}$ *Id*.

⁷⁴ Ex. 33, Meta Doc. No. MT-IG-AG-00013316.

⁷⁵ *Id*.

good for them."⁷⁶

175. Instagram's Director of Data Sciences responded, "without the right stimulus, someone might never become an addict. So it's a tricky one. It's like, you'll never become a gambling addict if you don't visit vegas: P "⁷⁷

176. That same day in September 2020, Instagram's Director of Data Science analyzed the scope of the problem, creating charts titled "Number of US Humans who spend a lot of time on IG in a day," and "US Humans that spend a ton of time on IG in a Week."

177. The daily chart shows that in the United States more than 475,000 teens spend 3-4 hours per day on Instagram; more than 235,000 spend 4-5 hours; and more than 300,000 spend five or more hours.⁷⁸ The weekly chart shows that in the United States more than 1 million teens spend 14-21 hours; more than 420,000 spend 21-28 hours; and more than 400,000 spend 28 or more hours per week on Instagram.⁷⁹

178. Meta employees recognized that this level of usage was the byproduct of its business model and its design choices. As a Meta Vice President of Product messaged Mosseri and other Instagram leaders in February 2021, "problematic use⁸⁰...[will] require more fundamental changes to our goals, what type of work they incentive [sic], and therefore how core mechanics work (feed design, ranking, sharing, notif[ications])." That message did not receive a response.⁸¹

179. Meta's studies show that Instagram's core mechanics interfere with a critical part of Young Users' development—sleep.

⁷⁶ *Id*.

⁷⁷ Id

⁷⁸ Ex. 34, Meta Doc. No. MT-IG-AG-00013393.

⁷⁹ Ex. 35, Meta Doc. No. MT-IG-AG-00013281.

⁸⁰ "Problematic Use" is a euphemism that Meta uses internally to describe excessive or compulsive social media use.

⁸¹ Ex. 36, Meta Doc. No. MT-IG-AG-00176694.

- 180. For example, in an April 2021 analysis, Meta observes that "peak" hours for messaging are "in the late evenings," with the highest rate of "sessions with message sends" occurring between 9:00 and 11:00 PM.⁸²
- 181. A similar analysis shows that on weekdays, US teens spend the most time on Instagram between 9:00 and 11:00 PM.⁸³
- 182. After reviewing that information, a Meta data scientist commented, "Honestly the only insight I see in these charts is that teens are really into using IG at 11pm when they should probably be sleeping: ("84"
- 183. Internally, Meta understood the specific ways that compulsive use manifests on Instagram.
- 184. For example, a November 2021 internal analysis titled "Well-being: Problematic Use" shows that "more reliable proxies for identifying problematic use" include: "passive' consumption, frequent low-engagement sessions, disproportionate night-time usage, repetitive app checking, and receiving and responding to more push notifications."
- 185. That same analysis also acknowledges that "problematic use" was "more common among teens and people in their 20s." It explains: "this is consistent with young people having problems with self-regulation."

5. Instagram Harms Young Users' Mental Health and Healthy Development.

186. Instagram's addictive nature does not just fuel compulsive use—it also directly injures Young Users. In particular, compulsive Instagram use harms Young Users' mental health and impairs important developmental processes and behaviors.

⁸² Ex. 37, Meta Doc. No. MT-IG-AG-00017116.

⁸³ Ex. 38, Meta Doc. No. MT-IG-AG-00017125.

⁸⁴ Ex. 39, Meta Doc. No. MT-IG-AG-00017107 (pg. 7).

⁸⁵ Ex. 40, Meta Doc. No. MT-IG-AG-00210347 (pg. 7).

- 187. These injuries include lack of sleep and related health outcomes, diminished inperson socialization skills, difficulty maintaining attention, increased hyperactivity, self-control challenges, and interruption of various brain development processes.
- 188. Compulsive Instagram use also causes mental health harms such as increased levels of depression and anxiety among Young Users.
- 189. In addition, compulsive Instagram use leads Young Users to have diminished social capacity and other developmental skills by virtue of the "opportunity cost" associated with devoting significant time to social media, rather than partaking in other developmentally important, in-person life experiences.
- 190. The United States Surgeon General's May 2023 Advisory, titled "Social Media and Youth Mental Health" (the "Advisory"), describes some of these harms in detail. As the Advisory explains, "[a] Surgeon General's advisory is a public statement that calls the American people's attention to an urgent public health issue . . . Advisories are reserved for significant public health challenges that require the nation's immediate awareness and action." According to the Surgeon General, Young Users' social media use is one such significant public health challenge.
- 191. As the Advisory explains, "[e]xcessive and problematic social media use, such as compulsive or uncontrollable use, has been linked to sleep problems, attention problems, and feelings of exclusion among adolescents."
- 192. The Advisory also identifies "changes in brain structure;" "altered neurological development;" "depressive symptoms, suicidal thoughts and behaviors;" "attention deficit/hyperactivity disorder (ADHD);" and "depression, anxiety and neuroticism" as additional

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⁸⁶ Ex. 41, U.S. Dep't of Health & Hum. Servs., Social Media and Youth Mental Health: The U.S. Surgeon General's Advisory 4 (2023), https://www.hhs.gov/sites/default/files/sg-youth-mental-health-social-media-advisory.pdf.

harms to Young Users associated with compulsive social media use.⁸⁷

193. In these and other ways, Instagram harms Young Users.

C. <u>Meta Engages in Deceptive Conduct By Omitting and Misrepresenting Material</u> Facts About Instagram.

- 194. Under the TCPA, a business engages in deceptive conduct when its acts, statements, or omissions tend to mislead a reasonable consumer or cause consumers to believe what is false.
- 195. As an initial matter, Meta failed to disclose Instagram's addictive nature, described in detail above. That is a material omission that had the tendency to mislead reasonable consumers about Instagram's safety for Young Users.⁸⁸
- 196. But that is just the first of many ways that Meta has led reasonable consumers to believe that Instagram is a safer and less harmful platform than it is. Meta deceived consumers, parents, and guardians by failing to disclose its understanding that Instagram is, on balance, harmful to consumers (and especially damaging to young women); by concealing information about some of its most harmful platform features; by promoting misleading metrics about platform safety; and by touting inaccurate and ineffective "well-being" initiatives, among other methods.⁸⁹

1. <u>Meta Did Not Disclose Its Knowledge That Instagram Harms Users, Particularly Young Women.</u>

- 197. Meta has long known that the Instagram platform is likely harming a significant portion of its user base.
- 198. For instance, in September and October of 2018, Meta surveyed and interviewed active Instagram users to gauge the association between Instagram and "negative social

⁸⁷ To be clear, this Complaint is focused on harms arising out of compulsive or "problematic" Instagram use, not harms caused by exposure to any particular pieces or categories of content on Instagram.

⁸⁸ For the sake of brevity, this Section largely does not reiterate the prior Section's allegations regarding Instagram's addictive characteristics. Those allegations, however, support the State's deception claim and are expressly incorporated by reference herein.

⁸⁹ Under the TCPA, a party engages in unfair practices when it "withholds important information from consumers." *Tucker v. Sierra Builders*, 180 S.W.3d 109, 117 (Tenn. Ct. App. 2005). The conduct described in this section therefore constitutes "unfair practices" in addition to "deceptive practices" under the TCPA.

comparison," (i.e. comparisons that makes users feel worse about themselves). In Meta researchers' own words, the experiment found that "at least some of this association is causal." 90

199. Knowing that "[n]egative social comparison is associated with worsened well-being measures across the board," Meta found that for Instagram users, "there is a relationship between tenure and the length of negative [social comparison]." For instance, among Instagram users who have been on the platform for an average of 4.4 years, Meta found that "33% of people hav[e] been feeling worse about themselves on [Instagram] for 'several months to a year."

200. That 2018 study also found that Instagram drives negative social comparison for teen girls and young women especially. It observed that, in comparison to men who are at least 25 years old, women are five times more likely and teen girls are eight times more likely to engage in negative social comparison—*i.e.* feel worse about themselves by comparing themselves to others—due to Instagram use.⁹⁴

201. Meta would continue sharpening its internal understanding of the harms experienced by Instagram users over subsequent years. For instance, Meta's studies confirm that Instagram causes or contributes to:

- Addiction. Meta research from August and September 2019 found that "Instagram is addictive, and time-spend on [the] platform is having a negative impact on mental health." The research observed that teens "have an addicts' narrative about Instagram use . . . they wish they could spend less time caring about it, but they can't help themselves." The research concluded, "[o]n an everyday level, Instagram is a recipe for low level mental anxiety that unchecked can ladder up to something more serious." 95
- **Body Dissatisfaction**. On March 13, 2020, Meta internally distributed findings from a Meta-sponsored literature review, which found that "[s]ubstantial evidence suggests

⁹⁰ Ex. 42, Meta Doc. No. MT-IG-AG-00114075 (pg. 42).

⁹¹ *Id.* (pg. 41).

⁹² *Id.* (pg. 46).

⁹³ *Id*.

