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Justice Department and Meta Platforms Inc. Reach Key Agreement as They Implement Groundbreaking Resolution to Address Discriminatory Delivery of Housing Advertisements

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For Immediate Release

Office of Public Affairs

The Justice Department announced today that it has reached a key milestone in its settlement agreement with Meta Platforms Inc. (Meta), formerly known as Facebook Inc., requiring Meta to change its advertisement delivery system to prevent discriminatory advertising in violation of the Fair Housing Act (FHA). As required by the [settlement](#) entered on June 27, 2022, resolving a [lawsuit](#) filed in the U.S. District Court for the Southern District of New York, Meta has now built a new system to address algorithmic discrimination. Today, the parties informed the court that they have reached agreement on the system's compliance targets. This development ensures that Meta will be subject to court oversight and regular review of its compliance with the settlement through June 27, 2026.

"This development marks a pivotal step in the Justice Department's efforts to hold Meta accountable for unlawful algorithmic bias and discriminatory ad delivery on its platforms," said Assistant Attorney General Kristen Clarke of the Justice Department's Civil Rights Division. "The Justice Department will continue to hold Meta accountable by ensuring the Variance Reduction

System addresses and eliminates discriminatory delivery of advertisements on its platforms. Federal monitoring of Meta should send a strong signal to other tech companies that they too will be held accountable for failing to address algorithmic discrimination that runs afoul of our civil rights laws.”

“This groundbreaking resolution sets a new standard for addressing discrimination through machine learning,” said U.S. Attorney Damian Williams for the Southern District of New York. “We appreciate that Meta agreed to work with us toward a resolution of this matter and applaud Meta for taking the first steps towards addressing algorithmic bias. We hope that other companies will follow Meta’s lead in addressing discrimination in their advertising platforms. We will continue to use all of the tools at our disposal to address violations of the Fair Housing Act.”

The United States’ complaint alleged, among other things, that Meta uses algorithms in determining which Meta users receive advertisements, including housing advertisements, and that those algorithms rely, in part, on characteristics protected under the FHA. Specifically, the United States alleged that Meta feeds troves of user information into its advertisement delivery system, including information related to users’ FHA-protected characteristics such as sex and race, and uses that information in its personalization algorithms to predict which advertisement is most relevant to which user. As the complaint alleged, Meta’s delivery algorithms introduce bias when delivering advertisements, resulting in a variance along sex and estimated race/ethnicity between the set of users who are eligible to see housing advertisements based on the advertiser’s targeted audience and the set of users who actually see the advertisement.

Pursuant to the settlement, Meta has developed a new system — the Variance Reduction System (VRS) — to reduce the variances between the eligible audiences and the actual audiences. The United States has concluded that the new system will substantially reduce the variances between the eligible and actual audiences along sex and estimated race/ethnicity in the delivery of housing advertisements. The VRS will operate on all housing advertisements across Meta platforms, and the agreement requires Meta to meet certain compliance metrics in stages. For example, by Dec. 31, for the vast majority of housing advertisements on Meta platforms, Meta will reduce variances to less than or equal to 10% for 91.7% of those advertisements for sex and less than or equal to 10% for 81.0% of those advertisements for estimated race/ethnicity. For more information on the operation of the VRS, read Meta’s [technical paper](#).

The Justice Department and Meta have also selected an independent, third-party reviewer, Guidehouse Inc. (Guidehouse), to investigate and verify on an ongoing basis whether the VRS is meeting the compliance metrics agreed to by the parties. Under the agreement, Meta must provide Guidehouse and the United States with regular compliance reports and make available any information necessary to verify compliance with the agreed-upon metrics. The court will have ultimate authority to resolve any disputes over the information that Meta must provide.

Finally, as also required by the settlement agreement, Meta has ceased delivering housing advertisements using the Special Ad Audience tool (which delivered advertisements to users who “look like” other users), and Meta will not provide any targeting options for housing advertisers that directly describe or relate to FHA-protected characteristics.

This agreement marks the first time that Meta is subject to court oversight for its advertisement targeting and delivery system.

More information about the Civil Rights Division and the civil rights laws it enforces is available at www.justice.gov/crt. More information about the U.S. Attorney’s Office for the Southern District of New York is available at www.justice.gov/usao-sdny. Individuals who believe they have been victims of housing discrimination may submit a report to the U.S. Attorney’s Office for the Southern District of New York online at www.justice.gov/usao-sdny/civil-rights or by telephone at (212) 637-0840; may submit a report online to the Department of Justice at www.civilrights.justice.gov; or may contact the Department of Housing and Urban Development at 1-800-669-9777 or through its website at www.hud.gov.

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