

**REDACTED PUBLIC FILING**

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA  
CIVIL DIVISION**

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**DISTRICT OF COLUMBIA**

a municipal corporation  
400 Sixth Street, NW  
Washington, D.C. 20001,

Plaintiff,

v.

**TIKTOK INC.,**

*Serve on:*

**TIKTOK INC.**

5800 Bristol Parkway, Culver City, Los  
Angeles, California 90230,

Defendant.

Case No.: \_\_\_\_\_

Judge: \_\_\_\_\_

**JURY TRIAL DEMANDED**

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**COMPLAINT FOR VIOLATIONS OF THE  
CONSUMER PROTECTION PROCEDURES ACT**

The District of Columbia (the “District”), by the Office of the Attorney General, brings this action against Defendant TikTok Inc. (“TikTok”) for violations of the District’s Consumer Protection Procedures Act (“CPPA”), D.C. Code §§ 28-3901, *et seq.*, and Money Transmission Statute, D.C. Code §§ 26-1001, *et seq.* In support of its claims, the District states as follows:

**INTRODUCTION**

1. In ruthless pursuit of profits, TikTok intentionally designed and cultivated a highly addictive social media application (the “App”) that it knows harms children.<sup>1</sup> The App is loaded with an array of features designed to maximize engagement and keep users hooked. Adding insult to injury, TikTok falsely assures the public of its commitment to safety despite knowing the App’s addictive design features and flawed protection systems make it unsafe. Children, with their still-developing brains, are no match for TikTok’s sophisticated mix of “digital nicotine” and deception. The District brings this lawsuit to put an end to TikTok’s exploitative practices before they inflict even more harm on District youth.

2. Before TikTok, few tech companies so quickly and so effectively monopolized children’s time online for profit. Today, TikTok has penetrated █████ of the market among U.S. smartphone users aged 13–17, including █████ District children, who spend hours daily on the App.

3. The App allows users to share and view millions of personalized, “short-form”

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<sup>1</sup> The terms “kids,” “children,” “young users,” or “minors,” when used in this Complaint, mean a user of TikTok’s app who is under eighteen years old. “Teenagers” is a subgroup of children, defined in this Complaint as children aged 13–17. “Adolescence” is also a subgroup of children, defined in this Complaint as a period of development in children where they transition from child to adult, which can range between 10-19 years of age.

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videos, each about one minute long. Employing algorithms and manipulative design features, TikTok hooks young users worldwide, twenty-four hours a day. Its tactics make it nearly impossible for children to stop using the App, which constantly pulls them back when they try to disengage.

4. TikTok knows that its design features make its App more addictive and keep users engaged for longer. While this may be good for business, it has perilous effects on children. These addictive features include: (1) algorithms that leverage user data to feed users personalized content recommendations; (2) infinite scroll; (3) push notifications with built in vibrations and “buzzes”; (4) filters and effects that create idealizations of unattainable appearances for users; and (5) an unlicensed virtual currency system known as “TikTok Coins,” which encourages excessive and exploitative spending. These features confuse and control young users, driving them to make choices on the App that boost TikTok’s profits at the expense of their emotional, behavioral, and physical health.

5. In internal company documents, TikTok has admitted to [REDACTED]  
[REDACTED]  
[REDACTED]  
that is, the App’s [REDACTED]

6. Children are especially vulnerable to the App’s manipulative features. By exploiting their underdeveloped brain reward systems—i.e., the portions of the brain that control desire and motivation—TikTok creates habitual dependence. The U.S. Surgeon General has

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warned that unchecked use of apps like TikTok pose “a profound risk of harm to the mental health and well-being of children and adolescents.”<sup>2</sup>

7. TikTok’s tactics have worked. Its own data show that 13- to 17-year-olds check the App nearly [REDACTED] times a day and spend almost [REDACTED] hours a day on the App, more than any other age group. Many children are spending [REDACTED] or more hours a day on the App. TikTok knows that a significant percentage of children (more than [REDACTED]) are active on the App late at night (between [REDACTED]), when they should be sleeping. In the District, [REDACTED] of Gen Z-ers (ages 12–27) and millennials use the App, with [REDACTED] of Gen Z-ers using TikTok daily. The company’s internal data also show that District children aged 13–17 spend over [REDACTED] hours a day on the App, with average session time peaking between [REDACTED]

4. Studies now show the detrimental effects of compulsive app use on platforms like TikTok. Prolonged use of TikTok can perpetuate body dissatisfaction, disordered eating behaviors, and low self-esteem—resulting in negative mental health outcomes. Unfortunately, extreme, inappropriate, and harmful content like this is easily accessible on apps like TikTok, despite its representations to the contrary. The company also actively spreads this content to vulnerable children through its algorithmic designs and other manipulative design features described herein.

8. In the District, the impact of TikTok and similar social media apps has become clear, with record levels of children experiencing mental health issues. In 2021, nearly half (47.7%) of the District’s high school girls reported psychological distress, including persistently

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<sup>2</sup> *Social Media and Youth Mental Health: The U.S. Surgeon General’s Advisory*, U.S. DEP’T OF HEALTH & HUM. SVCS., 4 (2023), <https://www.hhs.gov/sites/default/files/sg-youth-mental-health-social-media-advisory.pdf>.

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feeling sad or hopeless.<sup>3</sup> Reports of suicidal thoughts, plans, or attempts among young people in the District have increased since 2007.<sup>4</sup> In 2021, 26.8% of all female students 15 years old and younger seriously considered attempting suicide.<sup>5</sup> Moreover, 70% of the District’s high school students now spend over three hours a day on screens (excluding schoolwork) and only a quarter get eight hours of sleep per night.<sup>6</sup>

9. As parents, schools, and public health officials have attempted to wean children from social media over the past few years, TikTok has intensified its engagement tactics, causing even more harm to children. In 2019, TikTok introduced two new dangerous features: live streaming, called TikTok LIVE (“LIVE”), and a virtual currency system, called TikTok “Coins.” LIVE allows real-time interaction between users and streamers. However, TikTok stands out with its use of Coins—an unlicensed virtual currency. Users buy Coins to send virtual “Gifts” during LIVE sessions, which streamers can cash out for real money. TikTok incentivizes users to go LIVE by promising these monetary rewards “the more popular [their] content becomes.”<sup>7</sup>

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<sup>3</sup> *2021 Youth Risk Behavior Survey Results: District of Columbia (Including Charter Schools) High School Survey*, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 15 (Nov. 2, 2023), [https://osse.dc.gov/sites/default/files/dc/sites/osse/page\\_content/attachments/2021DCBH%20Summary%20Tables.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021DCBH%20Summary%20Tables.pdf).

<sup>4</sup> *Health & Risk Behaviors of District of Columbia Youth: The Youth Risk Behavior Survey Report, 2007*, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 220 (June 13, 2010), <https://osse.dc.gov/sites/default/files/dc/sites/osse/publication/attachments/2007%20YRBS%20Report.pdf>.

<sup>5</sup> *2021 Youth Risk Behavior Survey Results: District of Columbia (Including Charter Schools) High School Survey*, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 16–19 (Nov. 2, 2023), [https://osse.dc.gov/sites/default/files/dc/sites/osse/page\\_content/attachments/2021DCBH%20Summary%20Tables.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021DCBH%20Summary%20Tables.pdf).

<sup>6</sup> *Id.* at 73, 80.

<sup>7</sup> *Turning Passion to Profit: WAYS TO MAKE MONEY ON TIKTOK LIVE*, TIKTOK (Dec. 15, 2022), [https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live\\_en-US](https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live_en-US).

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10. TikTok earns substantial revenue from Coins by taking up to a 50% commission on each transaction.<sup>8</sup> In early 2023, LIVE netted [REDACTED] globally *in a single quarter* from the use of Coins. In the District, the amount of money consumers spend on TikTok In-App Purchases, including with Coins, has skyrocketed. For example, between 2018 and 2023, Apple iPhone users in the District spent a combined [REDACTED] on in-app TikTok purchases.

11. TikTok operates a virtual money transmission system through its virtual currency cash-in and cash-out process (i.e. the Coins to-Gifts to-Diamonds to-cash out process), but has ignored District law by failing to obtain the required money transmitter license from the Commissioner of the District’s Department of Insurance, Securities, and Banking (“DISB”).

12. These licenses exist for a reason.

13. Money transmitters in the District must have proper oversight, reporting, and consumer protection systems in place to guard against illicit activities like human trafficking, child exploitation, fraud, extortion, cybercrime, drug trafficking, and money laundering. For this reason, DISB requires documentation to ensure compliance with District and Federal laws, including by requiring applicants to submit information about their security protocols. These protections are crucial to protect District consumers, especially children—the District’s most vulnerable consumers.

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<sup>8</sup> *Id.* (“To recognize your efforts in helping the LIVE platform succeed, TikTok currently shares with creators 50% of its net revenue from virtual items, after deducting the required payments to app stores, payment processors and any other adjustment required under our terms and policies.”)



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14. TikTok’s unlicensed virtual currency system generates increasing revenue while harming millions of children. These children easily bypass TikTok’s weak age verification meant to restrict access to users 18 and older. The combination of LIVE and Coins encourage these children to spend not only more time on the App, but more money, too. Together, LIVE and Coins employ a virtual dark pattern known as “currency confusion,” which obscures the real cost of In-App Purchases by distancing users from the actual exchange of money. While anyone addicted to social media is vulnerable to this dark pattern, children are especially vulnerable. They are more likely to become addicted to social media *and* their capacities for executive functioning, financial maturity, and impulse control are underdeveloped.

15. In addition to knowingly utilizing design features that make its App addictive to children, TikTok falsely claims that it is committed to user safety and that its App is safe for children. In reality, TikTok’s professed commitment to safety is illusory. TikTok has adopted content moderation policies that it knows are rife with frequently exploited gaps, it enforces even its sound content moderation policies selectively, and the resources it devotes to content moderation are inadequate. As a result, notwithstanding its purported commitment to safety, TikTok frequently fails to detect harmful content. Worse, the company knows that its coercive design features, which keep children on the platform, facilitate the harms its App inflicts.

16. For example, internal TikTok documents show that TikTok knows live streaming poses significant and [REDACTED] risks of harm to children, including encouraging [REDACTED] [REDACTED] leading to [REDACTED] and putting minors at [REDACTED]. Also, in 2022, internal company investigations revealed that [REDACTED] [REDACTED] [REDACTED]

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[REDACTED], all facilitated by TikTok’s virtual currency system.

17. None of this is news to TikTok. Because the company intentionally designed the App to spur engagement and maximize profit, these internal investigations merely confirmed that the App’s coercive features can spawn harmful behavior. For example, TikTok knows the App’s algorithm is programmed to [REDACTED]

[REDACTED] And it acknowledges that [REDACTED] feeds the algorithm with [REDACTED] [REDACTED] for success. Yet it turns a blind eye because this type of content [REDACTED]

[REDACTED]

18. TikTok has never warned users about the dangers of its App. Instead, it falsely portrays the App as a safe place where users can control their engagement, their spending, and their data. None of this is true. Children entering the App are pitted against some of the most powerful and manipulative design features in the world—which, in addition to causing behavioral, emotional and physical harm, collect and exploit children’s personal data for financial gain.

19. TikTok’s unfair and deceptive practices violate the CPPA and the District’s money transmitter statute. With this action, the District seeks injunctive and monetary relief that will halt these violations and protect the District’s youth.