⁹⁴ *Id.* (pg. 24).

⁹⁵ Ex. 30 (pgs. 15, 57).

that experiences on Instagram or Facebook make body dissatisfaction worse," and that users "perceived body image as a problem that Instagram worsened the most, more than when they end a relationship or lose a job." ⁹⁶

- Negative Social Comparison. In March and April of 2020, Meta conducted a survey of 100,000 individuals in the United States and other countries to better understand "social comparison on Instagram." From this survey, Meta found that "[a]bout 1 out of 10 people experience negative social comparison on Instagram often or always." It also found that "[a]bout 1 in 4 people think that Instagram makes social comparison worse." 97
- **Mental Health Harms**. On November 13, 2019, Meta internally published the results of a 22,000-person survey of Instagram users from the United States and several other countries. The survey found that "at least 1 in 2 [Instagram] users had experienced at least one mental health related issue in the last 30 days." ⁹⁸
 - 202. Meta's research shows that Instagram is particularly devastating for young women.

Meta's research shows that:

- "Nearly half of teen girls (48%) often or always compare their appearances on [Instagram], and one-third (34%) feel intense pressure to look perfect." ⁹⁹
- "Approximately 70% of teen girls may see enough "sensitive content"—*i.e.* content that is associated with negative appearance comparison—that they are likely to experience "appearance comparison at least half the time" they are on Instagram. ¹⁰⁰
- "The topics that elicit appearance comparison comprise 1/4 of the content people see on Instagram, and 1/3 for teen girls." ¹⁰¹
- "For every piece of friend content a teen girl sees, she sees 5x as many pieces of content from top accounts," *i.e.* the accounts that most strongly drive appearance comparison.
- Roughly 1 in 5 pieces of content young girls see on Instagram is focused on makeup, cosmetics, skin care and related topics, which the Company knows are "associated with more negative appearance comparison." 102

⁹⁶ Ex. 43, Meta Doc. No. MT-IG-AG-00056979 (pgs. 1-2).

⁹⁷ Ex. 44, Meta Doc. No. MT-IG-AG-00002779 (pg. 6).

⁹⁸ Ex. 45, Meta Doc. No. MT-IG-AG-00056857 (pg. 5).

⁹⁹ Ex. 46, Meta Doc. No. MT-IG-AG-00002821 (pg. 2).

¹⁰⁰ Ex. 47, Meta Doc. No. MT-IG-AG-00056845.

 $^{^{101}\} Ex.\ 48,\ Meta\ Doc\ No.\ MT-IG-AG-00057040\ (pg.\ 8).$

¹⁰² Ex. 47.

• 68% of teen girls experience negative social comparison, and this issue is "not an influencer problem, it's an Instagram problem." ¹⁰³

203. Meta's studies also show that the Explore surface—through which Instagram

recommends content to users from accounts that they do not follow—exacerbates some of the

harms identified by the above research.

204. Internal Meta research from July 22, 2021 indicates that Instagram's Explore

surface tends to increase users' "exposure to [negative appearance comparison-provoking] content

beyond the preferences that people have indicated by the choice of accounts they follow."

Consequently, "17% of people see substantially more (at least 20 percentage points) [negative

appearance comparison-provoking] content in Explore than in Feed. It's worse for women and

teen girls."104

205. In other words, Instagram's algorithms feed users more harmful content than the

users would otherwise receive if content visibility were only driven by preferences expressed by

the users.

206. In mid-2021, Meta undertook an extensive survey of users to "develop a holistic,

consistent picture of user bad experiences on Instagram that allows [Meta] to track [its] progress

each half [year]."105

207. Referred to internally as BEEF ("Bad Experiences and Encounters Framework"),

the survey measured users' exposure to certain categories of harmful content on Instagram over a

seven-day period and leveraged a subcategory of Instagram users as a control group to "determine

causality."106

¹⁰³ Ex. 49, Meta Doc. No. MT-IG-AG-00056865 (pg. 5).

¹⁰⁴ Ex. 50, Meta Doc. No. MT-IG-AG-00056955.

¹⁰⁵ Ex. 51, Meta Doc. No. MT-IG-AG-00232203 (pg. 3).

¹⁰⁶ *Id*.

- 208. As discussed in more detail below, the BEEF survey showed that a significant number of Instagram users (and particularly Young Users) regularly experience negative social comparison-promoting content; self-harm-promoting content; bullying content; unwanted advances; and a collection of other harmful encounters on the platform. ¹⁰⁷
- 209. Relatedly, on August 27, 2021, an Instagram spokesperson told Mosseri about a forthcoming Wall Street Journal article "that essentially argues that [Instagram's] design is inherently bad for teenage girls (leads to [suicide and self-harm], poor mental health, dysphoria)." The spokesperson observed that the "arguments [are] based on [Meta's] own research so [they] are difficult to rebut" and noted that the article could expose "that [Meta's] own research confirmed what everyone has long suspected." 108
- 210. By failing to disclose the above information, Meta tends to cause consumers to believe Instagram is safer than it is in reality.
- 211. Upon information and belief, the above-referenced studies and surveys are just the tip of the iceberg and Meta continues to study and deepen its knowledge that Instagram is harmful for many users.
 - i. Meta's Leadership Refused to Remediate Instagram's Known Harms.
- 212. Although Meta understood that Instagram causes significant harm to users, Meta executives repeatedly declined to fund (or otherwise support) internal proposals to reduce those harms.
- 213. By March 2019 (and likely earlier), Meta employees were aware that a critical mass of "internal and external" research showed that Instagram harms users. Based on that knowledge, employees raised this issue to Meta's senior decision-makers.

¹⁰⁷ *Id.* (pg. 21).

¹⁰⁸ Ex. 52, Meta Doc. No. MT-IG-AG-00205989 (pg. 2).

214. On or around March 8, 2019, a Meta research director sent Sandberg a report warning that Meta was harmful for users, on balance. The report stated, "there is increasing scientific evidence (particularly in the US) that the average net effect of [Meta platforms] on people's well-being is slightly negative." ¹⁰⁹

215. The report identified "[t]hree negative drivers that occur frequently on Meta's platforms and impact people's well being." Those drivers were: (1) problematic use (Meta's euphemism for compulsive use); (2) social comparison; and (3) loneliness. ¹¹⁰

216. The report observed that 58.1% of users experienced varying degrees of "problematic use"; 45% of users experienced varying degrees of social comparison; and 43% of users experienced varying degrees of loneliness from using Meta's platforms. 111

217. The report warned Sandberg that Meta needed new product investment to remedy these harms. It stated: "With no additional investment, we are on a trajectory to deliver exploratory findings (and NO product changes)." "We recommend investing in both the product effort and the [research] effort." ¹¹²

218. On April 8, 2019, Meta's VP of Product, Choice, and Competition escalated this warning by emailing Zuckerberg, Sandberg, and Mosseri. That email reiterated the warning previously shared with Sandberg: "there is increasing scientific evidence (particularly in the US) that the average net effect of [Meta platforms] on people's well-being is slightly negative." ¹¹³

219. Like the report that Sandberg received individually, the email to Zuckerberg, Mosseri, and Sandberg implored that "there is a strong need to increase our investment in these

¹⁰⁹ Ex. 53, Meta Doc. No. MT-IG-AG-00157898.

¹¹⁰ *Id*.

¹¹¹ *Id*

^{112 1.1}

¹¹³ Ex. 54, Meta Doc. No. MT-IG-AG-00158988 (pg. 2).

areas to make a meaningful shift over the next year and beyond."

- 220. The email reiterated: "Without additional investment, we are on a trajectory to deliver exploratory findings and continue our research at a slower pace (and NO product changes)."
- 221. Several days later, a member of Meta's finance team—speaking on behalf of Zuckerberg and Sandberg—told the research team that Meta would not fund the recommended investments at the Meta (parent company) level.¹¹⁴
- 222. Later that same day, Mosseri stated that the recommended investments would not be funded at the Instagram level either. He explained, "[u]nfortunately I don't see us funding this from Instagram any time soon." ¹¹⁵
- 223. In other words, Meta's executive decision-makers understood that Instagram was, on net, negatively impacting its users. But rather than disclosing that fact or investing in solutions to the problem, Meta continued to prioritize Company profits at the users' expense.
- 224. Later in 2019, Fidji Simo—then Head of Facebook—told Mosseri that, to improve well-being on Meta's platforms, "we need to increase investment." ¹¹⁶
- 225. Mosseri replied, "100% agree. My current take is the biggest problem is: Wellbeing is the existential question we face, and we lack a . . . roadmap of work that demonstrates we care about well-being." 117
- 226. Despite Mosseri's purported concerns, Meta's leadership refused to fund well-being product investments for years.
 - 227. For example, in August 2021, Nick Clegg—Meta's President of Global Affairs—

¹¹⁴ *Id.* (pg. 1).

¹¹⁵ Id.

¹¹⁶ Ex. 55, Meta Doc. No. MT-IG-AG-00163662.

