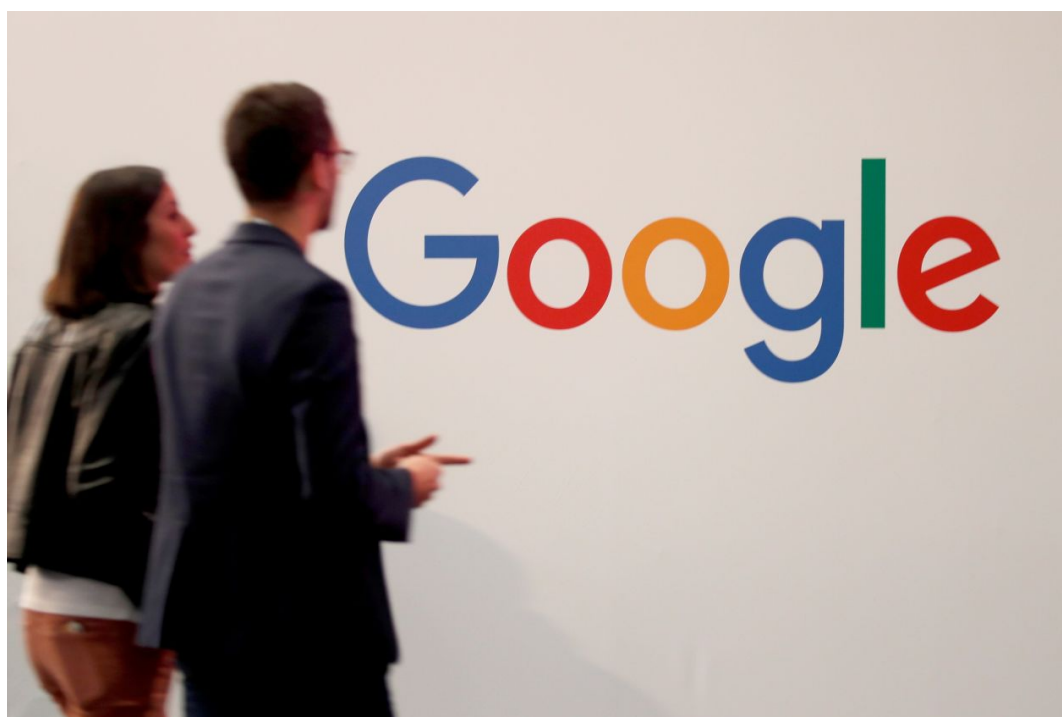


Justice Department And FTC Preparing Antitrust Investigation of Google After Thousands File Criminal Abuse Charges Against Google

Probe will closely examine Google's practices related to search, other businesses



The Justice Department is preparing to closely examine Google's practices in search and other businesses. Photo: charles platiau/Reuters

By
Brent Kendall and
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WASHINGTON—The Justice Department is gearing up for an antitrust investigation of [Alphabet](#) Inc.'s Google, a move that could present a major new layer of regulatory scrutiny for the search giant, according to people familiar with the matter.

The department's antitrust division in recent weeks has been laying the groundwork for the probe, the people said. The Federal Trade Commission, which shares antitrust authority with the department, previously [conducted a broad investigation of Google](#) but closed it in 2013 without taking action, though Google made some voluntary changes to certain business practices.

The FTC and the department have been in talks recently on who would oversee any new antitrust

investigation of a leading U.S. tech giant, and the commission agreed to give the Justice Department jurisdiction over Google, the people said.

With turf now settled, the department is preparing to closely examine Google's business practices related to its search and other businesses, the people said.

It couldn't immediately be learned whether Google has been contacted by the department. Third-party critics of the search giant, however, already have been in contact with Justice Department officials, some of the people familiar with the matter said.

A Justice Department spokesman declined to comment, as did an FTC spokeswoman. Google didn't immediately respond to requests for comment.

A Justice Department investigation would put Google—and potentially other tech giants—in an unwanted spotlight at a time when major internet companies already have seen their political fortunes turning, both in the U.S. and overseas.

The shift has come with multibillion-dollar antitrust fines for Google from the European Union. [Facebook](#) Inc. has come under intense fire over Russian use of its platform to meddle in the 2016 election. Policy makers also are increasingly skeptical of internet companies' privacy practices, as well as their potential to create other public harm.

Alphabet, Google's parent, typically is ranked among the world's five largest firms by market capitalization, nourished by its powerful position in online advertising, a lucrative market that threatens to eclipse other forms of advertising. Along with Facebook, it has become a major player in the complex market. But other firms—notably [Amazon.com](#) Inc. —also have begun to compete for the business, raising competitive concerns for Google.

Increasingly, U.S. leaders have begun to question the size and dominance of some of the tech giants.