**PARTIES**

20. Plaintiff District of Columbia (the “District”) is a municipal corporation empowered to sue and be sued and is the local government for the territory constituting the permanent seat of the federal government. The District brings this action through the Attorney General for the District of Columbia, who is the chief legal officer for the District. The Attorney General is responsible for upholding the public interest and is also specifically authorized to

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enforce the District’s consumer protection laws, D.C. Code § 1-301.81(a)(1), including the CPPA, D.C. Code § 28-3909.

21. Defendant TikTok Inc. is incorporated in California with its principal place of business located at 5800 Bristol Parkway, Culver City, Los Angeles, California 90230. TikTok is a wholly-owned subsidiary of the Chinese company, ByteDance Ltd. TikTok transacts or has transacted business in the District, including by entering into contracts with District consumers. At all times material to this Complaint, TikTok has advertised, marketed, and distributed the TikTok social media app to consumers in the District.

**JURISDICTION AND VENUE**

22. This Court has subject matter jurisdiction over the claims in this Complaint pursuant to D.C. Code §§ 11-921 and 28-3909.

23. This Court has personal jurisdiction over Defendant pursuant to D.C. Code §§ 13-423(a) and 26-1025.

**TIKTOK’S RELEVANT CONTACTS WITH THE DISTRICT**

24. TikTok engages in trade practices, which include supplying “consumer goods” and “consumer services of all types,” D.C. Code § 28-3901, in the District. At all times material to this Complaint, acting alone or in concert with affiliated companies, TikTok has advertised, marketed, and distributed its social media app to consumers throughout the District, earns substantial revenue by selling District consumers’ user data and time to advertisers, and profits off the sale of its virtual currency to District consumers.

25. TikTok has significant contacts with the District, examples of which include the following.

26. TikTok is registered to do business in the District and has made repeated filings with the former District of Columbia Department of Consumer and Regulatory Affairs (now the

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Department of Licensing and Consumer Protection), registering as a foreign corporation in the District since at least 2020. In these filings, TikTok has admitted that it conducts business in the District.

27. TikTok maintains an office in the District at 1255 Union Street NE. The company signed a ten-year lease in 2021 for over 50,000 square feet of office space. The company has had a number of job openings at its D.C. office for positions directly related to this Complaint’s allegations, including roles in “Minor Safety and Wellbeing,” “Compliance & Security,” “Trust & Safety,” and “Age Assurance.”<sup>9</sup>

28. TikTok directly advertises in the District to expand its brand appeal and increase user engagement. According to data supplied by Apple, TikTok spent over [REDACTED]

[REDACTED]

[REDACTED] These ads targeted accounts in the District belonging to [REDACTED]

[REDACTED]. TikTok recently announced a partnership with Monumental Sports & Entertainment to serve as the “Official Partner” of the Washington Capitals.<sup>10</sup> The partnership deal will feature the TikTok logo on the Caps Road Jersey for the upcoming 2024-2025 season.

29. TikTok has entered (and continues to enter) into contracts with [REDACTED] [REDACTED] of District residents, many of whom are children, to provide them with access to social media services in the District in exchange for their valuable data. When users sign up for TikTok, and in exchange for access to the App, users must agree to TikTok’s Terms of Service,

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<sup>9</sup> *TikTok Careers*, TIKTOK, [https://careers.tiktok.com/position?keywords=&category=&location=CT\\_233&project=&type=&job\\_hot\\_flag=&current=1&limit=10&functionCategory=&tag=](https://careers.tiktok.com/position?keywords=&category=&location=CT_233&project=&type=&job_hot_flag=&current=1&limit=10&functionCategory=&tag=) (last visited October 2, 2024).

<sup>10</sup> *Monumental Sports & Entertainment and TikTok Announce Partnership*, WASHINGTON CAPITALS (Sept. 9, 2024), <https://www.nhl.com/capitals/news/monumental-sports-entertainment-and-tiktok-announce-partnership>.

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including TikTok’s Privacy Policy. The Privacy Policy identifies information TikTok collects—which includes, among other things, name, age, email, phone number, location data, device information, and image and audio information.<sup>11</sup>

30. A significant portion of the District’s youngest consumers are on TikTok. In December 2023, there were [REDACTED] TikTok accounts associated with District users between 13 and 17, which likely significantly undercounts the number of District children on the App, due to the company’s lax age verification. In addition, there were [REDACTED] registered TikTok accounts associated with District users between 18 and 24 years old. According to internal documents, [REDACTED] of Gen Z-ers and millennials use TikTok in the District, with [REDACTED] using the App daily.

31. TikTok’s services are not free: TikTok charges District consumers by collecting their time and data, including their locations, interests, and behaviors (for example, video views, likes, comments, live streams, and posts). TikTok then converts this data into advertising revenue: it sells significant advertising space and data to marketers and enables them to tailor messages and offers to specific locations and users throughout the District.<sup>12</sup>

32. TikTok also profits directly from District users by taking a hefty commission on virtual currency transactions within the App, called “In-App Purchases.” As explained further below, TikTok sells users TikTok Coins—a virtual currency—directly through TikTok’s website or mobile app or through the Apple or Google app stores. TikTok allows users, including District users, to purchase an in-app token called a “Gift” using virtual Coins, with TikTok making money on each transaction.

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<sup>11</sup> *Privacy Policy*, TIKTOK (Aug. 19, 2024), <https://www.tiktok.com/legal/page/us/privacy-policy/en>.

<sup>12</sup> *About Location Targeting*, TIKTOK (Oct. 2024), <https://ads.tiktok.com/help/article/location-targeting?lang=en>.

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33. TikTok’s virtual currency operation is highly lucrative in the District, in the United States, and globally. In a single quarter in early 2023, TikTok’s U.S. revenue from live streaming transactions was [REDACTED], and its global revenue was [REDACTED]. In the District, TikTok’s revenue from In-App Purchases, including from Coins, has grown substantially since it started facilitating virtual transactions. In 2018, District consumers spent [REDACTED] on In-App Purchases through TikTok. By 2022, District consumers were spending [REDACTED] on In-App Purchases through TikTok. Between 2018 and 2023, Apple iPhone users in the District spent a combined [REDACTED] on in-app TikTok purchases.

34. The in-app fees TikTok charges directly relate to this Complaint’s allegations: TikTok’s addictive design and deceptive practices encourage more District children to spend more time on the App, leading to increased ad views, e-commerce activity, and more service fees.

35. The District is also a hub for “content creators,” or users who share and post content on the App, as evidenced by the many TikTok posts that are created in the District and publicly available to view. Content creators throughout the District use LIVE and are compensated with Gifts through TikTok’s virtual currency and/or directly from TikTok’s “Creator Rewards Program”<sup>13</sup> (formerly known as the “Creator Fund”).<sup>14</sup>

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<sup>13</sup> *TikTok’s Monetization Features*, TIKTOK (last updated Sept. 19, 2024), <https://www.tiktok.com/creator-academy/en/article/monetization-offerings-overview>.

<sup>14</sup> *Creator Rewards Program*, TIKTOK (last updated Aug. 22, 2024), <https://www.tiktok.com/creator-academy/en/article/creator-rewards-program>; TikTok, *Creator Rewards Program*, WEB ARCHIVE (last updated Apr. 2, 2024), <https://web.archive.org/web/20240411083348/https://www.tiktok.com/creator-academy/en/article/creator-rewards-program>.

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### FACTUAL ALLEGATIONS

36. TikTok is a leading social media app. The Chinese tech company, ByteDance Ltd. (“ByteDance”), initially introduced the App in China in 2016 under the name “Douyin” (pronounced “doe-yin”) and then launched it globally in September 2017.

37. On the App, users create, upload, and view 15- to 60-second short-form videos.

38. TikTok is now available in over 150 markets and in 75 languages, boasting over 1.5 billion active users worldwide. The App gained significant popularity in the United States after merging with a popular lip-synching app called Musical.ly in August 2018. In the U.S., TikTok has over 170 million users—over half the country’s population.

39. TikTok is incredibly lucrative. In 2022, the company made \$9.9 billion in advertising revenue, a 155% increase from the prior year.

40. TikTok’s explosive growth is no accident. Early on, Alex Zhu, TikTok’s former CEO, recognized that U.S. teenagers represented a “golden audience” for emerging social media products.<sup>15</sup> To cash in on that market, TikTok deployed highly addictive features to keep child users engaged.

41. TikTok’s primary business is monetizing its users’ attention. Young users are integral to TikTok’s business model. A report TikTok commissioned to assess the value of its App for businesses found that TikTok is “undeniably powerful at reaching younger audiences.”<sup>16</sup>

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<sup>15</sup> Paul Mozur, *Chinese Tech Firms Forced to Choose Market: Home or Everywhere Else*, N.Y. TIMES (Aug. 9, 2016), <https://www.nytimes.com/2016/08/10/technology/china-homegrown-internet-companies-rest-of-the-world.html>.

<sup>16</sup> *The Power of TikTok: Achieving breakthrough brand building with TikTok*, KANTAR | TIKTOK, <https://www.tiktok.com/business/library/the-power-of-tiktok.pdf> (last visited July 16, 2024).

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Internal documents reveal that TikTok’s reach among U.S. smartphone users aged 13–17 has been incredibly successful—reaching a market penetration of [REDACTED]

42. To maximize engagement, TikTok uses a dopamine-inducing algorithm that spoon-feeds users a highly personalized diet of short-form videos, making it difficult for children to unplug. TikTok amplifies this effect with a series of manipulative features designed to keep users on the App. The result is that TikTok’s youngest, most vulnerable users become trapped, spending excessive, unhealthy amounts of time on the App. TikTok knows this is dangerous and knows it has helped spawn and exacerbate a mental health crisis among U.S. teens, including teens in the District.

43. As outlined below, TikTok knows that using design features such as (1) highly personalized content recommendations; (2) infinite scroll; (3) push notifications; (4) filters; and (5) TikTok Coins substantially harms children.

**I. TikTok knows that prolonged and compulsive use of its App poses a profound risk of harm to the mental health and well-being of the District’s children.**

44. Children are a crucial market for TikTok. They are highly connected to the Internet, more likely to have social media accounts, and more likely to spend their free time on social media swiping through an App. Additionally, children often influence the behavior of their parents and younger siblings, opening potential markets for other age groups. In a 2023 [REDACTED] document for its business partner [REDACTED], TikTok admitted the App not only [REDACTED] but that [REDACTED] [REDACTED]

45. TikTok is well aware of and exploits how valuable kids are to its business. Yet because their still-developing minds are susceptible to social media overuse and the myriad



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harms it inflicts, they are an especially vulnerable market. TikTok knows—indeed, has carefully studied—all of this.