¹¹⁷ *Id*.

emailed Zuckerberg recommending "additional investment to strengthen our position on wellbeing across the company." ¹¹⁸

- 228. Clegg endorsed this investment because politicians worldwide were raising concerns "about the impact of [Meta's] products on young people's mental health." Clegg concluded that while Meta had a "strong program of research," it "need[ed] to do more and we are being held back by a lack of investment on the product side which means that we're not able to make changes and innovations at the pace required." 119
- 229. Zuckerberg declined to respond to Clegg's request for months, even after The Wall Street Journal reported about Meta's internal research on the harm Instagram causes to Young Users' mental health.
- 230. As it turns out, Zuckerberg's attention was elsewhere. While Clegg and others worried about public backlash, Zuckerberg was preoccupied with public perception of his hydrofoil, which is an aquatic recreation device. 120
- 231. On September 21, 2021, while Meta's previously undisclosed internal research was a leading headline, Meta's public affairs team worked to dissuade Zuckerberg from publicly mocking a different news story that mistakenly referred to Zuckerberg's hydrofoil as an "electric surfboard." ¹²¹
- 232. According to a member of the team, Zuckerberg was "eager" to publicly state: "Look, it's one thing for journalists to make false claims about my work, but it's crossing a line to say I'm riding an electric surfboard when it's clearly a hydrofoil and I'm pumping that thing with

¹¹⁸ Ex. 56, Meta Doc. No. MT-IG-AG-00210674 (pg. 3).

¹¹⁹ Id.

¹²⁰ Ex. 57, Meta Doc. No. MT-IG-AG-00701698.

¹²¹ *Id*.

my legs."122

233. Later in the same conversation, an unamused Clegg observed the absurdity of Zuckerberg's inclination:

Am I missing something here? On the day a [Meta] rep[resentative] is pulled apart by US Senators on whether we care enough about children on our services, [Zuckerberg] is going to post about . . . surfboards? Maybe I've lost my humor about this whole thing, but I really think this would seem to any casual observer to be pretty tone deaf given the gravity of the things we're accused of . . . If I was him, I wouldn't want to be asked "while your company was being accused of aiding and abetting teenage suicide why was your only public pronouncement a post about surfing?" . . . [The Wall Street Journal's reporting about Instagram's mental health impacts] has dramatically consolidated a wider narrative (that we're bad for kids) which had been brewing for some time. It now makes regulation . . . certain, and in my view makes launching [Instagram] Kids nigh impossible. I've told [Zuckerberg] and [Sandberg] this already. 123

- 234. Zuckerberg ultimately released the statement. As Meta's Head of Communications said, "I'm really eager to just do whatever he wants at this point. My spine has been surgically removed." 124
- 235. Meanwhile, Clegg was concerned that Zuckerberg's mindset was hampering the Company's response to the mental health crisis covered in The Wall Street Journal's reporting. In a contemporaneous discussion with a member of Meta's finance team, Clegg implored, "the WSJ story about [Instagram] and teenage depression and suicide will have a huge impact on regulatory/political pressure on us going forward . . . I'm worried that none of this is yet being reflected in [Zuckerberg's] decision making [sic] on [staffing]." 125
 - 236. Clegg was not alone—other members of Meta's senior leadership team were also

123 Id.

¹²² *Id*.

¹²⁴ I.J

¹²⁵ Ex. 58, Meta Doc No. MT-IG-AG-00701697.

becoming increasingly alarmed.

- 237. For instance, following significant media coverage of Meta platforms' harms to young users, Meta's VP of Research emailed Clegg to share, "I feel even more convinced that we need to make more progress on well-being on the product side." ¹²⁶
- 238. Similarly, in an October 2021 exchange about Clegg's August 2021 well-being recommendation (to which Zuckerberg still had not responded), Mosseri complained, "I'm really worried about this . . . we've been talking about this for a long time but have made little progress." 127
- 239. Meta's VP of Product Management agreed with Mosseri, observing that Meta's "biggest gap is getting [Meta's] research into product roadmaps. We got 0 new well-being funding for 2022." 128
- 240. Meta's VP of Product Management reiterated the same with other Meta employees: "We've made a lot of progress on research . . . We've not made a lot of progress on getting the research into product." 129
- 241. In November 2021, Clegg sent an email following up on his August 2021 correspondence to which Zuckerberg had still failed to respond. In the follow-up email, Clegg underscored that product investment is "important to ensure we have the product roadmaps necessary to stand behind our external narrative of well-being on our apps."¹³⁰
- 242. In other words, as Clegg told Zuckerberg, the Company's external well-being "narrative" was inconsistent with Company's actual financial commitment to that issue.

¹²⁶ Ex. 59, Meta Doc. No. MT-IG-AG-00208523 (pg. 2).

¹²⁷ Ex. 60, Meta Doc. No MT-IG-AG-00188864.

¹²⁸ *Id*.

¹²⁹ Ex. 61, Meta Doc. No. MT-IG-AG-00189014.

¹³⁰ Ex. 56 (pg. 1).

- 243. Ultimately, Zuckerberg was responsible for that discrepancy because he acts as the sole ultimate decision maker for all major corporate choices at Meta. As Mosseri and a fellow Meta executive complained in a 2016 internal message, Zuckerberg is "the only non-middle-manager" at Meta. ¹³¹
- 244. In that same exchange, a third executive agreed, observing that while "most companies are 'feudal' in their structure—nesting minor fiefdoms," Meta is not. Instead, Meta is "an absolute dictatorship" run by Zuckerberg. 132
- 245. On information belief, Zuckerberg has maintained that "dictatorial" level of control over Meta's major corporate decisions from the Company's founding through the present day.
 - ii. Meta Limited Internal Access to Documents Showing Instagram's Harms.
- 246. As described above, Meta never publicly disclosed the significant body of internal research showing the risks Instagram posed to its users.
- 247. To the contrary, Meta took affirmative steps to hide its internal research from the public—including from Tennessee consumers, parents and guardians.
- 248. As Meta's products, including Instagram, faced growing scrutiny over time, Meta locked down access to its internal research findings.
- 249. For instance, on August 27, 2021—shortly after Meta learned of The Wall Street Journal's forthcoming article exposing some of Meta's well-being research—the Company began "locking down access to some of the extra sensitive pieces of work." ¹³³
- 250. As part of that effort, an employee (presumably acting at management's behest) instructed an internal researcher to "make sure that any of our shareable deliverables or insights

¹³¹ Ex. 62, Meta Doc. No. MT-IG-AG-00219284 (pg. 28).

¹³² Id.

¹³³ Ex. 63, Meta Doc. No. MT-IG-AG-00185325.

docs that you own on the mental well-being space are locked down." ¹³⁴

251. Similarly, on October 20, 2021, a senior Meta well-being researcher complained about a new policy requiring Meta's communications team to review research findings even before they could be shared *internally*. ¹³⁵

252. One Meta employee worried that the new policy could have a chilling effect on the Company's ability to react to "research findings that are inconvenient for [Meta], e.g., research that shows [Meta] is harmful." ¹³⁶

253. The employee added that if that research "needs to be sanitized to share with [internal] people that need to know (i.e., the people in focused, closed groups) then we've got a big problem."¹³⁷

254. Despite those risks, the communications team did, in fact, begin "sanitizing" internal research findings before they were circulated internally. On one occasion, the communications team "took issue with language describing a finding as applying to a general population instead of just survey responders . . . The discussion that followed left [a researcher] feeling that [Meta] wouldn't want us to do that [*i.e.* apply findings to the general population, which is Meta's user base] so that [Meta] could more easily dismiss inconvenient findings." ¹³⁸

255. Reacting to that episode, a researcher concluded: "This is a huge moral hazard, in my opinion." Another Meta-employed social scientist responded, "[a]greed!" ¹³⁹

256. True to form, Meta also restricted access to the BEEF survey results in the latter half of 2021. As one Meta employee observed on September 30, 2021, "[t]he results of BEEF . . .

¹³⁴ *Id*.

¹³⁵ Ex. 64, Meta Doc. No. MT-IG-AG-00062055.

¹³⁶ Id

¹³⁷ Id.

¹³⁸ *Id*.

¹³⁹ *Id*.

are only being shared in private and select groups, to avoid leaks. Sad new world." According to the same employee, Meta narrowed BEEF survey-result access to a "66-person secret group." ¹⁴⁰

257. That same month, one PhD-level researcher compared Meta's messaging strategy to that of Big Tobacco. After Meta tried to downplay Instagram's mental health harms in the wake of The Wall Street Journal's exposé, the researcher emailed colleagues explaining that:

Pre-[Meta] I spent a lot of time working on public health and environmental issues, and this sounds eerily similar to what tobacco companies and climate change deniers say. Uncertainty/doubt is a key component of the scientific method, but it can also be weaponized to push back on critics (e.g., '... but this one scientist thinks cigarettes don't cause cancer,' 'we need more research to know for sure whether climate change is man made,' 'evolution is just a theory,' etc etc) . . . [W]hen we use language like this it puts us in very bad company. ¹⁴¹

- 258. On information and belief, Meta's internal culture of secrecy was designed to keep consumers, parents, guardians, and policy makers in the dark about the harm Meta was causing its users, including Instagram users.
 - iii. <u>Meta Did Not Disclose That Instagram's Cosmetic Surgery Effect Selfie</u> <u>Filters Were Especially Harmful to Young Users.</u>
- 259. Meta's decision-making behind Instagram's cosmetic selfie filters illustrates the Company's willingness to implement harmful platform features without disclosing known risks to the public.
- 260. Meta determined these filters were a business imperative based on internal research showing that "face filters are viewed as the key differentiator to keep [content creators] using Snapchat—in particular very large talent is eager for a simple beauty filter to help them be more comfortable to put their face on camera."¹⁴²

¹⁴⁰ Ex. 65, Meta Doc. No. MT-IG-AG-00144350.

