

— ANONYMOUS WHISTLEBLOWER DISCLOSURE —

[REDACTED]

SEC Office of the Whistleblower  
Via Online Portal & FedEx

Re: Supplemental Disclosure of Securities Law Violations by Facebook, Inc.  
(NASDAQ: FB), SEC TCR [REDACTED]

**Facebook misled investors and the public about the  
negative impact of Instagram and Facebook on teenagers'  
mental and physical health**

To the SEC Office of the Whistleblower:

1. The instant letter is one of multiple disclosures related to the above-captioned matter. Our anonymous client hereby discloses original evidence showing that **Facebook, Inc. (NASDAQ: FB)** has, for years past and ongoing, violated U.S. securities laws by making **material misrepresentations and omissions in statements to investors and prospective investors**, including, *inter alia*, through filings with the SEC, testimony to Congress, online statements and media stories.
2. In particular, Facebook has made material misrepresentations and omissions regarding the impact of its products, namely Instagram and Facebook Blue, on the mental and physical health of teenagers and its strategy with regards to teenagers.

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<https://WhistleblowerAid.org> — Anonymously via **Tor Browser**:  
<http://p6ufg73qskew53cglxt6hktyt35rbl46yultzyuytq3tvicywa3pclid.onion>  
Contact on **SecureDrop**: <http://whistlebloweraid.securedrop.tor.onion> — on **Signal** [REDACTED]

3. **Zuckerberg Sworn Testimony to Congress.** On March 25, 2021, Facebook CEO Mark Zuckerberg testified under oath to Congress.<sup>1</sup> He was asked:

*"So Mr. Zuckerberg, yes or no: Do you agree too much time in front of screens, passively consuming content, is harmful to children's mental health? ..."*

4. He responded:

*"I don't think that the research is conclusive on that..."*

5. Later<sup>2</sup> Mr. Zuckerberg was asked:

*"Do you agree that you make money off of creating an addiction to your platforms?"*

6. He responded:

*"Congressman, no. I don't agree with that."*

7. Finally,<sup>3</sup> Mr. Zuckerberg was asked:

*"Do you believe that your platform harms children?"*

8. He replied:

*"Congresswoman, I don't believe so. This is something that we study and we care a lot about; designing products that peoples' well-being is very important to us. And what our products do is help people stay connected to people they care about, which I think is one of the most fundamental and important human things that we do, whether that is for teens or for people who are older than that. And again, our policies on the main apps that we offer generally prohibit people under the age of 13 from using the services."*

9. Mr. Zuckerberg was correct on one point—Facebook does indeed “study” the issue “a lot.” But his sworn testimony misrepresented what those studies

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<sup>1</sup> See p. 67 of <https://www.congress.gov/117/meeting/house/111407/documents/HHRG-117-IF16-Transcript-20210325.pdf>.

<sup>2</sup> See p. 107, id.

<sup>3</sup> See p. 175, id.



actually say, and much else. In fact, as Mr. Zuckerberg well knew, Facebook’s own internal research over many years (including in the enclosed corporate documents) was quite conclusive, for example:<sup>4</sup>

- 13.5% of teen girls on Instagram say the platform makes thoughts of “Suicide and Self Injury” worse;
- 17% of teen girl Instagram users say the platform makes “Eating Issues” (e.g. anorexia and bulimia) worse;
- *“We make body image issues worse for 1 in 3 teen girls.”*

10. The enclosed documents prove multiple material misstatements and omissions on the question of whether Facebook and Instagram impact teenage users.
11. **Role for the SEC.** The SEC is charged with enforcing the laws that protect investors in public companies like Facebook. Facebook’s investors care about Mr. Zuckerberg’s misrepresentations and omissions for two reasons:
12. First, investors care about profits. Facebook’s profits depend on advertising revenue. Advertisers want users from particular high-value demographics — like teenagers — to see their ads. And teenagers typically need approval from their parents to join Instagram or Facebook. To the extent teens and their parents understand the truth about harms from Instagram and Facebook Blue, that can be expected to reduce the user base, advertising revenue, and ultimately, investors’ returns.
13. Second, even if the truth about Facebook did not harm profits, many shareholders simply would not want to invest in a company whose products are known to harm children. For example, look at the broad divestment from tobacco companies in the years after the links to cancer and addiction in children were conclusively proven. Notably, that divestment occurred even while tobacco remained an exceptionally profitable business.
14. Third, investors fear that further regulation of Facebook may reduce the future earnings of the company compared to a more hands-off approach, and that if it were known that Facebook has been hiding information about Instagram driving mental and physical health harms in children, the company would be at risk of a

<sup>4</sup> See [REDACTED] *Instagram Mental Health Summary Document* (powerpoint titled “Mental Health Findings,” enclosed, p. 9).



Report government and corporate lawbreaking.  
Without breaking the law.

lawsuit analogous to the Tobacco Master Settlement Agreement of 1998, and/or significant government regulation.

15. Whistleblower Aid is a non-profit legal organization that helps workers report their concerns about violations of the law safely, lawfully, and responsibly. We respectfully request the SEC's assistance ensuring that our client never faces retaliation.
16. On information and belief, none of the documents enclosed here constitute attorney-client communications, were obtained during a meeting with an attorney, or otherwise indicate that they are in any way privileged.
17. We plan to continue supplementing this disclosure with additional information and evidence. Our client would be happy to meet with investigators at your convenience. Please feel free to contact us using the information below.
18. We are representing an anonymous whistleblower who is making the above disclosures solely for reporting the suspected violation of laws as described here.

Sincerely,

John N. Tye, Attorney at Law  
Chief Disclosure Officer

[Redacted]

Andrew Bakaj, Attorney at Law  
Of Counsel

[Redacted]

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Enclosures:

(Please note that the .pdf versions of these documents are too large to send through the online portal, and will follow via FedEx)

Internal Facebook documents including —

- Problematic Facebook use - when people feel like Facebook negatively affects their life
- Beyond the individual user - understanding our products through the household ecosystem
- Proactive Risk Escalation - Eating Disorders
- Teen Mental Health Deep Dive
  - How do we know who's a teen?
  - Use of teen\_non\_teen model
  - Hard life Moments on Instagram - Mental Health Deep Dive
  - Teens shape household perceptions of Instagram
  - Strong Negative Social Comparison on IG
  - Appearance Based Social Comparison on IG
  - How the topics people are exposed to on IG impact body image
  - Teen girls body image and usage of Instagram
  - Social Comparisons on IG - jan 2021
  - Project Daisy Mark Review (removing likes from Instagram)
  - Why Teens and Young Adults Chose Instagram
  - Instagram Body Image Literature Review
  - Instagram Mental Health Summary Document
  - Instagram Market placement and teens
  - "Jobs" Instagram can do for teens

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