46. Adolescence is a period of transition from childhood to adulthood, marked by specific developmental and behavioral changes. The brain goes through major alterations during adolescence, including both structural remodeling and neurochemical maturation. Brain regions associated with a desire for risk-taking,<sup>17</sup> attention, peer feedback, and reinforcement—like the dopamine system—become particularly sensitive in adolescence, while regions like the prefrontal cortex that are associated with maturity and impulse control are not fully developed until adulthood.<sup>18</sup>

47. The dopamine system participates in the neural coding of reward and motivated behavior—the precise area that is stimulated by reward patterns (like those leveraged by TikTok). The heightened sensitivity of the dopamine system during adolescence, coupled with the underdeveloped prefrontal cortex, makes 13- to 17-year-olds on TikTok highly susceptible to risky behaviors, temptations, and manipulations of their reward systems. They lack the impulse control of adults.<sup>19</sup>

48. At the same time, mental well-being is at its most vulnerable during adolescence. Because their identities and sense of self are not yet fully formed, teens are more susceptible than

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<sup>17</sup> *Social Media and Youth Mental Health: The U.S. Surgeon General's Advisory*, U.S. DEP'T OF HEALTH & HUM. SERVS., 5 (2023) <https://www.hhs.gov/sites/default/files/sg-youth-mental-health-social-media-advisory.pdf>.

<sup>18</sup> Leah Somerville & BJ Casey, *Developmental neurobiology of cognitive control and motivational systems*, 20 CURRENT OP. IN NEUROBIOLOGY 236 (2010), <https://www.sciencedirect.com/science/article/abs/pii/S0959438810000073?via%3Dihub>.

<sup>19</sup> Kathryn Mills et al., *The Developmental Mismatch in Structural Brain Maturation during Adolescence*, 36 DEV. NEUROSCI. 147 (2014), <https://karger.com/dne/article/36/3-4/147/107931/The-Developmental-Mismatch-in-Structural-Brain/>.

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adults to the danger, misinformation, peer pressure, and false images that abound on social media.<sup>20</sup>

49. TikTok has proven especially adept at exploiting these dynamics to gain popularity. Of the nearly [REDACTED] minors (aged 13 to 17) who use TikTok daily, almost [REDACTED] of them are spending [REDACTED] on the App every day, with nearly [REDACTED]

50. This compulsive, prolonged use is harmful. Studies have shown that children who spend more than three hours per day on social media face double the risk of poor mental health outcomes, including symptoms of depression and anxiety.<sup>21</sup> Frequent use of TikTok may also result in structural changes to the brain itself,<sup>22</sup> including in the amygdala (important for emotional learning and behavior) and the prefrontal cortex (important for impulse control and emotional regulation).<sup>23</sup> Children can emerge from this critical period of adolescence

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<sup>20</sup> Ronald C. Kessler et al., *Age of onset of mental disorders: A review of recent literature*, 20 CURRENT OP. PSYCHIATRY 359 (2007), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1925038/pdf/nihms25081.pdf>; Daniel Romer, *Adolescent Risk Taking, Impulsivity, and Brain Development: Implications for Prevention*, 52 DEV. PSYCHOBIOLOGY 263 (2010), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3445337/pdf/nihms-404113.pdf>; NAT'L ACADEMIES SCIS., ENG'G & MED., *The Promise of Adolescence: Realizing Opportunity for All Youth* (Emily P. Backes, Richard J. Bonnie, eds., 2019), <https://pubmed.ncbi.nlm.nih.gov/31449373/>.

<sup>21</sup> Kira Riehm et al., *Associations Between Time Spent Using Social Media and Internalizing and Externalizing Problems Among US Youth*, 76 JAMA PSYCHIATRY 1266 (2019), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6739732/>.

<sup>22</sup> Quinghua He et al., *Brain anatomy alterations associated with Social Networking Site (SNS) addiction*, 7 SCI. REP. 45064 (2017), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5362930/>.

<sup>23</sup> *Social Media and Youth Mental Health: The U.S. Surgeon General's Advisory*, U.S. DEP'T OF HEALTH & HUM. SERVS., 5 (2023) <https://www.hhs.gov/sites/default/files/sg-youth-mental-health-social-media-advisory.pdf>.

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developmentally damaged.<sup>24</sup> Researchers and psychologists report that younger adolescents can experience higher levels of developmental sensitivity to apps like TikTok and rate lower on the life satisfaction scale than older adolescents.<sup>25</sup> The reverse is also true—a decrease in social media use for younger adolescents is predictive of an overall increase in life satisfaction.<sup>26</sup>

51. Heavy TikTok use disrupts activities like sleep and physical activity,<sup>27</sup> which are critical for youth psychological and physical health.<sup>28</sup> Research shows that use of technology, especially social media, within one hour of bedtime is associated with sleep disruptions.<sup>29</sup> Insufficient sleep, in turn, impairs neurological development in adolescent brains,<sup>30</sup> affecting emotional functioning and increasing suicidal thoughts.<sup>31</sup>

52. Beyond harming mental and physical health, overuse of social media causes financial harm. Studies show that people who are addicted to social media spend more money

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<sup>24</sup> Amy Orben et al., *Windows of developmental sensitivity to social media*, 13 NATURE COMMUN. 1649 (2022), [https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8960761/pdf/41467\\_2022\\_Article\\_29296.pdf](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8960761/pdf/41467_2022_Article_29296.pdf).

<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> *Health Advisory on Social Media Use in Adolescence*, AM. PSYCH. ASS'N (May 2023), <https://www.apa.org/topics/social-media-internet/health-advisory-adolescent-social-media-use.pdf>.

<sup>28</sup> Eduardo Bustamante et al., *Unlocking the Promise of Physical Activity for Mental Health Promotion*, 177 JAMA PEDIATRICS 111 (Jan. 3, 2023), <https://jamanetwork.com/journals/jamapediatrics/article-abstract/2799813>; Rea Alonzo et al., *Interplay between social media use, sleep quality, and mental health in youth: A systematic review*, 56 SLEEP MED. REV. 101414 (Apr. 2021), <https://www.sciencedirect.com/science/article/abs/pii/S108707922030157X?via%3Dihub>.

<sup>29</sup> *Id.*

<sup>30</sup> Aurore Perrault et al., *Reducing the use of screen electronic devices in the evening is associated with improved sleep and daytime vigilance in adolescents*, 42 SLEEP zsz125 (June 8, 2019), <https://academic.oup.com/sleep/article/42/9/zsz125/5513278?login=false>.

<sup>31</sup> Jessica Hamilton et al., *Sleep influences daily suicidal ideation through affective reactivity to interpersonal events among high-risk adolescents and young adults*, 64 J. OF CHILD PSYCH. AND PSYCHIATRY 27 (July 2, 2022), <https://acamh.onlinelibrary.wiley.com/doi/10.1111/jcpp.13651>.

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online than those who are not.<sup>32</sup> The constant barrage of highly personalized advertising combined with TikTok’s virtual currency system can lead to overconsumption and financial stress.<sup>33</sup>

53. Children are particularly vulnerable to online financial exploitation. They struggle to understand the impact money can have on their lives because most have never had to manage a bank account and cover monthly expenses.

54. The U.S. Consumer Financial Protection Bureau has stated that teens are still learning financial literacy: “Teens may act as ‘financial apprentices’ to the adults in their lives, [and] engage in experiential learning.”<sup>34</sup> Further, for teens (many of whom are on TikTok), “executive function skills, like self-regulation and the ability to stay focused, seem to develop at a slower pace and do not reach maturity until early adulthood. Therefore, teens may display adult-level cognition in some settings but may **have difficulty controlling impulses, particularly during highly tempting situations.**”<sup>35</sup>

55. TikTok knows that the App’s design [REDACTED] and [REDACTED] [REDACTED] According to TikTok, [REDACTED] of users say that the App [REDACTED]

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<sup>32</sup> Saeed Pahlevan Sharif & Ken Kyid Yeoh, *Excessive social networking sites use and online compulsive buying in young adults: the mediating role of money attitude*, 19 YOUNG CONSUMERS 310 (Jun. 22, 2018), <https://doi.org/10.1108/YC-10-2017-00743>.

<sup>33</sup> *Smartphones, Social Media, and Their Impact on Mental Health*, COLUMBIA PSYCHIATRY, <https://www.columbiapsychiatry.org/research/research-areas/child-and-adolescent-psychiatry/sultan-lab-mental-health-informatics/research-areas/smartphones-social-media-and-their-impact-mental-health> (last visited July 16, 2024); Wall Street Journal, *How Online Currency is Changing the Way Kids Spend Money*, WALL STREET JOURNAL (Nov. 15, 2023), <https://www.wsj.com/video/series/your-money-briefing/how-online-currency-is-changing-the-way-kids-spend-money/F386D7D8-71AB-4A8E-A661-97342CBA1F2E>.

<sup>34</sup> *Building blocks to help youth achieve financial capability: A new model and recommendations*, CONSUMER FIN. PROT. BUREAU, 13 (Sept. 2016), [https://files.consumerfinance.gov/f/documents/092016\\_cfpb\\_BuildingBlocksReport\\_ModelAndRecommendations\\_web.pdf](https://files.consumerfinance.gov/f/documents/092016_cfpb_BuildingBlocksReport_ModelAndRecommendations_web.pdf).

<sup>35</sup> *Id.* at 26 (emphasis added).

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Because children are more susceptible to influence and manipulation than adults, that figure is likely to be even higher for children.

56. With sophisticated and manipulative apps like TikTok, District children are spending excessive amounts of time online. In 2021, nearly three-quarters (73.6%) of District teens reported getting fewer than eight hours of sleep on an average school night. During that same period, over 70% of District high schoolers reported three hours or more of screen time outside of schoolwork on an average school day.<sup>36</sup>

57. TikTok’s internal data confirms District children are using the App during [REDACTED]. Between October 2022 and October 2023, District users aged 13–17 were averaging their longest session times on the App between [REDACTED], peaking between [REDACTED]. See Figure 1.



**(Figure 1. Aggregated TikTok data showing average daily session time on TikTok for District users aged 13–18 from October 2022–October 2023.)**

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<sup>36</sup> 2021 Youth Risk Behavior Survey Results: District of Columbia (Including Charter Schools) High School Survey, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 73–80 (Nov. 2, 2023), [https://osse.dc.gov/sites/default/files/dc/sites/osse/page\\_content/attachments/2021DCBH%20Summary%20Tables.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021DCBH%20Summary%20Tables.pdf).

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58. Many young TikTok users are in a mental health crisis. Nearly 45% of adolescent girls on TikTok say they feel “addicted” and use the App more than intended.<sup>37</sup> In 2021, almost 60% of adolescent girls nationwide reported “persistent feelings of sadness or hopelessness.”<sup>38</sup> About 1 in 4 teenage girls nationwide reported making a suicide plan, and 40% of high school students described mental health challenges so dire that “they could not engage in their regular activities for at least two weeks during the previous year.”<sup>39</sup>

59. The mental health crisis is equally severe in the District. In 2021, almost half (47.7%) of District high school girls reported persistently feeling sad or hopeless,<sup>40</sup> and over a third (36.3%) of all District high school students reported feelings of sadness or hopelessness.<sup>41</sup> Since 2007, the number of District high school students reporting feeling sad or hopeless has increased 28.3% overall and by 47.2% among high school girls.<sup>42</sup> Suicidal thoughts among District youth have also risen.<sup>43</sup> In 2021, 26.8% of all female students 15 years old and younger

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<sup>37</sup> Jacqueline Nesi et al., *Teens and mental health: How girls really feel about social media*, COMMON SENSE MEDIA, 6 (2023), [https://www.commonsensemedia.org/sites/default/files/research/report/how-girls-really-feel-about-social-media-researchreport\\_final\\_1.pdf](https://www.commonsensemedia.org/sites/default/files/research/report/how-girls-really-feel-about-social-media-researchreport_final_1.pdf).