¹⁴¹Ex. 66, Meta Doc. No. MT-IG-AG-00143575.

¹⁴² Ex. 67, Meta Doc. No. MT-IG-AG-00149666.

- 261. Shortly thereafter, Meta worked to integrate augmented reality filter effects into Instagram.
- 262. For example, a February 27, 2018 internal presentation shared with Zuckerberg describes the "strategic goal" of integrating augmented reality filter effects into the Instagram platform "to see if [augmented reality] effects can get strong product market fit . . . by tapping into [Instagram's] teens community and cultural moments." ¹⁴³
- 263. That "strategic goal" was intended to benefit "Instagram, Teens, and Partners" in specific ways. For Instagram's part, integrating augmented reality filter effects would "[i]ncrease [c]amera [e]ngagement in order to drive more sharing" and "[b]uild a daily behavior by giving [t]eens reasons to check the camera everyday [sic] though scalable new content." ¹⁴⁴
- 264. In other words, these camera filters would increase Instagram engagement—and consequently, Meta's profits.
- 265. But by 2018, some Meta staff were wary that augmented reality filters might harm users—particularly considering a "growing body of research that social media may be driving significant increases in rates of anxiety and depression, esp[ecially] among young women." ¹⁴⁵
- 266. As one employee explained, "[t]his is a hard issue to navigate because I know there is a lot of competitive pressure and a lot of market demand for filters that go much more directly into the beautification space. And if we test any of these things, they will undoubtedly perform well. But just because people like and want something in the short term doesn't mean it's healthy for them." ¹⁴⁶
 - 267. Consequently, in October 2018, Meta commissioned "a researcher and licensed

¹⁴³ Ex. 68, Meta Doc. No. MT-IG-AG-00151650 (pg. 5).

¹⁴⁴ *Id.* (pg. 22).

¹⁴⁵ Ex. 69, Meta Doc. No. MT-IG-AG-00213785.

¹⁴⁶ *Id*.

psychologist at Duke who specializes in eating disorders and body image issues among adolescents and adults" to undertake a literature review titled, "Consequences and Implications of Selfie Manipulation on Well-Being." ¹⁴⁷

268. The literature review found that:

An analyses of the costs and benefits of editing selfies and viewing manipulated photos indicate the risks far outweigh the benefits. Research to date suggests these behaviors exacerbate risk and maintenance of several mental health concerns including body dissatisfaction, eating disorders and body dysmorphic disorder . . . Data also indicates that editing selfies may have a paradoxical effect with regards to social connection. Rather than increasing acceptance, editing photos may actually increase social rejection . . . Rather than bringing people together, selfie manipulation tools risk propagating unrealistic standards of beauty that are cross-culturally harmful and divide more than they unite. 148

- 269. Nevertheless, Meta implemented cosmetic selfie filters on Instagram without publicly disclosing these known risks.
- 270. In mid-October 2019, Meta received sharp public rebuke from press and mental health experts who observed that certain selfie filters available on the Instagram platform promoted plastic surgery, raising serious mental health concerns.
- 271. Internally, Meta employees referred to this as a "PR fire" that included "negative press coverage, questions from regulators, and growing concern from experts." ¹⁴⁹
- 272. Based on that public pressure—and roughly a year after receiving unequivocal warnings from the literature review that it commissioned—Meta installed a set of interim policies banning augmented reality filters that promote cosmetic plastic surgery.
 - 273. After installing these interim policies, Meta devoted significant thought to its long-

¹⁴⁸ Ex. 70, Meta Doc. No. MT-IG-AG-00213789 (pg. 6).

¹⁴⁷ Id.

¹⁴⁹ Ex. 71, Meta Doc. No. MT-IG-AG-00166909 (pg. 20).

term position regarding these augmented filters.

- 274. For example, Meta employees consulted "[i]ndependent experts...from around the world" to study this issue. According to a subsequent internal presentation, those experts "generally agree that Cosmetic Surgery Effects raise significant concerns related to mental health and wellbeing, especially for teenage girls." The presentation recommended "continuing the ban and erring on the side of protecting users from potential mental health impacts." ¹⁵⁰
- 275. In November 2019, Meta staff formally submitted a long-term policy proposal to the Company's decision-makers. It recommended that the Company should "[r]eject cosmetic effects that change the user's facial structure in a way that's only achievable by cosmetic surgery for the purposes of beautification (in a way that cannot be achieved by makeup)." The proposal clarified, "[t]his *does not apply* to effects that change a user's facial structure for the purpose of turning the user into a character or animal." ¹⁵¹
 - 276. But this recommendation did not persuade all key decision-makers at Meta.
- 277. For example, on November 14, 2019, Andrew Bosworth—then Meta's VP of Augmented Reality and Virtual Reality—opposed the proposal, arguing that maintaining the ban would only "move [users] to other apps which aren't likely to be as restrained." ¹⁵²
- 278. A day later, Instagram's Head of Public Policy questioned Bosworth's perspective. She noted that the "strong recommendation" to "disallow[] effects that mimic plastic surgery" was made after consulting with Meta's communications, marketing, and policy teams—as well as engagement "with nearly 20 outside experts and academics." ¹⁵³
 - 279. Instagram's Head of Public Policy added, "we're talking about actively

¹⁵⁰ Ex. 72, Meta Doc. No. MT-IG-AG-00170733.

¹⁵¹ Ex. 71 (pg. 1, emphasis in original).

¹⁵² *Id.* (pgs. 10-11).

¹⁵³ *Id.* (pg. 9).

encouraging young girls into body dysmorphia . . . the outside academics and experts consulted were nearly unanimous on the harm here." 154

280. Two days later, a second employee likewise challenged Bosworth's viewpoint: "[T]he argument that this decision [to prohibit cosmetic surgery selfie filters] might move people into other apps doesn't carry weight with me [i]f it means we're not setting a good example/being a good steward for young people." 155

281. On March 30, 2020, Sandberg also expressed support for maintaining Meta's ban on cosmetic surgery effect filters: "I really hope we can keep the ban since we already have it . . . Let's not break something that is not broken." ¹⁵⁶

282. Shortly thereafter, the question of "whether [Meta] should continue, modify, or lift the temporary ban on Cosmetic Surgery [augmented reality] Effects" was elevated to Zuckerberg. Citing his belief that the ban "felt paternalistic," Zuckerberg decided to lift the ban. 157

283. Later that week, a senior Meta employee memorialized her disagreement with Zuckerberg's decision, stating "I respect your call on this and I'll support it, but want to just say for the record that I don't think it's the right call given the risks . . . I just hope that years from now we will look back and feel good about the decision we made here . . ."158

284. But nearly a year later, Meta employees were not "feeling good" about the Company's decision to push forward with these effects. Reacting to an article that referred to social media's widespread use of augmented reality filters as "a mass experiment on girls and young women," an employee remarked, "[t]his makes me so sad to read. Especially knowing how

¹⁵⁴ *Id.* (pgs. 9-10).

¹⁵⁵ *Id.* (pg. 9).

¹⁵⁶ Ex. 73, Meta Doc. No. MT-IG-AG-00698609.

¹⁵⁷ Ex. 74, Meta Doc. No. MT-IG-AG-00198471 (pg. 3).

¹⁵⁸ *Id.* (pg. 1).

hard we fought to prevent these on [Instagram]."159

- 285. A second employee replied, "I know, it's pretty dispiriting to think about. And the fact that we have no idea what the long-term effects will be for this generation that has grown up comparing themselves to something that's . . . totally fake." ¹⁶⁰
- 286. The first responded: "Given all the continued coverage on the impact of beauty filters on youth, I'd want us to consider age-gating these effects to [under-18] accounts." ¹⁶¹
- 287. On information and belief, Meta never age-gated cosmetic selfie filters on its platforms—and the platform feature remains accessible to Young Users to this day.
- 288. On information and belief, Meta never publicly disclosed its findings that these effects were harmful to users, a material omission that misled consumers, parents, and guardians to believe that Instagram is safer than it really is.