Democratic presidential candidate Elizabeth Warren, a senator from Massachusetts, called for the breakup of the nation's top tech companies earlier this year, sending tremors through the large field of contenders for the party's nomination and winning praise from populist liberal activists—as well as from Steve Bannon, a former strategist for President Trump.

Others candidates, like Sen. Amy Klobuchar (D., Minn.), a leading Democrat on antitrust issues, haven't gone that far, but they have called for more scrutiny of big tech.

A recent letter from Sens. Klobuchar and Marsha Blackburn (R., Tenn.) urged the FTC to “take action” in response to antitrust and privacy concerns around companies such as Google and Facebook, noting the companies' large market shares in internet markets such as search and advertising.

Some Republicans also have linked the companies' size and influence to alleged stifling of conservative speech online—a charge the companies deny.

“If we have tech companies using the power of monopoly to censor political speech I think that raises real antitrust issues,” Texas GOP Sen. Ted Cruz said in an April hearing.

But Google would be a daunting foe for U.S. antitrust enforcers. Despite growing public concern about dominance by a few Silicon Valley giants, Google's products remain highly popular with consumers, and the company has spent years developing a support network in Washington and around the country. It has been a funder of dozens of nonprofit groups active on antitrust issues across the political spectrum, including the American Antitrust Institute as well as several conservative think tanks.

The FTC created high expectations in its [earlier Google investigation](#), but the company emerged largely unscathed. Some FTC staffers raised a variety of concerns internally about Google practices they believed to be anticompetitive, but they also said Google had strong procompetitive justifications

for its actions and was focused on delivering services consumers liked.

The “evidence paints a complex portrait of a company working toward an overall goal of maintaining its market share by providing the best user experience, while simultaneously engaging in tactics that resulted in harm to many vertical competitors, and likely helped to entrench Google’s monopoly power over search and search advertising,” one 2012 FTC staff memo said.

The rise of big tech has seen three corporate titans that didn’t exist 30 years ago—Amazon, Google, and Facebook—suddenly amassing the power to sway large parts of the U.S. economy and society, from the stock market to political discourse, from personal shopping habits to how small businesses sell their wares.

With their enormous size and dominance have come network advantages, data caches and economies of scale that can make it challenging for new rivals to succeed. Many firms that compete with those giants in one sector also depend on their platforms to reach customers, and they complain of being unfairly squeezed.

Supporters of the big tech companies say there is so much dynamism in the sector that the giants are sure to be knocked off soon. However, their power and reach keep growing.

Antitrust leaders at the Justice Department and the FTC have publicly acknowledged the competition concerns and said those issues merit close attention.

Justice Department antitrust chief Makan Delrahim has said there is nothing wrong with a large tech firm winning its dominance through innovation, but he has said companies must compete fairly to achieve and maintain their position.

“Antitrust enforcers may need to take a close look to see whether competition is suffering and consumers are losing out on new innovations as a result of misdeeds by a monopoly incumbent,” Mr. Delrahim said last year in a speech about digital platforms at the University of Chicago.

U.S. Attorney General William Barr, Mr. Delrahim’s boss, voiced similar sentiments during his confirmation hearings in January.

“I don’t think big is necessarily bad, but I think a lot of people wonder how such huge behemoths that now exist in Silicon Valley have taken shape under the nose of the antitrust enforcers,” Mr. Barr told senators. “You can win that place in the marketplace without violating the antitrust laws, but I want to find out more about that dynamic.”

U.S. Justice Department prepares Google antitrust probe: sources



[Reuters](#)



FILE PHOTO: An illuminated Google logo is seen inside an office building in Zurich, Switzerland December 5, 2018. REUTERS/Arnd Wiegmann

By Diane Bartz

(Reuters) - The U.S. Justice Department is preparing an investigation of Alphabet Inc's Google to determine whether the tech giant broke antitrust law in operating its sprawling online businesses, two sources familiar with the matter said.

Officials from the Justice Department's Antitrust Division and Federal Trade Commission, which both enforce antitrust law, met in recent weeks to give Justice jurisdiction over Google, said the sources, who sought anonymity because they were not authorized to speak on the record.

The potential investigation represents the latest attack on a tech company by the administration of U.S. President Donald Trump, who has accused social media companies and Google of suppressing conservative voices on their platforms online.

One source said the potential investigation, first reported by the Wall Street Journal, focused on accusations that Google gave preference to its own businesses in searches.

A spokesman for the Justice Department said he could not confirm or deny that an investigation was being considered. Google declined comment.

Early in 2013, the FTC closed a long-running investigation of Google, giving it a slap on the wrist. Under FTC pressure, Google agreed to end the practice of "scraping" reviews and other data from rivals' websites for its own products, and to let advertisers export data to independently assess campaigns.