<sup>38</sup> *Youth Behavior Risk Survey: Data Summary & Trends Report*, CTRS. FOR DISEASE CONTROL AND PREVENTION, 2 (2023), [https://www.cdc.gov/healthyyouth/data/yrbs/pdf/YRBS\\_Data-Summary-Trends\\_Report2023\\_508.pdf](https://www.cdc.gov/healthyyouth/data/yrbs/pdf/YRBS_Data-Summary-Trends_Report2023_508.pdf).

<sup>39</sup> *Id.*

<sup>40</sup> *2021 Youth Risk Behavior Survey Results: District of Columbia (Including Charter Schools) High School Survey*, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 15 (Nov. 2, 2023), [https://osse.dc.gov/sites/default/files/dc/sites/osse/page\\_content/attachments/2021DCBH%20Summary%20Tables.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021DCBH%20Summary%20Tables.pdf).

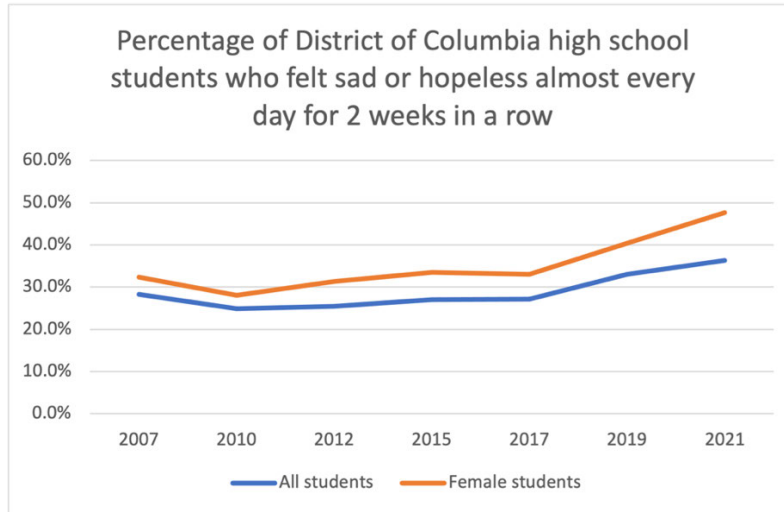
<sup>41</sup> *Id.* at 15.

<sup>42</sup> *DC Youth Risk Behavior Survey (YRBS)*, OFF. OF THE STATE SUPERINTENDENT OF EDUC., <https://osse.dc.gov/node/666752>.

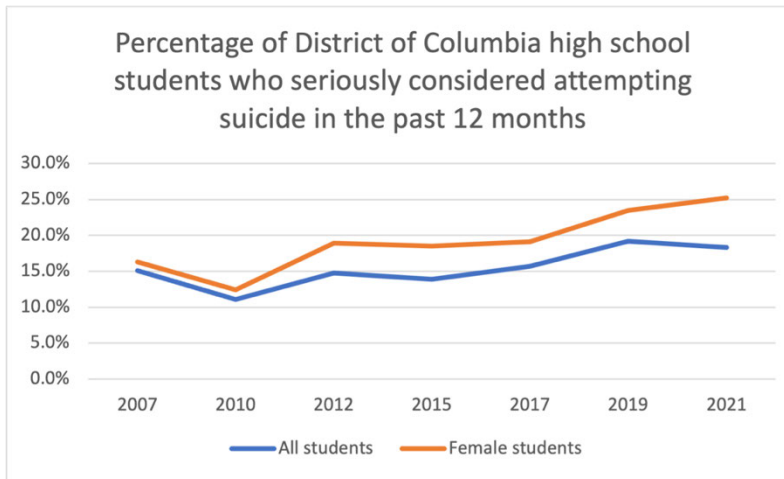
<sup>43</sup> *Id.*

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seriously considered attempting suicide.<sup>44</sup> For high school girls, the rate of serious suicidal consideration jumped from 16.3% in 2007 to 25.2% in 2021, representing a 54.6% increase.<sup>45</sup>



**(Figure 2. Aggregated data from the District of Columbia’s Youth Risk Behavior Survey Results between 2007–2021.)**



**(Figure 3. Aggregated data from the District of Columbia’s Youth Risk Behavior Survey Results between 2007–2021.)**

<sup>44</sup> 2021 Youth Risk Behavior Survey Results: District of Columbia (Including Charter Schools) High School Survey, OFF. OF THE STATE SUPERINTENDENT OF EDUC., 15–19 (Nov. 2, 2023), [https://osse.dc.gov/sites/default/files/dc/sites/osse/page\\_content/attachments/2021DCBH%20Summary%20Tables.pdf](https://osse.dc.gov/sites/default/files/dc/sites/osse/page_content/attachments/2021DCBH%20Summary%20Tables.pdf).

<sup>45</sup> DC Youth Risk Behavior Survey (YRBS), OFF. OF THE STATE SUPERINTENDENT OF EDUC., <https://osse.dc.gov/node/666752>.

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60. TikTok is fully aware of the risks its App poses for adolescents. The company partnered with the [REDACTED], which reported to TikTok in October 2021 that children are [REDACTED] and [REDACTED] in comparison to adult users. TikTok's [REDACTED] has also acknowledged that [REDACTED]. In June 2021, in an internal product strategy report on [REDACTED] TikTok also admitted that the design of its application can [REDACTED] that harm mental health:

[REDACTED]

61. A year later, in June 2022, TikTok acknowledged in a research report that [REDACTED]. [REDACTED] In the same report, TikTok also admitted that late night usage of the App [REDACTED] and [REDACTED]. [REDACTED]

62. In short, TikTok knows the design of its App is harmful—especially to teens—with devastating effect.

**II. TikTok uses coercive design elements to manipulate children into overuse of the App that it knows is unhealthy and financially harmful.**

63. TikTok's own Trust and Safety team knows that social media apps that rely on advertising-based business models—like its own—are filled with coercive design features that



manipulate users into spending as much time on the apps as possible. Indeed, in a June 2021 internal [REDACTED] product strategy document, TikTok acknowledges:

[REDACTED]

64. TikTok nonetheless continues to deploy such design features—recommendation algorithms, infinite scroll, push notifications, and filters—that keep users glued to its App. As the company admits in a 2022 product strategy document on [REDACTED] from its Trust and Safety team: [REDACTED]

[REDACTED]

65. TikTok also employs a tactic called “currency confusion,”<sup>46</sup> requiring users to convert real money into virtual currency for In-App Purchases. This system obscures material terms, like how much TikTok makes in commissions. Virtual currencies add another layer of confusion, making the true cost of purchases abstract and unclear, especially for children, who already typically lack financial literacy and do not manage budgets or account balances.<sup>47</sup>

66. All of these design features give children the illusion of control while amplifying and incentivizing compulsive, repeated App use.

#### **A. Recommendation Engine**

67. When users first open TikTok, they are immediately greeted by the “For You”

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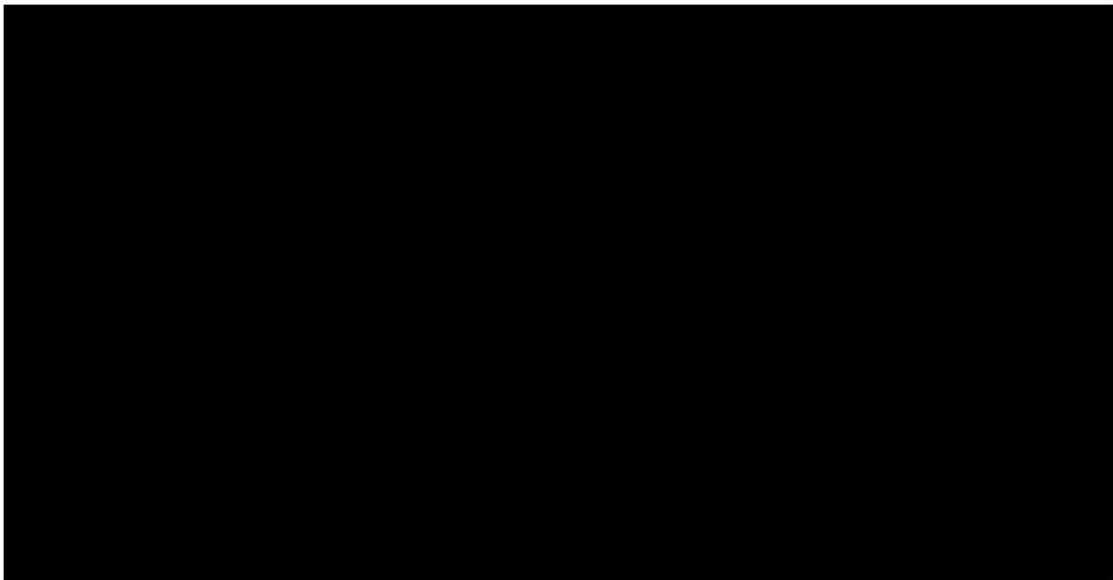
<sup>46</sup> Scott Goodstein, *When the Cat’s Away: Techlash, Loot Boxes, and Regulating “Dark Patterns” in the Video Game Industry’s Monetization Strategies*, 92 U. COLO. L. REV. 285 (Feb. 1, 2021), <https://scholar.law.colorado.edu/cgi/viewcontent.cgi?article=1057&context=lawreview>.

<sup>47</sup> *Building blocks to help youth achieve financial capability: A new model and recommendations*, CONSUMER FIN. PROT. BUREAU, 9 (Sept. 2016), [https://files.consumerfinance.gov/f/documents/092016\\_cfpb\\_BuildingBlocksReport\\_ModelAndRecommendations\\_web.pdf](https://files.consumerfinance.gov/f/documents/092016_cfpb_BuildingBlocksReport_ModelAndRecommendations_web.pdf).

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feed, a stream of videos that play automatically. This flagship feature provides content recommended for each user by TikTok’s algorithms (here collectively called TikTok’s “Recommendation Engine” or the “Engine”). Algorithmic recommendation systems are designed to rank content based on how likely a user is to engage with it. By collecting data on user behavior, the Recommendation Engine curates a personalized video stream to keep users scrolling endlessly. This system is central to TikTok’s platform because it can repeatedly tap into each user’s brain reward systems by identifying what will keep them actively engaged on the App.

68. TikTok’s Recommendation Engine is [REDACTED] As TikTok describes in an internal presentation from September 2023, its Engine [REDACTED] [REDACTED] See Figure 4 below, featuring a screenshot of TikTok’s Engine capabilities.