2. <u>Meta Promoted Misleading Metrics About the Incidence of Harm on Instagram.</u>

- i. <u>Meta's Community Standards Enforcement Reports Create the Impression that Harmful Content is Rarely Encountered on Instagram.</u>
- 289. Through public representations, Meta creates the impression that Instagram is a safe platform on which harmful content is rarely encountered.
- 290. Meta broadcasts that message through its Community Standard Enforcement Reports ("the Reports"), which the Company publishes quarterly on its online "Transparency Center" and amplifies through the press and other channels.
- 291. The Reports describe the percentage of content posted on Instagram that Meta removes for violating Instagram's community standards. Meta often refers to that percentage as

¹⁵⁹ Ex. 75, Meta Doc. No. MT-IG-AG-00085750.

¹⁶⁰ Id

¹⁶¹ *Id*.

its "prevalence" metric.

- 292. Meta directed its employees to tout the Reports' "prevalence" metric as "the most important measure of a healthy online community." ¹⁶²
- 293. But that is misleading. As Meta well understands, the "prevalence" of standards-violating content, which is often quite low, is not the same as the *actual* "prevalence" of harmful content, which is rampant on Instagram.
- 294. Notably, Meta drafted the "community standards" and has incentives to design those standards narrowly so that they are rarely violated.
- 295. Nevertheless, Meta expressly represents that Instagram is safe because Meta enforces its community standards.
- 296. For example, the 2019 third quarter Report touts Meta's "[p]rogress to help keep people safe." Likewise, the 2023 second quarter Report states that "we publish the Community Standards Enforcement Report...to more effectively track our progress and demonstrate our continued commitment to making... Instagram safe..." 164
- 297. These representations—publicly accessible on Meta's online Transparency Center—create the impression that through the Reports, Meta is disclosing information most relevant to Instagram's safety. In other words, Meta posts these Reports to its online Transparency Center so users, parents, and guardians who visit that site will believe Young Users and other users are unlikely to experience harm on Instagram.
- 298. Indeed, internal documents show that Meta intended the Reports to create that exact (mis)understanding.

¹⁶² Ex. 76, Meta Doc. No. MT-IG-AG-00023718.

¹⁶³ Ex. 77, Meta Doc. No. MT-IG-AG-00002973.

¹⁶⁴ Ex. 78, *Community Standards Enforcement Report: Q2 2023*, META (Aug. 2023), https://transparency.fb.com/data/community-standards-enforcement/.

- 299. In March 2021, Meta conducted an internal Meta "Company Narrative Audit" that suggests ways the Company should combat narratives such as "[Meta] allows hateful and harmful content to proliferate on its platform." ¹⁶⁵
- 300. To counter that narrative, the audit suggests Meta should publicize that: "Every three months we publish our Community Enforcement Standards Report to track our progress and demonstrate our continued commitment to making Facebook and Instagram safe." ¹⁶⁶
- 301. Consistent with this effort, internal communications show that Meta encouraged employees to use the Reports as an external "measure for platform safety" that illustrate "our efforts to keep our platform safe." ¹⁶⁷
 - ii. <u>Users Encounter Harmful Experiences on Instagram Much More Frequently Than the Reports Suggest.</u>
- 302. The impression the Reports create—that Instagram is a safe platform where harmful experiences are only rarely encountered—is false and misleading.
- 303. For example, Meta's 2021 third quarter Report states that on Instagram, "less than 0.05% of views were of content that violated our standards against suicide & self-injury." That representation created the impression that it was very rare for users to experience content relating to suicide and self-injury on Instagram.
- 304. But Meta's *contemporaneous* internal BEEF survey data showed that during 2021, 6.7% of surveyed Instagram users had seen self-harm content within the last seven days. For users between 13-15 years of age, 8.4% had seen content relating to self-harm on Instagram within the last seven days. ¹⁷⁰

¹⁶⁵ Ex. 79, Meta Doc. No. MT-IG-AG-00179744 (pg. 12).

¹⁶⁶ *Id*.

¹⁶⁷ Ex. 80, Meta Doc. No. MT-IG-AG-00023675.

¹⁶⁸ Ex. 81, Meta Doc. No. MT-IG-AG-00091755 (pg. 4).

¹⁶⁹ Ex. 51 (pg. 21).

¹⁷⁰ *Id*.

305. Thus, the frequency with which users—particularly Instagram's youngest users—encounter self-harm-related content on Instagram vastly exceeded the impression Meta created through its Reports.

306. A similar discrepancy may be seen in Meta's measurement of bullying and harassing content.

307. For example, the third quarterly Report of 2021 stated, "we estimate between 0.05% to 0.06% of views were of content that violated our standards against bullying & harassment [on Instagram]." This claim created the impression that it was very rare for users to observe or experience bullying or harassment on Instagram.

308. Again, Meta's contemporaneous internal user survey data told a different story: Among surveyed Instagram users, 28.3% had witnessed bullying on the platform within the last seven days and 8.1% had been the target of bullying on the platform within the last seven days.¹⁷²

309. Among 13-15-year-olds, 27.2% reported witnessing bullying within seven days. Among users aged 16-17, that figure was 29.4%. 173

- 310. When asked whether they had been the target of bullying on Instagram within the last seven days, 10.8% of 13-15-year-olds said yes.¹⁷⁴
- 311. Similarly, and contrary to the 2021 third quarter Report's representation that harassment on Instagram was rare, Meta's contemporaneous internal survey showed that 11.9% of all survey respondents said they had received unwanted advances on Instagram within the last seven days. 175

¹⁷¹ Ex. 81 (pg. 3).

¹⁷² Ex. 51 (pg. 21).

¹⁷³ Id.

¹⁷⁴ *Id*.

¹⁷⁵ *Id*.

- 312. Here again, that number was even higher amongst Instagram's youngest users. Among 13-15-year-olds, 13.0% reported that they had received unwanted advances within the last seven days. Among 16-17-year-olds, that figure was 14.1%. ¹⁷⁶
- 313. In other words, Instagram users in general—and Young Users in particular—encounter content related to self-harm, bullying, and harassment on Instagram much more frequently than consumers would expect based on the Reports.

iii. Meta's Executive Leadership Knew the Reports Misled Consumers.

- 314. Meta's leadership team understood the discrepancy between Meta's public Reports and Meta's internal survey results.
- 315. On October 5, 2021, Arturo Bejar—then an independent contractor and formerly Meta's Director of Engineering—emailed Zuckerberg, Sandberg, Chris Cox, and Mosseri voicing concerns that there was a "critical gap in how [Meta] as a company approach[es] harm." ¹⁷⁷
- 316. Bejar proposed that the Company shift its focus away from the "prevalence" of community standards violations towards measures (like the BEEF surveys) that more accurately reflect the true scope of harmful content encountered on Instagram. ¹⁷⁸
- 317. Meta's senior leadership did not respond to Bejar. In fact, Zuckerberg, with whom Bejar worked directly for several years, declined to respond to Bejar's email. Bejar has stated that he could "not think of an email that I sent to Mark [Zuckerberg] during my time [at Meta] that he didn't read or respond to." ¹⁷⁹
- 318. Undeterred, Meta continued to issue and publicize the Reports—even though Meta's leadership team knew the Reports vastly under-represent the volume of harmful content on

¹⁷⁶ *Id*.

¹⁷⁷ Ex. 82, Bejar Transcript Excerpts.

¹⁷⁸ Id.

¹⁷⁹ *Id*.

Instagram when compared to metrics like the BEEF surveys.

319. During the State's investigation, Bejar testified that Meta adopted and maintained this strategy to mislead the public. When asked if he believed "that Mr. Zuckerberg and other Company leaders focused on the prevalence metric because it created a distorted picture about the safety of Meta's platforms," Bejar testified "I do." 180

320. When asked if he thought "Mr. Zuckerberg's public statements about prevalence created a misleading picture of the harmfulness of Meta's platforms," Bejar testified "I do." ¹⁸¹

321. And when asked if he was "aware of any instances where the Company, in [his] view, minimized the harms users were experiencing on Meta's platforms," Bejar testified: "Every time that a Company spokesperson in the context of harms quotes Prevalence statistics I believe that is what they are doing, that they're minimizing the harms that people are experiencing in the product." ¹⁸²

322. Upon information and belief, Meta issued the Reports and made other public statements in order to downplay the harmful experiences that are widespread on Instagram—particularly for Young Users.

323. The Reports create the impression for users, parents, and guardians that Instagram provides minimal exposure to harmful experiences such as bullying, self-harm content, and unwanted contacts, when Meta's surveys show that users (and particularly Young Users) are regularly exposed to those experiences on Instagram.

3. <u>Meta Deceived Consumers By Promoting "Time Spent" Tools Despite</u> Known Inaccuracies.

324. For years, Meta has affirmatively deceived consumers by promoting and

¹⁸¹ *Id*.

¹⁸⁰ Id.

¹⁸² *Id*.

maintaining inaccurate time-tracking tools on Meta platforms.