Google's search, YouTube, reviews, maps and other businesses, which are largely free to consumers but financed through advertising, have catapulted it from a start-up to one of the world's richest companies in just two decades.

Along the way, it has made enemies in both the tech world, who have complained to law enforcers about its market dominance, and in Washington, where lawmakers have complained about issues from

its alleged political bias to its plans for China.

TripAdvisor chief executive and co-founder Stephen Kaufer welcomed news that Google could face Justice Department antitrust scrutiny.

"TripAdvisor remains concerned about Google's practices in the United States, the EU and throughout the world," Kaufer said in a statement.

"For the good of consumers and competition on the internet, we welcome any renewed interest by U.S. regulators into Google's anticompetitive behavior."

Democratic presidential candidate Elizabeth Warren has pushed for action to break up Google, as well as other big tech companies. Senator Kamala Harris, who is also running for president on the Democratic ticket, has agreed.

"This is very big news, and overdue," Sen. Josh Hawley, a Republican Google critic, said on Twitter, regarding the investigation.

Google has faced a plethora of overseas probes.

Europe's competition authority, for one, hit Google with a 2.4-billion-euro (\$2.7-billion) EU fine two years ago for unfairly promoting its own comparison shopping service.

Google has since offered to allow competitors to bid for advertising space at the top of a search page, giving them the chance to compete on equal terms.

(Reporting by Paresh Dave in California, Diane Bartz in Washington and Kanishka Singh in Bengaluru; Editing by Chris Sanders and Clarence Fernandez)

Corrupt Google Should Be Afraid. Very Afraid.

Bloomberg

Shira Ovide
[Bloomberg](#)

(Bloomberg Opinion) -- This is the moment the U.S. technology superpowers surely knew was coming: The U.S. government is preparing to crawl all over Google to figure out whether it is an abusive monopolist. Google parent company Alphabet Inc. and the other tech giants should be quaking in their fleece vests.

Bloomberg News and other news organizations reported late Friday that the U.S. Department of Justice is preparing to open an investigation into Google's compliance with antitrust laws. If it goes forward, an investigation will no doubt be broad, lengthy, messy, and impossible for Google and its investors to predict.

That should terrify Google and every other big technology company — because there's no guarantee that the antitrust Klieg light will turn on one company alone.

This isn't Google's first antitrust rodeo. The U.S. Federal Trade Commission in 2013 closed without further action its own antitrust investigation into whether Google wielded its dominant web search engine like a cudgel to disadvantage rivals, drive up prices for advertisers and ultimately harm consumers. (Google did agree to some voluntary changes.)

And in recent years, the European Union antitrust watchdog imposed billions of dollars in fines after finding antitrust violations, including over how Google conducted business with its Android smartphone software and its internet shopping service. In the U.S. and elsewhere, politicians from all party stripes have sought to attack Google or other tech giants for various perceived sins, including being too big for the good of industry and consumers. Being Google has meant dealing with perennial regulatory and political nightmares.

This latest chapter of "As Google Turns" may have started in January on Capitol Hill. "I don't think big is necessarily bad, but I think a lot of people wonder how such huge behemoths that now exist in Silicon Valley have taken shape under the nose of the antitrust enforcers," Bill Barr, now the U.S. attorney general, said to U.S. senators during a confirmation hearing. The DOJ's chief antitrust enforcer, who represented Google during a merger more than a decade ago, has expressed similar views.

Antitrust investigations are difficult to predict, of course. Once the U.S. government pores over every internal email and business development contract, there's no telling what it will turn up. If the DOJ moves ahead, it will also be an open invitation for every company or individual with a gripe against Google to pile on, and an investigation will embolden critics of Facebook, Amazon and other tech giants as well.

It's worth remembering that Google narrowly escaped a possible antitrust lawsuit the last time the U.S. looked closely. Portions of communications between FTC commissioners and staff later showed that staffers wanted to bring an antitrust lawsuit on a few matters including on what they said was Google's strong-arm tactics to scrape information from websites such as Yelp and TripAdvisor without their permission to improve Google's search engine. Ultimately the FTC commissioners unanimously voted not to pursue a lawsuit and possibly a breakup of what was then a smaller Google.

That was a different regulatory agency during the administration of President Barack Obama, which was considered relatively cozy with Google. The current White House has been openly critical of Google, largely over bogus claims that it and some other tech companies unfairly suppress conservative voices online.

Washington is much different than it was in 2013, and sentiment in the capitol and beyond has soured as U.S. technology superstars have grown even larger and more dominant. An investigation of Google is likely to be politically popular on both the left and the right. The politics and the optics aren't in Google's favor. Now we'll see - again - whether the law is against the company as well.

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