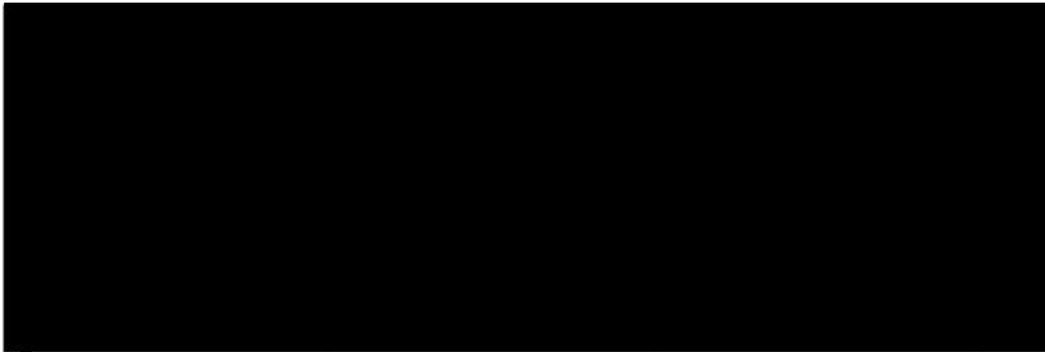


**(Figure 4.)**

69. When a new video is posted on the App, the App automatically sends that video, along with user activity data (such as watch time, likes, or comments), through its Recommendation Engine. The Engine then calculates a score predicting how a unique user will

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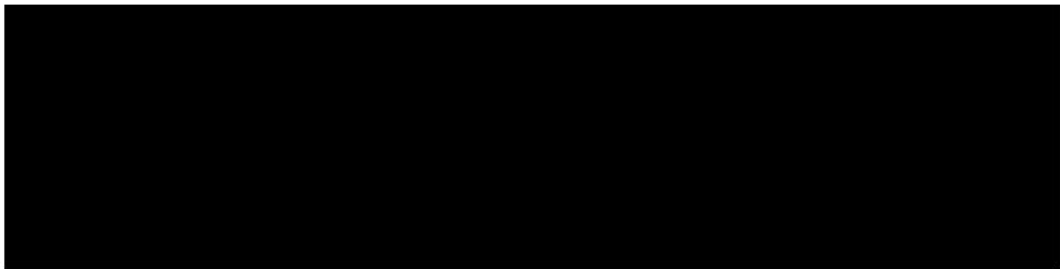
respond to each new video. Based on these scores, the Recommendation Engine narrows millions of videos down to just eight, called a “load.” After a load is presented to a unique user, the Engine uses the user’s actions as feedback on the accuracy of its predictions, allowing it to “learn” and improve future recommendations and keep that user engaged. Essentially, these algorithms, built with advanced math, create software that “learns” from [REDACTED]. In other words, the algorithm is a very precise and sophisticated mathematical model. See Figure 5 below, showing [REDACTED]



**Figure 5.)**

70. TikTok knows that the Recommendation Engine is a carefully designed machine with a clear end goal: to trap a user’s attention and minimize their ability to control the time they spend on the App. The company has admitted the [REDACTED] of the Engine are to [REDACTED]

In June 2021, TikTok acknowledged in research findings on [REDACTED] that habit formation is a core [REDACTED] of the company:

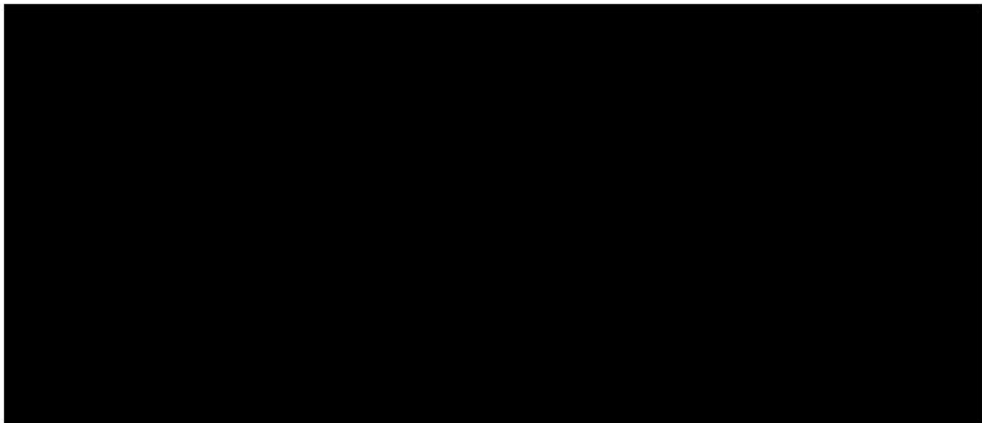




71. The Engine is designed to give young users immediate gratification and boost rewards, encouraging excessive, [REDACTED] use of the App. TikTok knows this monopolizes users' time, thus achieving the intended effect. *See* Figures 6 and 7 below, showing images from an internal PowerPoint titled [REDACTED]



**(Figure 6.)**



**(Figure 7.)**

72. One technique the Recommendation Engine uses to keep users on the App is by trapping them in “filter bubbles,” or rabbit holes, of similar content. These bubbles learn a user’s video preferences and then reinforce them by recommending even more (and often increasingly extreme) versions of those videos—stringing them together in an endless reel, overloading the brain’s reward system and making it difficult for users to disengage. TikTok acknowledges that its [REDACTED] and filter bubbles are [REDACTED]

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[REDACTED]

[REDACTED] TikTok knows that eliminating filter bubbles entirely would mean making changes to its core Recommendation Engine and thus decreasing the time and attention users give to the platform—so it does not.

73. An additional concern is that TikTok’s powerful algorithms are controlled by ByteDance, its Chinese parent company. The [REDACTED]

74. There are well-known and reported risks concerning ByteDance’s control over TikTok’s proprietary algorithm. The U.S. government and intelligence community has recognized that “ByteDance and TikTok pose a threat to national security[,]” because China “may coerce ByteDance and TikTok to “covertly manipulate its recommendation algorithm to shape the information” received by millions of U.S. children.<sup>48</sup>

75. These risks are not hypothetical. An [REDACTED] notes that ByteDance’s [REDACTED] including because of

[REDACTED] ByteDance’s issues also extend to

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<sup>48</sup> Declaration of Case Blackburn, Assistant Dir. of Nat’l Intel., OFF. OF THE DIR. OF NAT’L INTEL., 17, <https://www.documentcloud.org/documents/25017864-72624-doj-response-to-tiktok-lawsuit>.

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76. In effect, this leaves U.S. children, including District children, especially vulnerable to risky data collection practices and misinformation, propaganda and other forms of psychological manipulation through TikTok’s recommendation algorithms.<sup>49</sup>

**B. Infinite Scroll**

77. TikTok also employs “infinite scroll,” a particularly pernicious design tactic through which TikTok allows new videos to automatically and constantly load in an endless stream each time a user chooses to watch a video.

78. Infinite scroll is designed to counteract a user’s ability to disengage, and the feature thereby maximizes a user’s time spent in the App. According to a December 2020 PowerPoint relating to strategy on TikTok’s [REDACTED] the company knows that the [REDACTED]—so, of course, users return to the App again and again and keep scrolling to load more videos. In an internal 2022 research report on [REDACTED] TikTok acknowledged this very feature makes it harder for users to disengage from the App:

[REDACTED]

79. Infinite scroll provokes a child’s well-known and studied fear of missing out (commonly referred to as “FOMO”).<sup>50</sup> The anticipation of discovering something new and the

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<sup>49</sup> Declaration of Case Blackburn, Assistant Dir. of Nat’l Intel., OFF. OF THE DIR. OF NAT’L INTEL., 17, <https://www.documentcloud.org/documents/25017864-72624-doj-response-to-tiktok-lawsuit>.

<sup>50</sup> *4 Things to Know About Your Teen’s Brain*, NORTHWESTERN MED. (July 2018), <https://www.nm.org/healthbeat/healthy-tips/four-things-about-your-teens-developing-brain>.

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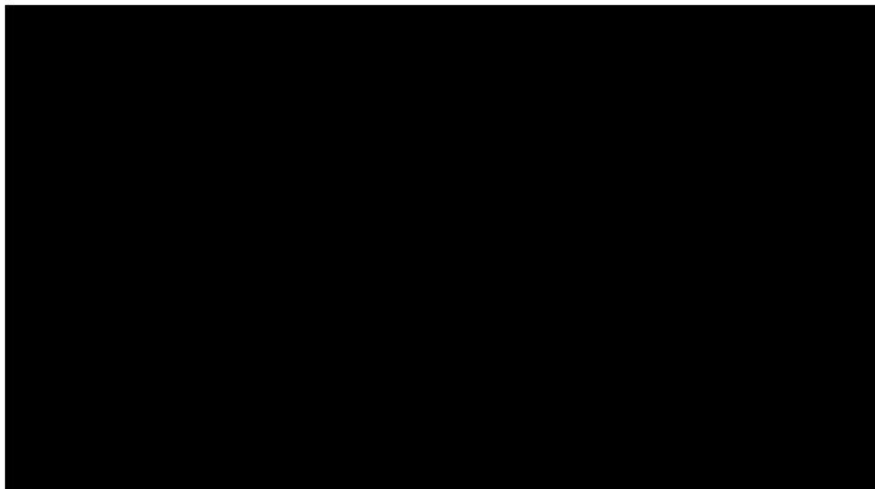
feeling that others might be having rewarding experiences on the App when one is absent keeps users scrolling. Children are particularly susceptible to developing FOMO because they lack impulse control and have a need for validation from their peers. FOMO can trigger anxiety, result in depression and neuroticism in teenagers, and cause sleep deprivation due to users' fears that they might be missing important content.

80. Despite these known harms, TikTok admitted internally that it wants to [REDACTED] [REDACTED] for users because that generates [REDACTED] and is therefore good for business.

**C. Push Notifications**

81. TikTok also uses “push notifications” to manipulate children into returning to the App—distracting them at school, disrupting their sleep, and further provoking FOMO.

82. Push notifications alert users to new messages, provide updates about [REDACTED] [REDACTED] or suggest new videos to entice users to re-open the App. Push notifications are advertisements for the App—like a business constantly knocking on your door. TikTok admits these notifications [REDACTED] See Figure 8 below.



**(Figure 8.)**

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83. These push notifications use “haptics,” or the application of vibrations, buzzes, and light sounds to draw users’ attention back to the App. TikTok has described its notifications as [REDACTED]

84. TikTok’s constant push notifications prompt users, especially children, to check the App at all hours. TikTok admits: [REDACTED]

[REDACTED] Although TikTok now (and only as of March 2023) automatically mutes notifications for users aged 13–17 between 9 p.m. to 8 a.m., it knows that many children lie about their age to evade its lax age verification. For users 18 and older—and for the millions of younger users who circumvent the age requirements—TikTok continues to send notifications at all hours of the night, admitting that it relies on the users themselves to “manage [their] screen time at night” and “promote healthier sleep habits.”<sup>51</sup>

85. These late-night notifications have measurable effects on App usage. TikTok’s own data confirms that users struggle to detach from the App, with [REDACTED] of users aged 16 to 17 active on TikTok between [REDACTED]. In the District, data also confirms that District teens are most active during [REDACTED] as well, with App usage peaking between [REDACTED]. [REDACTED] TikTok admits internally that late-night usage is a [REDACTED] teens are not getting the recommended eight hours of sleep for their health and well-being.

**D. Filters**

86. TikTok also offers “filters” and “effects” (collectively, “filters”) that alter a user’s appearance—including by lightening and smoothing skin, whitening teeth, enlarging lips, and even modifying facial features to create a skinnier face or a smaller nose. These filters are unsafe for young users.

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<sup>51</sup> *Screen Time*, TIKTOK, <https://support.tiktok.com/en/account-and-privacy/account-information/screen-time> (last accessed Aug. 17, 2024).



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87. TikTok knows that beauty filters inflict significant harm.