- 325. On August 1, 2018, Meta announced "new tools to help people manage their time on Facebook and Instagram." The announcement touted platform-specific activity dashboards, daily use reminders, and a notification-limiting tool engineered "based on collaboration and inspiration from leading mental health experts and organizations, academics, [Meta's] own extensive research and feedback from [Meta's] community."¹⁸³
- 326. In that announcement, Meta acknowledged that it has "a responsibility to help people understand how much time they spend on [Meta] platforms so they can better manage their experience." Meta stated its hope "that these tools give people more control over the time they spend on our platforms and also foster conversations between parents and teens about the online habits that are right for them."¹⁸⁴
- 327. Through these public statements and others, Meta led Tennessee consumers, parents, and guardians to believe they could rely on Meta's so-called "Time Spent" tools to track and manage the time spent on Instagram in a meaningful, accurate way.
- 328. That representation was false. By March 2020, Meta employees recognized that the Time Spent tool presented materially flawed information to consumers.
- 329. As one Meta staffer observed at the time, "[o]ur [Time Spent] data as currently shown is incorrect. It's not just that Apple / Google have better data. Ours is wrong. Far worse. We're sharing bad metrics externally . . . The reason this is relevant is we vouch for these numbers. Any day they're out there is a legal liability." 185
 - 330. By the middle of 2020, Instagram's team charged with decommissioning platform

¹⁸³ Ex. 83, New Tools to Manage Your Time on Facebook and Instagram, META (Aug. 1, 2018), https://about.fb.com/news/2018/08/manage-your-time/.

¹⁸⁵ Ex. 84, Meta Doc. No. MT-IG-AG-00171486.

features recommended that Meta's Time Spent tools should be removed from Meta platforms. 186

- 331. But Meta did not follow that recommendation because the "Time Spent" tool is a key part of Meta's message to users, parents, and guardians that Instagram is a trustworthy platform where the risks of addiction are low and manageable.
- 332. For instance, when she learned about the effort to remove the Time Spent tools, Instagram's Head of Policy feared that removing the Time Spent tools would strip Meta of its "biggest proof point" on "tech addiction/problematic use." Consequently, she advocated that the Time Spent tools should remain in place, despite their inaccuracy:

[T]he time spent dash[board and] end of feed notification is the biggest proof point we have on tech addiction/problematic use and the tool with the most positive sentiment from our mental health stakeholders—there's no product work we've done in the last four years that comes close and we wouldn't have the credibility we now have in the social comparison/mental health parent space had we not launched this . . . In order to land this unship successfully we would need to land the why, and without doing so we would lose significant credibility with our policy and mental health stakeholders . . . I don't think that's going to land well without having something that addresses the underlying issue around problematic use. ¹⁸⁷

- 333. The desire to maintain its "credibility...in the social comparison/mental health parent space..." continued to motivate Meta well into 2020, as users spent more time on Meta's platforms during the COVID-19 pandemic. For example, in July 2020, Meta's product marketing and communications teams told colleagues that Meta should not remove the inaccurate Time Spent tools because:
 - "Time spent is a bigger concern due to COVID/spending more time online."
 - "[Meta] just deprioritized the mental health team, so no new or upcoming [mental health-promoting] features to point to here."

¹⁸⁶ Ex. 85, Meta Doc. No. MT-IG-AG-00174125.

¹⁸⁷ Ex. 86, Meta Doc No. MT-IG-AG-00197537 (pgs. 2-3).

- "[Facebook] launched their v2 time spent tool on iOS in Q2 (Android coming in Q3) and got decent press around the relaunch."
- "Upcoming moments make the market environment sensitive in this area (suicide prevention day (sept), world mental health day (oct)) and there is concern that back-to-school will spark new issues in market perception due to the majority being online/remote learning so time spent online will likely be topof-mind for many." 188
- 334. Ultimately, Meta preferred to maintain a façade because the truth—that Meta's Time Spent tool was not actually providing any meaningful, accurate tools to help users, parents, or guardians combat or reduce compulsive use—would undermine Meta's business interests and public sentiment.
- 335. In the words of one Meta employee who originally advocated for the removal of inaccurate Time Spent tools: "I don't think we can touch [the Time Spent tool] for months, maybe even more. The regulatory and brand risk from removing our only addiction-related features outweighs . . . the wins around user trust in the data from the few users who use it." ¹⁸⁹
- 336. On information and belief, Meta regularly promoted its "Time Spent" tool as an accurate and useful way for users to control their use of Instagram, even while it knew that the "Time Spent" tool delivered inaccurate metrics.
- 337. Meta made these representations to build trust with consumers, parents, and guardians that Meta's Time Spent tool would help users (particularly Young Users) manage their time on Instagram, even though Meta knew that tool was broken. In this way, Meta won public trust and sentiment by deceiving the public about the utility of this (supposed) addiction-mitigating feature.

¹⁸⁸ Ex. 87, Meta Doc. No. MT-IG-AG-00174972 (pg. 2).

¹⁸⁹ Ex. 88, Meta Doc. No. MT-IG-AG-00202191 (pg.1).

4. <u>Through Public Misrepresentations, Meta Leads the Public to Believe That Instagram is Safe for Young Users.</u>

338. The Time Spent episode is not the only time Meta has prioritized public perception over the truth. To the contrary, Meta has repeatedly misrepresented facts about its business to convince consumers, parents, and guardians that Meta can be trusted to keep Young Users safe on Instagram.

- i. <u>Meta Created the Impression That It Restricts Young Users From Accessing Harmful Content on Instagram.</u>
- 339. Through express representations, Meta cultivated the impression that it protects Young Users from harmful or inappropriate content on Instagram.
- 340. For example, in the opening statement to his Congressional testimony in December 2021, Mosseri stated "We've put in place multiple protections to create safe and age-appropriate experiences for people between the ages of 13 and 18" on Instagram. ¹⁹⁰
- 341. Antigone Davis—Meta's Global Head of Safety—made similar representations to Congress in September 2021. During questioning from senators, Davis explained that "[w]hen it comes to those between 13 and 17, we consult with experts to ensure that our policies properly account for their presence, for example, by age-gating content." Davis added, Meta does not "allow young people to see certain types of content. And we have age gating around certain types of content." ¹⁹¹
- 342. Davis also specifically testified that Meta does not "direct people towards content that promotes eating disorders." ¹⁹²

¹⁹⁰ Ex. 89, Protecting Kids Online: Hearing Before Subcomm. on Consumer Protection, Product Safety, and Data Security of the S. Comm. on Commerce, Science, and Transportation, 117th Cong. (2021) (testimony of Adam Mosseri, Head of Instagram, Meta Platforms) (pg. 2).

¹⁹¹ Ex. 90, Protecting Kids Online: Hearing Before Subcomm. on Consumer Protection, Product Safety, and Data Security of the S. Comm. on Commerce, Science, and Transportation, 117th Cong. (2021) (testimony of Antigone Davis, Global Head of Safety, Meta Platforms) (pgs. 10, 59).

¹⁹² Id. (pg. 45).

- 343. Through Mosseri and Davis' testimony, Meta led the public to believe that Meta successfully curates the Instagram experience to protect Young Users from content that may be inappropriate or harmful to them. But Meta's own studies show that is false.
- 344. In fact, a report that Davis authored less than a year before her testimony contradicts her public representations. Davis' October 2020 report—titled "Child Safety: State of Play"—contains many alarming findings regarding Instagram's lack of protections for Young Users. ¹⁹³
- 345. For example, according to that report, Instagram has "minimal child safety protections" that were needed to prevent "Child Sexual Exploitation." ¹⁹⁴
- 346. On the topic of "Age Assurance/Appropriateness" on Instagram—a key feature of Davis' testimony—Davis' report includes a slide showing that Instagram's "vulnerabilities" include "U18 enforcement." More specifically, Davis' report notes that Instagram's "age gating relies on either stated age or weak age models; lack[s] checkpoint." The same slide identifies "content" as an additional "[v]ulnerability" for Instagram, due to the presence of "inappropriate/harmful content and experiences for minors." This slide concludes that for these topics, "there is work happening in this area but not resourced to move quickly." ¹⁹⁵
- 347. A subsequent slide from Davis' report observes Instagram's significant "vulnerabilities" regarding users' well-being. It notes that "core product features connect to challenging societal issues" such as the "objectification of women (e.g. [augmented reality] face and body altering filters), competitive social comparisons (e.g. likes and comments) and anxiety/[fear of missing out] (e.g. notifications)." This slide also notes that Instagram is "vulnerable" because it has difficulty "calibrating for content impact on well-being (e.g.[,] eating

¹⁹³ Ex. 91, Meta Doc. No. MT-IG-AG-00699249.

¹⁹⁴ *Id.* (pg. 5).