88. TikTok’s Trust and Safety team acknowledged in an internal 2023 recommendations report on [REDACTED] that beauty filters are [REDACTED] [REDACTED] to minors. The company also admitted that TikTok filters have a [REDACTED] [REDACTED] Teenagers often seek out attention, peer feedback, and social validation through comparison reinforcement. Unsurprisingly, they compare the filtered images of themselves on TikTok to their real-life appearances, often leading to a negative self-image. TikTok acknowledged in that report that teens are [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

89. Despite knowing this, TikTok has deployed [REDACTED] of these filters over the years—including even going so far as turning on filters for users and minors *by* [REDACTED]. TikTok uses filters, in large part, because the company knows they encourage users to post and use the App more frequently.

90. Internal documents from May 2023 show that one of TikTok’s filters, called [REDACTED] was turned [REDACTED] across most regions, including here in the District. In other words, TikTok [REDACTED] [REDACTED] to users’ faces when they opened the in-app camera [REDACTED] [REDACTED]. The retouching filter includes makeup effects (i.e., foundation, contour, and lipstick), structural reshaping of the face (like face and nose slimming), and cosmetic procedure effects (like skin smoothing and retexturing and teeth whitening).

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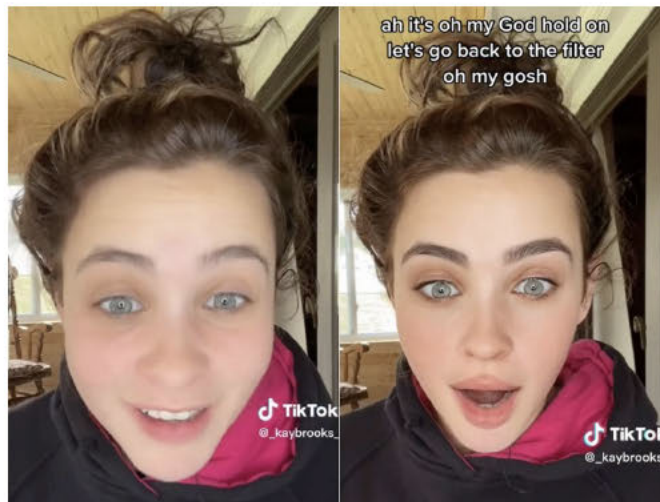
91. TikTok knows using this [REDACTED] setting without user consent is dangerous. In 2023, TikTok’s [REDACTED] expressed extreme concerns about this feature in an internal company chat:



92. The harms from [REDACTED] filters affect both content creators (i.e., people who post videos on the App) and viewers. Indeed, as TikTok’s Trust and Safety team acknowledged, this

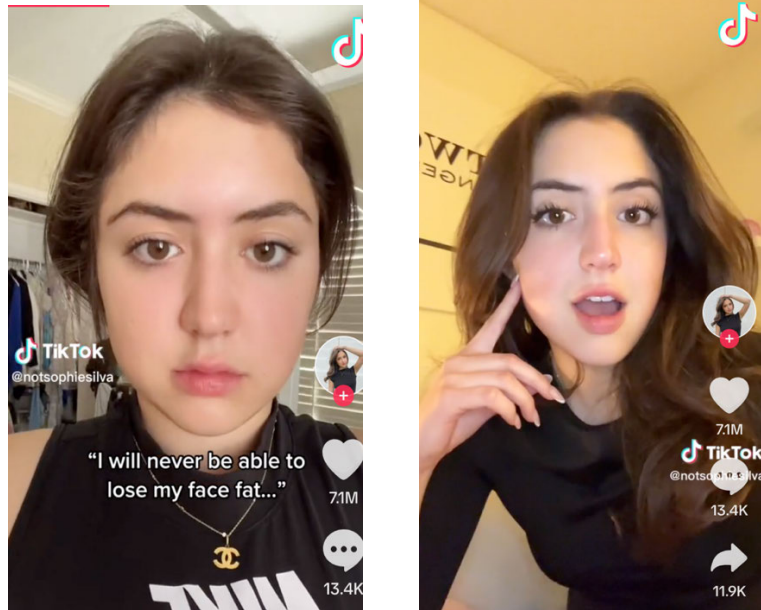


93. Other filters, like TikTok’s most popular filter, “Bold Glamour,” have been used hundreds of millions of times. *See* Figures 9 and 10 below. The Bold Glamour filter, like TikTok’s other filters, uses Artificial Intelligence (“AI”) to cosmetically reshape a user’s face, hyper-realistically.



**(Figure 9.)**

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(Figure 10.)

94. Beauty filters like Bold Glamour similarly sharpen, shrink, enhance, and recolor users' faces and bodies to reflect unattainable beauty standards. The AI algorithms track faces seamlessly, avoiding glitches that could reveal somebody was even using a filter, thus blurring the line between what is real and what is fake.

95. TikTok's filters cause emotional and psychological harm, especially to young female users. These effects increase the risk for eating disorders, depression, anxiety, low self-esteem, and negative body image.<sup>52</sup> The American Society of Plastic Surgeons ("ASPS") has documented notable increases in body modification requests from children, noting: "[d]igital platforms like TikTok serve as catalysts for trending treatments."<sup>53</sup> The rise in teens seeking

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<sup>52</sup> Tara Well, *The Hidden Danger of Online Beauty Filters*, PSYCHOLOGY TODAY (Mar. 25, 2023), <https://www.psychologytoday.com/us/blog/the-clarity/202303/can-beauty-filters-damage-your-self-esteem>.

<sup>53</sup> Kayla Peterson, *Circle of influence: How social media influencers are shaping plastic surgery trends*, AM. SOC'Y OF PLASTIC SURGEONS (Sept. 19, 2023), <https://www.plasticsurgery.org/news/articles/circle-of-influence-how-social-media-influencers-are-shaping-plastic-surgery-trends>.

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medical intervention to alter their appearance prompted the ASPS to release new guidance for cosmetic procedures on teens,<sup>54</sup> and the ASPS has specifically noted that “platforms like TikTok are driving the popularity of plastic surgery overall.”<sup>55</sup>

96. Though the company knows of the various dangers of using filters, as of May 2023, TikTok did not have [REDACTED] and continues to provide filters to children without warning users about the subsequent damage to their mental health and well-being.

**E. TikTok LIVE and Coins**

97. TikTok has also found harmful new ways to boost engagement *and* profit. In 2019, the company launched “TikTok LIVE,” which allows users to stream videos in real-time and receive money through an in-app virtual currency system known as “TikTok Coins.” TikTok designed LIVE to bring [REDACTED] and to provide yet another [REDACTED] that prompts users to open the App. Similarly, in November 2022, in another product strategy document seeking to [REDACTED], TikTok admitted that creating [REDACTED]

98. TikTok knows that combining live streaming with monetization is reckless and dangerous—especially for children. The LIVE feature offers the ultimate ephemeral experience

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<sup>54</sup> *American Society of Plastic Surgeons Weighs in On Growing Popularity of Teen Plastic Surgery*, AM. SOC’Y OF PLASTIC SURGEONS (Aug. 22, 2018), <https://www.plasticsurgery.org/news/press-releases/american-society-of-plastic-surgeons-weighs-in-on-growing-popularity-of-teen-plastic-surgery#:~:text=%22While%20a%20rhinoplasty%20or%20ear,%2C%20including%20lack%20of%20research%2C%22>.

<sup>55</sup> Ariel Frankeny, *The prevalence of TikTok and its impact on plastic surgery procedures*, AM. SOC’Y OF PLASTIC SURGEONS (Mar. 11, 2024), <https://www.plasticsurgery.org/news/articles/the-prevalence-of-tiktok-and-its-impact-on-plastic-surgery-procedures>.

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that lures children in by promising real-time access to live streaming content. Since LIVE videos are not typically saved, they create a sense of urgency in children, tapping into their fear of missing out (FOMO).

99. Once children are hooked and using LIVE, TikTok exploits them financially. Similar to a casino that facilitates the exchange of money for poker chips, TikTok allows users to buy virtual “Coins” to purchase virtual “Gifts” that are designed to look like plush toys. Users can directly send live streamers Gifts, which then accumulate into “Diamonds” that streamers can cash out for real money.<sup>56</sup> Although LIVE, including both live streaming and Gifts, has a current minimum age requirement of 18 and older, TikTok knows its lax age verification measures incentivize U.S. minors to lie about their age to gain access.

100. These Gifts function like social recognition reward signals, similar to “Likes” on other apps, but with the added incentive of money. TikTok promises to reward users with money the more “popular [their] content becomes.”<sup>57</sup> To get Gifts and receive TikTok’s rewards, users need to go LIVE as much as possible—which deepens children’s use of the App. Because Gifts are visible to others during a LIVE session, this feature taps into children’s need for social validation. By exploiting this need, TikTok drives engagement on the App, leading users to solicit as many Gifts as possible in the hopes that *more* Gifts will result in *more* popularity and *more* payouts from TikTok.

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<sup>56</sup> *Diamonds*, TIKTOK, <https://support.tiktok.com/en/business-and-creator/video-gifts-on-tiktok/diamonds> (last visited July 16, 2024).

<sup>57</sup> *Turning Passion to Profit: WAYS TO MAKE MONEY ON TIKTOK LIVE*, TIKTOK (Dec. 15, 2022), [https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live\\_en-US](https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live_en-US).

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101. TikTok keeps its live streaming virtual economy intentionally complex, involving five different steps and three different forms of virtual currency. At each step, TikTok obscures the value of the money and the amount it pockets for itself. A typical transaction between a user and LIVE host involves the following five steps:

1. A TikTok user spends real currency (e.g., U.S. dollars) and purchases Coins through either TikTok's App (using a credit or debit card associated with the Apple or Google app store) or directly through TikTok's website. On TikTok's website, the current exchange rate is roughly one Coin per penny (\$0.01), fluctuating based on the quantity of Coins purchased.
2. That user joins a LIVE session.
3. In the LIVE session, the user spends their Coins to purchase a virtual Gift on the TikTok App and sends the virtual Gift to the LIVE host.
4. TikTok credits the LIVE host's account with a certain number of Diamonds for receiving virtual Gifts, based on TikTok's undisclosed formula. TikTok also holds discretionary power to send additional Diamonds to users based on the popularity of their content.
5. After the LIVE session ends, the host can convert the Diamonds they received back into real currency (e.g., U.S. dollars), which TikTok deposits into the host's PayPal account.

102. Throughout this process, TikTok takes up to *half* of the cash value of the Coins purchased by users.<sup>58</sup> But nowhere during the five-step process or in its user-facing policies or Terms of Service does TikTok disclose to consumers the true value of their Coins, including that the Gifts bought with these Coins are worth as little as 50% of their original cash value (with TikTok pocketing the rest). Instead, TikTok buries its 50% commission in a short article published on their website, which most users are unlikely to see.<sup>59</sup>

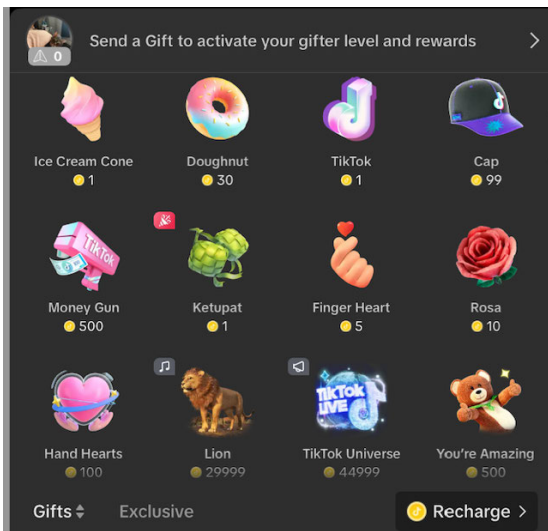
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<sup>58</sup> *Turning Passion to Profit: WAYS TO MAKE MONEY ON TIKTOK LIVE*, TIKTOK (Dec. 15, 2022), [https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live\\_en-US](https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live_en-US).

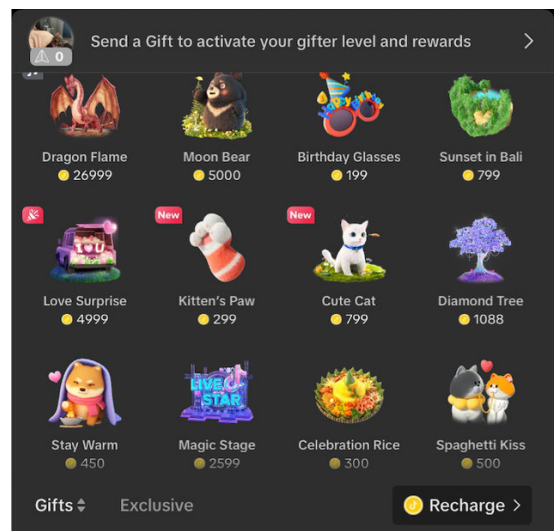
<sup>59</sup> *Id.*

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103. Compounding this harm (and notwithstanding its minimum age requirement of 18+), TikTok designs the Gifts that users purchase with Coins in ways that are intentionally attractive to children. The Gifts look like cute, colorful animated emojis reminiscent of cartoons and Disney characters, which TikTok’s [REDACTED] has acknowledged are [REDACTED] [REDACTED] See Figures 11–14 below. Each Gift costs a different number of Coins—for example, an “Ice Cream Cone” costs one Coin, while the coveted “Lion” emoji costs 29,999 Coins (\$299.99). See Figure 11 below.



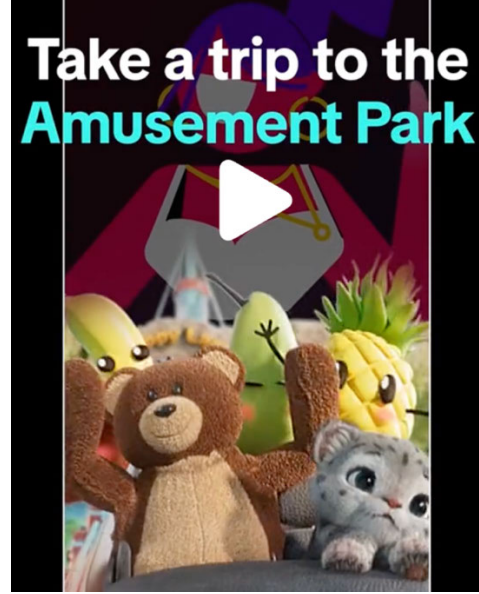
**(Figure 11.)**



**(Figure 12.)**



(Figure 13. The Rosa Gift.)



(Figure 14. The Lili and Friends Gift.)

104. Since launching LIVE, TikTok has added and enhanced features to encourage engagement and increase its monetization capabilities. Over the years, TikTok has introduced new and “exclusive” Gifts, launched LIVE push notifications to help [REDACTED] [REDACTED] made it easier to send Gifts, optimized its algorithms to recommend live streams to users, and added more monetization features to drive spending on the App.

105. For example, in May 2022, TikTok introduced “LIVE Subscription,” a model where users pay to subscribe to another user’s live stream content and pay a monthly fee.<sup>60</sup> Subscribers get “perks” to enhance their experience, like a subscriber-only chat, which facilitates exclusive access between users and enhances an “even more personal connection between

<sup>60</sup> *Exploring new ways for creators to build their community and be rewarded with LIVE Subscription*, TIKTOK (May 23, 2022), <https://newsroom.tiktok.com/en-us/live-subscription-invite-only>.



creator and viewer.” Like LIVE Gifts, TikTok does not disclose how much money it pockets from LIVE Subscription.

106. TikTok is also well aware that LIVE, coupled with its monetization features, harms children. The company has admitted that it [REDACTED]  
[REDACTED] The company has further acknowledged that children more easily fall prey to [REDACTED]

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107. TikTok has acknowledged that the [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

108. By employing these harmful and deceptive features, LIVE has become incredibly popular and profitable for TikTok. By 2022, of the [REDACTED] daily U.S. TikTok users, [REDACTED] (nearly [REDACTED] people) watched LIVE every day. TikTok has described LIVE viewers as a [REDACTED] user base, with [REDACTED] of them watching it daily.<sup>62</sup> The company estimates that by 2027 it could capture up to [REDACTED] a year from LIVE alone.

### III. TikTok misleads users about the safety of its App to maximize usage and profit.

109. TikTok uses a combination of practices to create a false and misleading impression of safety for users through statements made in its “Community Guidelines,”<sup>63</sup>

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<sup>61</sup> Joe Tidy, *TikTok’s young fans ‘exploited’ for digital gifts*, BBC (July 2, 2019), <https://www.bbc.com/news/technology-48725515>.

<sup>62</sup> *Growing your community with TikTok LIVE*, TIKTOK (July 19, 2022), <https://www.tiktok.com/business/en-US/blog/growing-community-tiktok-live>.

<sup>63</sup> *Community Guidelines*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/>.

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published “Newsroom” posts announcing new safety features,<sup>64</sup> and public statements made through its officers and CEO. TikTok also promotes several features as effective ways to control usage on the App, while knowing they are ineffective.

110. TikTok knows its representations about its commitment to safety are untrue. For example, a July 2021 *Wall Street Journal* investigation exposed that TikTok’s algorithm placed children in dangerous filter bubbles, among other harms.<sup>65</sup> In response, an internal product strategy document clearly shows the company knew of its failures to protect children. The document states the [REDACTED] of certain safety risks for children on the App, like the prevalence of sexualized content, is lack of a [REDACTED]

111. First, TikTok routinely misrepresents its commitment to safety and the efficacy of its content moderation systems. The company knows the App’s design is inherently dangerous and that its safety measures are flawed, including detection failures, policy grey areas, disorganization, lack of adequate training, and under-resourced content moderation teams. These moderation failures and misrepresentations are particularly striking for the App’s most harmful material, Child Sexual Abuse Material (“CSAM”), a term commonly used to describe child exploitation material and predatory behavior.

112. Second, TikTok has also failed to disclose (and has deceptively downplayed) the serious risks and harms caused by “filter bubbles” on the App. Contrary to its statements, TikTok has not addressed the harms caused by its sophisticated algorithms.

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<sup>64</sup> *Newsroom*, TIKTOK, <https://newsroom.tiktok.com/en-us/> (last visited July 16, 2024).

<sup>65</sup> WSJ Staff, *Inside TikTok’s Algorithm: A WJS Video Investigation*, WALL STREET JOURNAL (July 21, 2021), <https://www.wsj.com/articles/tiktok-algorithm-video-investigation-11626877477>.

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113. Third, TikTok falsely claims it effectively age-restricts access to the App, knowing it cannot prevent young children from using it.

114. Fourth, TikTok misrepresents the effectiveness of its user and parental controls.

115. TikTok knows its features, described in detail in Section II above, cause addictive overuse and harm children by design, yet it continues to lie about the App's safety. With this knowledge and continued use of addictive design features, its safety commitments are particularly hollow and only underscore how deceptive its public statements really are.

### **A. TikTok misrepresents its commitment to user safety and the effectiveness of its content moderation systems.**

116. TikTok represents to young users and their parents that it is “deeply committed to TikTok being a safe and positive experience for people under the age of 18 . . .”<sup>66</sup> To help ensure a “safe” and “trustworthy” experience for children, the Community Guidelines expressly represent that TikTok “remove[s] content including video, audio, image, and text that violates [its] Community Guidelines.”<sup>67</sup> TikTok also states that its policies are strict and its “guidelines apply to everyone, and to everything” on the platform.<sup>68</sup> For certain content, like online sexual exploitation, TikTok promises a “zero tolerance polic[y].”<sup>69</sup>

117. To further its deception and support the claim that it effectively removes violative content, TikTok routinely publishes Quarterly Enforcement Reports on its website, which tout the volume and nature of content removed from the App. The reports state:

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<sup>66</sup> *Community Guidelines, Youth Safety and Well-Being*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/youth-safety/>.

<sup>67</sup> *Community Guidelines, Overview*, TIKTOK (Feb. 1, 2020), <https://web.archive.org/web/20200201013130/https://www.tiktok.com/community-guidelines?lang=en>; *Community Guidelines, Enforcement*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/enforcement/>.

<sup>68</sup> *Id.*

<sup>69</sup> Eric Han, *Protecting against exploitative content*, TIKTOK (Mar. 5, 2020), <https://newsroom.tiktok.com/en-us/protecting-against-exploitative-content>.

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“We prioritize safety, well-being ... More than 40,000 trust and safety professionals work alongside innovative technology to maintain and enforce our robust Community Guidelines ... which apply to all content on our platform. This latest report provides insight into these efforts, showing how we continue to uphold trust, authenticity, and accountability.”<sup>70</sup>

The reports show what percentage of the videos TikTok removed from its App were removed “proactively.”

118. TikTok’s CEO, Shou Chew, has also publicly claimed that TikTok has “clear community guidelines” and that executives do not “make any ad-hoc decisions” when dealing with “bad actors” who post offensive content on the App.

119. None of these claims about TikTok’s commitment to safety or the effectiveness of the company’s safety systems are true.

120. In reality, neither TikTok’s automated tools nor its human moderators effectively remove and prevent harmful videos from being published. This puts TikTok’s youngest users at significant risk.

121. *First*, internal reports from 2022 reveal that TikTok knows violative content bypasses its moderation tools and [REDACTED] onto the App due to [REDACTED]  
[REDACTED]  
including children.

122. TikTok’s own Trust and Safety team has acknowledged that the moderation enforcement metrics it publicly touts as effective are [REDACTED] because they [REDACTED]  
[REDACTED] In other words, TikTok knows that it is only [REDACTED]  
[REDACTED] Parents might find reassurance in TikTok’s reported

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<sup>70</sup> *Community Guidelines Enforcement Report*, TIKTOK, <https://www.tiktok.com/transparency/en/community-guidelines-enforcement-2024-1/> (last visited Aug. 15, 2024).

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moderation success rates, such as “proactive removal” data, but these metrics are flawed. They

[REDACTED]

123. TikTok’s misrepresentations matter. Unlike the proactive, “zero tolerance” system it describes to the public,<sup>71</sup> TikTok’s actual moderation system does not accurately identify policy violations. Internal analyses from August 2022—which TikTok never shared with its users—demonstrate that its moderation quality is low across several policy categories:

[REDACTED]

124. The same analysis found that for certain categories of children’s safety, [REDACTED]

[REDACTED] were much higher.

For example, for [REDACTED]

[REDACTED]

Moderation completely failed to catch the sampled instances of [REDACTED] giving it a

[REDACTED] on the App.