¹⁹⁵ *Id.* (pg. 6).

disorder content and gender-based hate speech)."196

- 348. Other internal documents demonstrate that Meta did not meaningfully improve Instagram's safety or age-appropriateness by the time Davis testified in September 2021.
- 349. For instance, according to Meta's internal findings from October 2021 (just *after* Davis' testimony), only 2% of content that Young Users encounter on Meta's platforms is "age appropriate nutritious" or "the sort of content we would like to promote to teens." ¹⁹⁷
- 350. And, in contrast to Davis' testimony, Meta's internal studies show that Instagram disproportionately directs teen girls to negative appearance comparison-promoting content. For example, one June 2021 internal study shows that on Instagram, "approximately 70% of teen girls see 'too much' sensitive content," *i.e.* content that makes them "often feel worse about themselves." And another June 2021 internal study shows that "roughly 1 in 5 pieces of content" teen girls see is "associated with more negative appearance comparison." 199
- 351. As these examples show, through Mosseri and Davis' testimony, Meta affirmatively misled the public about the efficacy of Meta's efforts to protect Young Users from harmful content and/or to deliver age appropriate experiences on Instagram. These are material misrepresentations, as reasonable consumers would be less likely to use a platform (or to allow Young Users in their care to use a platform) that exposes users to age-inappropriate or harmful content.

ii. Meta Created the Impression That It Does Not Prioritize "Time Spent."

352. To downplay concerns that Instagram is addictive, Meta has repeatedly created the public impression that it does not prioritize increasing users' time on Instagram. To construct that

¹⁹⁶ *Id.* (pg. 8).

¹⁹⁷ Ex. 92, Meta Doc. No. MT-IG-AG-00187589.

¹⁹⁸ Ex. 47.

¹⁹⁹ *Id*.

impression, Meta's executives claimed that the Company does not measure success in terms of the time users spend on Meta's platforms.

- 353. For example, in October 2019, Zuckerberg publicly stated that Meta does not allow Meta "teams [to] set goals around increasing time spent on [Meta's] services." ²⁰⁰
- 354. Similarly, in October 2021, Sandberg used talking points representing that the Company does not "optimize [its] systems to increase amount of time spent" and that Meta "explicitly do[es]n't give [its] team goals around time spent."²⁰¹
- 355. Meta makes representations like these to garner trust: it wants the public (including consumers, parents, and guardians) to believe that it does not measure success in terms of time spent to dispel the notion that it intentionally fuels compulsive use of Meta's products.
 - 356. But Meta's representation that it does not set goals based on time spent is false.
- 357. For instance, on December 28, 2015, Zuckerberg instructed that Meta should aim to increase the time that Instagram users spend on the platform by 10% within the next five years. ²⁰²
- 358. Similarly, an internal email to Instagram's co-founders lists "emphasis on driving time spent" among the Company's "[k]ey [t]hemes" for the first half of 2016.²⁰³
- 359. As another example, an internal Meta presentation titled "2017 Teens Strategic Focus" explicitly describes the Meta's 2017 "Top-Line Goals" for the first half of 2017, which was "shared with Zuck." The first "Top-Line Goal" is to "grow teen time spent." 204
 - 360. On information and belief, Meta continues to work to increase users' time spent on

²⁰⁰ Ex. 93, Meta Doc. No. MT-IG-AG-00002294.

²⁰¹ Ex. 94, Meta Doc. No. MT-IG-AG-00230164.

²⁰² Ex. 95, Meta Doc. No. MT-IG-AG-00146511.

²⁰³ Ex. 96, Meta Doc. No. MT-IG-AG-00146487.

²⁰⁴ Ex. 97, Meta Doc. No. MT-IG-AG-00189923 (pgs. 2, 5).

Instagram through the present.

361. Thus, by claiming that it did not set goals based on time spent, Meta affirmatively misled the public—including Tennessee consumers, parents, and guardians—about the Company's motivations and internal business practices. This is a material misrepresentation, as reasonable consumers, parents, and guardians would be less likely to trust a platform that works to capture ever-increasing shares of users' time.

iii. <u>Meta Created the Impression That It Does Not Place a Monetary Value On Young Users.</u>

- 362. In a similar vein, Meta led the public to believe that it does not place a monetary value on Young Users' use of Meta platforms. In this way, Meta created the impression it does not discuss its youngest users in terms of their financial value to the Company.
- 363. For example, during Davis' September 2021 Congressional testimony, a senator asked Davis for the monetary value that Meta places upon a young user's lifetime use of Meta products.
- 364. Davis responded, "That's not how we think about building products for young people . . . It's just not the way we think about it." ²⁰⁵
- 365. Through Davis' testimony, Meta led the public to believe that it does not place a monetary value on Young Users' use of Meta's platforms.
- 366. But Meta's internal correspondence demonstrates that Davis' response to the senator was inaccurate and misleading.
- 367. For instance, an internal email from September 2018 illustrates that Meta plainly discusses the financial value that Young Users represent to the Company. According to Meta,

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²⁰⁵ Ex. 90 (pgs. 24-25).

"[t]he lifetime value of a 13 [year old] teen is roughly \$270 per teen." ²⁰⁶

368. Consequently, through Davis' testimony, Meta affirmatively misled the public—including Tennessee consumers—about whether the Company places a monetary value upon Young Users' lifetime use of Meta's products. This is a material misrepresentation, as reasonable consumers, parents, and guardians would be less likely to trust a platform that calculates the monetary value that the platform may extract from a Young User's lifetime engagement.

- iv. <u>Meta Created the Impression That It Was Not Restricting Access to Internal Research Findings.</u>
- 369. Through Congressional testimony, Meta led the public to believe that it had not changed its internal data and research access policies in response to The Wall Street Journal's 2021 coverage of Meta's internal research findings. Meta wanted to create that impression so consumers, parents, and guardians would believe that the Company had no reason to lock down internal information about Instagram's mental health impacts.
- 370. During Davis' September 2021 Congressional testimony, a senator asked Davis "how are you restricting access to data internally? Have your policies changed since The Wall Street Journal articles [describing Meta's internal well-being research]?" ²⁰⁷
 - 371. Davis responded, "Senator, not that I am—not that I'm aware of certainly." ²⁰⁸
- 372. Through Davis' testimony, Meta led the public to believe Meta did not change its internal access policies—such as restricting internal access to data and research—following The Wall Street Journal's coverage of Meta's internal well-being research.
- 373. But in fact, as described in detail in Section C.1.ii. above, in reaction to The Wall Street Journal's reporting (which led to Davis' Congressional testimony), Meta methodically

²⁰⁶ Ex. 98, Meta Doc. No. MT-IG-AG-00097186.

²⁰⁷ Ex. 90 (pg. 44).

²⁰⁸ *Id*.

locked down internal access to well-being related data and research.

- 374. To briefly restate evidence described above, in August 2021—shortly after Meta learned of The Wall Street Journal's forthcoming journalism— the Company was "locking down access to some of the extra sensitive pieces of work." ²⁰⁹
- 375. To implement the lock-down, a research manager instructed a colleague to "make sure that any of our shareable deliverables or insights docs that you own on the mental well-being space are locked down."²¹⁰
- 376. Through Davis' testimony the following month, Meta affirmatively misled the public—including Tennessee consumers—about whether the Company internally restricted access to data and research following The Wall Street Journal's coverage of Meta's internal findings. This is a material misrepresentation, as reasonable consumers, parents, and guardians would be less likely to trust a platform that undertakes affirmative steps to shield internal mental well-being research from employees to reduce the risk that research is leaked to the public.
 - v. <u>Meta Created the Impression that It Uses Internal Research Findings to Improve Product Safety on a Regular Basis.</u>
- 377. Through Congressional testimony, Meta led the public to believe that the Company regularly uses internal research findings to inform safety-oriented product improvements. Meta created this impression so consumers, parents, and guardians would believe that the Company used its troubling internal research findings to improve the safety of its platforms.
- 378. During Davis' September 2021 Congressional testimony, a senator asked Davis: "What specific steps did you . . . take in response to your own research [into Instagram users' body image issues] and when?"²¹¹

²⁰⁹ Ex. 63.

²¹⁰ r.a

²¹¹ Ex. 90 (pg. 21).

- 379. Davis responded: "I don't know that I'll be able to give you exact dates, but what I can tell you is that *this research has fueled numerous product changes*." ²¹²
- 380. Similarly, during Mosseri's December 2021 Congressional testimony, a senator asked Mosseri: "How did you change your policies as a result of [Meta's internal research into Instagram users' suicidal thoughts] to protect young girls?" ²¹³
- 381. Mosseri responded: "Senator, I appreciate the question. We use research to not only change our policies, but *to change our product on a regular basis*." ²¹⁴
- 382. Through Davis and Mosseri's Congressional testimony, Meta led the public to believe Meta regularly uses internal research findings to improve product safety.
- 383. But in fact, as described in detail in Section C.1.i. above, members of Meta's leadership—including Mosseri—acknowledged the Company's failure to translate research findings into meaningful product changes in the months preceding Davis and Mosseri's testimony.
- 384. To briefly restate the evidence detailed above, in August 2021—just one month before Davis' testimony—Meta's President of Global Affairs emailed Zuckerberg recommending "additional investment to strengthen our position on wellbeing across the company" after concluding that Meta was "being held back by a lack of investment on the product side which means that we're not able to make changes and innovations at the pace required." 215
- 385. Similarly, in October 2021, Mosseri complained about Meta's failure to translate research findings into product safety improvements: "I'm really worried about this . . . we've been

²¹² Id.

²¹³ Protecting Kids Online: Hearing Before Subcomm. on Consumer Protection, Product Safety, and Data Security of the S. Comm. on Commerce, Science, and Transportation, 117th Cong. (2021) (testimony of Adam Mosseri, Head of Instagram, Meta Platforms) (circa 02:22:30 in video), https://www.commerce.senate.gov/2021/12/protecting-kidsonline-instagram-and-reforms-for-young-users.

²¹⁴ *Id.* (circa 02:22:40 in video).

²¹⁵ *Id*.

talking about this for a long time but have made little progress."²¹⁶ Meta's VP of Product Management echoed Mosseri, observing that Meta's "biggest gap is getting [Meta's] research into product roadmaps. We got 0 new well-being funding for 2022."²¹⁷

- 386. And in November 2021—just one month before Mosseri's testimony—another senior Meta employee sent an email to Zuckerberg, Mosseri, and others, underscoring Meta's outstanding need "to ensure we have the product roadmaps necessary to stand behind our external narrative of well-being on our apps." ²¹⁸
- 387. Consequently, through Davis and Mosseri's Congressional testimony, Meta affirmatively misled the public—including Tennessee consumers—about measures the Company had taken (or failed to undertake) to translate troubling research findings into meaningful product safety improvements. This is a material misrepresentation, as reasonable consumers, parents, and guardians would be less likely to trust a platform that fails to deploy safety improvements to products that pose a known, mitigatable risk to users.
 - vi. <u>Meta Created the Impression That Its Products Are Not Addictive, Despite</u> Meta's Internal Research to the Contrary.
- 388. Through Congressional testimony, Meta led the public to believe that its platforms are not addictive, despite the Company's internal research to the contrary.
- 389. In her September 2021 Congressional testimony, Davis said "I disagree with calling our product addictive, I also don't think that's how we build products."²¹⁹
- 390. Similarly, in his December 2021 Congressional testimony, Mosseri said, "I don't believe that research suggests that our products are addictive." ²²⁰

²¹⁶ Ex. 60.

²¹⁷ Id.

²¹⁸ Ex. 56.

²¹⁹ Ex. 90 (pgs. 67-68).

²²⁰ Protecting Kids Online: Hearing Before Subcomm. on Consumer Protection, Product Safety, and Data Security of the S. Comm. on Commerce, Science, and Transportation, 117th Cong. (2021) (testimony of Adam Mosseri, Head of

- 391. Through Davis and Mosseri's testimony, Meta led the public to believe Meta's platforms are not addictive.
- 392. In fact, as described in detail in Section B above, Meta (1) had overwhelming evidence showing that Instagram is addictive; and (2) made decisions that facilitated addiction to Instagram long before Davis and Mosseri's false testimony.
- 393. To briefly restate evidence described above, by September 2019, Meta knew from internal research that "[t]eens are hooked despite how [Instagram] makes them feel...Instagram is addictive, and time-spend on platform is having a negative impact on mental health."²²¹
- 394. And after observing in May 2020 that "approval and acceptance are huge rewards for teens and interactions are the currency on [Instagram]," Meta deployed engagement-inducing platforms features, such as "[direct messages], notifications, comments, follows, likes, etc. [that] encourage teens to continue engaging and keep coming back to the app."²²²
- 395. Consequently, through Davis and Mosseri's Congressional testimony the following year, Meta affirmatively misled the public—including Tennessee consumers—about the addictive nature of the Instagram platform. This is a material misrepresentation, as reasonable consumers, parents, and guardians would be less likely to trust an addictive platform.

Instagram, Meta Platforms) (circa 00:54:45 in video), https://www.commerce.senate.gov/2021/12/protecting-kids-online-instagram-and-reforms-for-young-users.

²²¹ Ex. 30 (pg. 15).

²²² Ex. 19 (pg. 54).

V. <u>VIOLATIONS OF THE LAW</u>

COUNT 1

THE TENNESSEE CONSUMER PROTECTION ACT

TENN. CODE ANN. § 47-18-104(a) and (b) (UNFAIRNESS)

- 396. Tennessee re-alleges and incorporates by reference all prior paragraphs of this Complaint.
- 397. Defendants have engaged in trade and commerce pursuant to the TCPA. Among other ways of engaging in trade and commerce, Defendants offered advertisements and provided services in this State, as described in Paragraphs 37-97.
- 398. Defendants have repeatedly violated the TCPA by engaging in the unfair practices described in this Complaint.
- 399. By designing and deploying Instagram in a manner that induces compulsive use, Defendants have engaged in unfair trade practices prohibited by the TCPA.
 - 400. Many consumers cannot reasonably avoid Instagram.
- 401. Defendants designed and deployed Instagram in a manner that overwhelmed consumers' free and informed choice regarding how much time to spend on the Instagram platform.
- 402. Defendants' scheme was particularly unfair as it relates to users under 18, who are a highly susceptible class of consumers. Indeed, Defendants designed and deployed Instagram in a manner that intentionally exploited the developmental nature of Young Users' brains, creating an obstacle to Young Users' free choice and causing them to spend more time on Instagram than they otherwise would.
- 403. Through their misconduct, Defendants caused or are likely to cause substantial injury to Tennessee consumers. Specifically, Instagram has caused or is likely to cause significant harms to the mental health and well-being of Young Users, who Defendants have caused to spend

vastly more time on Instagram than they otherwise would.

- 404. Defendants also deprived consumers of free and informed choice regarding Instagram by withholding important information about Instagram, including the degree to which Instagram induced compulsive use, the negative impact Instagram had on mental health, and the actual frequency of harmful experiences on Instagram.
- 405. Through their conduct, Defendants have likely injured a large number of Tennesseans, including a non-trivial number of Young Users that have likely suffered profound and severe harms as a result of Defendants' conduct.
- 406. Each instance of Defendants' unfair practices constitutes a separate violation of the TCPA.
- 407. Insofar as there are positive benefits associated with Defendants' conduct, those benefits do not outweigh the harm arising out of Defendants' conduct.

COUNT 2 THE TENNESSEE CONSUMER PROTECTION ACT TENN. CODE ANN. § 47-18-104(a) and (b)

408. Tennessee re-alleges and incorporates by reference all prior paragraphs of this Complaint.

(DECEPTION)

- 409. Defendants have engaged in trade and commerce pursuant to the TCPA. Among other ways of engaging in trade and commerce, Defendants offered advertisements and provided services in this State, as described in Paragraphs 37-97.
- 410. As described in this Complaint, Defendants have repeatedly deceived consumers through their words, conduct, silence, and action—in violation of the TCPA.
- 411. By making express and implied material misrepresentations about Instagram's safety, the incidence of harmful experiences on Instagram, and the efficacy of Instagram's "well-

being" related platform features (such as the "Time Spent" feature), Defendants have engaged in deceptive trade practices that are prohibited by the TCPA.

- 412. Defendants also engaged in deceptive conduct in violation of the TCPA by failing to disclose the harms associated with Instagram in general and with certain Instagram platform features, which Defendants knew had a harmful effect on consumers' mental health and well-being. Defendants knew the express and implied representations they were making were not true but made these representations anyway to increase consumers' engagement with Instagram.
- 413. Through their acts, omissions, and affirmative statements, Defendants downplayed the risks of Instagram use and caused reasonable consumers to believe something that was false, *i.e.* that Instagram is a safer platform than it is in reality.
- 414. The above-described acts, omissions, and affirmative statements are material, insofar as they have the capacity to influence—and did in fact influence—reasonable consumers' decisions about whether, and how much, to engage with Instagram.
- 415. Each instance of Defendants' deceptive practices constitutes a separate violation of the TCPA.

VI. REQUEST FOR RELIEF

Plaintiff respectfully requests that this Court:

- a. Order that this Complaint be filed without cost bond as provided by Tenn. Code
 Ann. §§ 20-13-101 and 47-18-116;
- b. Enter judgment against each Defendant in favor of the State for each violation alleged in this Complaint;
- c. Order each Defendant to separately pay civil penalties to the State of Tennessee not more than \$1,000 per violation of the TCPA as provided by Tenn. Code Ann. § 47-18-108(b)(3);
- d. Issue a permanent injunction prohibiting Defendants from using platform features that cause compulsive use among Young Users;
- e. Order that Defendants meaningfully disclose, on a regular basis, the risks posed by Instagram to Young Users;
- f. Issue a permanent injunction prohibiting Defendants from engaging in deceptive acts and practices in violation of the TCPA, pursuant to Tenn. Code Ann. § 47-18-108(a)(1) and(a)(5);
- g. Enter a judgment against Defendants and in favor of the State of Tennessee for the reasonable costs and expenses of the investigation and prosecution of Defendants' unlawful conduct, including attorney's fees, expert and other witness fees, and costs, as provided by Tenn. Code Ann. § 47-18-108(a)(6) and (b)(4);
- h. Order that all costs in this case be taxed against Defendants and no costs be taxed against the State of Tennessee as provided in Tenn. Code Ann. § 47-18-116;
- i. Award any and all such further relief as the Court deems just and proper.

Respectfully submitted,

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