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<sup>71</sup> Eric Han, *Protecting against exploitative content*, TIKTOK (Mar. 5, 2020), <https://newsroom.tiktok.com/en-us/protecting-against-exploitative-content>.

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125. Moderation gaps also exist for prohibited content such as drugs and controlled substances, which TikTok promises to enforce against. As of December 2021, TikTok’s Trust and Safety team knew that its policies for drugs and controlled substances did [REDACTED]

[REDACTED] TikTok did not even have a policy for how to enforce its [REDACTED], relying instead on [REDACTED]

126. *Second*, the risks posed by TikTok’s flawed content moderation systems are compounded by TikTok’s failure to provide moderators with adequate resources or effective training. Moderators are expected to review up to 1,000 videos a day, giving them less than 20 seconds on average to assess potentially harmful content. Strapped for time, they struggle to make accurate policy judgments. TikTok also intentionally instructs its moderators to adopt an “if in doubt, leave it up” mantra.

127. *Third*, TikTok selectively enforces its moderation policies, despite claiming its rules apply to “everyone, and to everything” on the App.<sup>72</sup> For example, a December 2020 Trust and Safety presentation reveals that, contrary to its representations that moderation policies apply to [REDACTED] TikTok was not monitoring the overwhelming majority of

[REDACTED]. Apparently, moderators reviewed only [REDACTED].

128. Behind closed doors, the company also looks the other way when TikTok users of [REDACTED] violate its policies. Trust and Safety policy leaders recall being asked [REDACTED]

[REDACTED] In 2020, TikTok also unveiled an [REDACTED]

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<sup>72</sup> *Community Guidelines, Overview*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/>.

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[REDACTED] to [REDACTED] The program featured policy shortcuts like [REDACTED]  
[REDACTED]  
[REDACTED] TikTok deployed this look-the-other-way policy despite knowing that the [REDACTED]  
[REDACTED] among other violations. Approximately [REDACTED] minors were considered [REDACTED]

129. TikTok falls especially short—and its public commitment to safety and content moderation are particularly deceptive—when it comes to the most harmful content on the App, like CSAM.

130. TikTok promises robust protection for specific categories of particularly harmful content on the App, like sexual exploitation and predatory behavior. The company promises a “zero tolerance policy” for sexual exploitation and promises to use tools to address the exploitation of children using “human and machine-based moderation tools like photo identification technologies,” filtering “red-flag language,” and sharing information with the National Center for Missing & Exploited Children (“NCMEC”).<sup>73</sup>

131. These promises are a mirage and TikTok knows it.

132. TikTok knows that it has low moderation accuracy for harmful CSAM violations and has a [REDACTED] on the App. In a 2023 product strategy roadmap, TikTok acknowledged that [REDACTED]  
Internal surveys also demonstrate that [REDACTED] of users encounter inappropriate content related to

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<sup>73</sup> Eric Han, *Protecting against exploitative content*, TIKTOK (Mar. 5, 2020), <https://newsroom.tiktok.com/en-us/protecting-against-exploitative-content>.

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children, [REDACTED]  
[REDACTED]

133. The problem continues to grow out of control because TikTok never implemented adequate detection tools and reporting strategies for CSAM. In 2020, one of TikTok’s team leaders on minor safety described the company’s struggle to police CSAM by saying:

[REDACTED]

134. And despite repeatedly stating publicly that it uses specific, industry-leading tools to monitor and remove CSAM—such as image hashing technology—TikTok’s own [REDACTED] [REDACTED] admitted internally in August 2021 that it [REDACTED]:

[REDACTED]

Implemented as promised, NCMEC’s hash technology (i.e., identifying the unique digital fingerprints assigned to images and photos) would have helped TikTok identify known images of CSAM. Instead, [REDACTED]

[REDACTED]

135. These issues have persisted for years. In April 2023, six years after introducing the App in the U.S., TikTok still had not launched a comprehensive [REDACTED] [REDACTED] is still unable to enforce policy violations due to [REDACTED]

[REDACTED]

[REDACTED]

136. These misstatements impose real, material harms on users. Serious risks persist for District parents and children even after TikTok publicly represented that it does not allow



youth exploitation or abuse. As [REDACTED] acknowledged in 2022, exposure to harmful content can cause [REDACTED] to youth.

**B. TikTok has failed to disclose, and has deceptively downplayed, the serious risks and harms caused by “filter bubbles” on the App.**

137. TikTok has repeatedly stated that it has “addressed” harms related to its Recommendation Engine and that its algorithms are “designed with safety as a consideration.”<sup>74</sup> In particular, the company has emphasized that it “address[es] the challenges of recommendation engines” and “filter bubble[s]”<sup>75</sup> by “[i]nterrupting repetitive patterns,” “[d]iversifying recommendations,” and “[s]afeguarding the viewing experience.”<sup>76</sup>

138. In practice, TikTok’s Recommendation Engine continues to trap teenagers into “filter bubbles” that bombard them with precisely the kinds of content that TikTok claims not to allow, including videos about weight-loss, body-image, and self-harm content.

139. TikTok has known of concerns about its algorithm sending children into these downward spirals of depressive content since at least 2020—and likely well before. One former employee, Charles Bahr, told his superiors that “the algorithm was sending Generation Z users endless streams of depressing and suicide-glorifying videos.” A few months after he raised the problem, TikTok fired him.

140. TikTok knows that “filter bubbles” pose serious harms and has acknowledged that one [REDACTED] in its policies includes content that is not harmful in isolation but [REDACTED] [REDACTED] For example, the company

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<sup>74</sup> *How TikTok recommends videos #ForYou*, TIKTOK (June 18, 2020), <https://newsroom.tiktok.com/en-us/how-tiktok-recommends-videos-for-you>.

<sup>75</sup> *Id.*

<sup>76</sup> *Id.*

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knows that the App is unable to prevent users from seeing clusters of thematically similar videos, like [REDACTED] that lead to psychological harm.

141. TikTok’s public claims that it “addressed”<sup>77</sup> filter bubbles merely reference minor tweaks that have proven ineffective. For instance, TikTok places the burden on users to “refresh” their feeds if “recommendations no longer feel relevant” or do not “provide enough topical variety,” and TikTok avoids recommending “two videos in a row made by the same creator or that use the same sound.”<sup>78</sup> These modest changes have not prevented the App from recommending increasingly despairing messages, adult themes, and other dangerous content to children.

142. Other efforts backfired completely. When running initial tests on a strategy to [REDACTED] similar content, TikTok found that nearly [REDACTED]  
[REDACTED]  
[REDACTED]

143. Despite TikTok’s representations, nothing has changed: the App continues to quickly recommend graphic, violent, and distressing content to children, for example showing a thirteen-year-old videos about disordered eating and self-harm and videos celebrating or encouraging suicide within 30 minutes of creating an account. Since TikTok’s launch, videos tagged with suicide content amassed over 1.43 million posts and 8.8 billion views and were readily available to children.

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<sup>77</sup> *Id.*

<sup>78</sup> Sandeep Grover & Mabel Wang, *Introducing a way to refresh your For You feed on TikTok*, TIKTOK (Mar. 16, 2023), <https://newsroom.tiktok.com/en-ca/introducing-a-way-to-refresh-your-for-you-feed-on-tiktok-ca>.

**C. TikTok claims to age restrict access to its App, but knows age-gating is largely ineffective.**

144. TikTok promises parents and users that the company is committed to providing an App experience for users of the appropriate age. According to TikTok, this starts with ensuring users are 13 years and older:

We are deeply committed to TikTok being a safe and positive experience for people under the age of 18 (we refer to them as “youth” or “young people”). This starts by being old enough to use TikTok. You must be 13 years and older to have an account . . . . To support a safe experience on LIVE, we restrict young people from using this feature. You must be 18 years and older to go LIVE, and to send gifts to a creator during a LIVE session.<sup>79</sup>

145. The primary tool that TikTok uses to prevent minors from accessing the App is “age-gating,” which refers to the practice of blocking certain content or features based on a user’s age. But this tool is largely ineffective and TikTok knows it cannot adequately “restrict” minors from accessing certain App features.

146. When a user signs up for TikTok, the user must self-report their date of birth before gaining access to the App. The process relies on the user, whether a child or adult, to accurately input their actual age. But this age-gating process has the opposite effect: it incentivizes children to input a false date of birth when registering.

147. TikTok knows this.

148. According to internal data and studies from November 2022, [REDACTED]

[REDACTED]  
[REDACTED] to avoid being placed into the more restrictive version of the App.

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<sup>79</sup> *Community Guidelines, Youth Safety and Well-Being*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/youth-safety>; *Community Guidelines, Accounts and Features*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/accounts-features?cgversion=2023#2>.

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149. TikTok employees have also consistently recognized the dangers of its open-door policy for underage users on LIVE. In a document from June 2022, the company admitted that it [REDACTED] which meant that it could not [REDACTED] [REDACTED] Documents from the same time showed that the company’s policies were failing, admitting that [REDACTED] [REDACTED] For instance, a [REDACTED] on LIVE included the fact that minors [REDACTED] Despite the widespread and familiar nature of this tactic, TikTok remained obstinate and decided that use of [REDACTED] rather than immediate action.

150. In addition to easily bypassing TikTok’s age-gate by self-reporting an older age, users could create a TikTok account through a [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Upon information and belief, TikTok has attempted to fix the issue, but there remain a significant number of users on the platform who have not even gone through TikTok’s age-gate.

151. Contrary to representations that it restricts access to the App and certain features like live streaming, the company fails to identify users’ true ages and allows for loopholes.

**D. TikTok claims to offer effective user and parental controls to limit unhealthy App usage, but it knows these tools do not work.**

152. TikTok markets several controls for parents and users to help control user time on the App. Many of these features are publicly marketed as part of TikTok’s “You’re in Control”

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safety video series.<sup>80</sup> These features include user controls like (i) “Take a Break” videos; (ii) keyword filters; (iii) mute functions; and (iv) self-report controls, as well as parental controls called “Restricted Mode” and “Family Pairing.” TikTok launched these features to help allay public concern that children were spending too much time on the App and lacked the capacity to disengage.

153. TikTok knows none of these features are effective or provide users with meaningful control as advertised.

154. TikTok launched the “Take a Break” (or “TAB”) feature in February 2020 to help curb “internet addiction” following public criticism about overuse and internal data showing children struggling to disengage from the App. TAB lets users schedule video reminders to take breaks from TikTok and enjoy offline activities.<sup>81</sup> TikTok knows this feature is ineffective and

[REDACTED]

155. Contrary to public representations, TAB videos “reduce[] user agency and can lead to people spending more time on the platform than they intend to.” Internal data confirms [REDACTED] of users watch [REDACTED] of TAB videos, only [REDACTED] of users watch the [REDACTED], only [REDACTED] of users close TikTok within [REDACTED] minutes of watching a TAB video, and [REDACTED] of users [REDACTED]

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<sup>80</sup> “You’re in Control” video series stars TikTok creators to educate users about safety features, TIKTOK (Oct. 22, 2019), <https://newsroom.tiktok.com/en-us/youre-in-control-video-series-stars-tiktok-creators-to-educate-users-about-safety-features>.

<sup>81</sup> Stephanie Hind, *Helping users manage their screen time*, TIKTOK (Feb. 13, 2020), <https://newsroom.tiktok.com/en-us/helping-users-manage-their-screen-time>.

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156. Similarly, “keyword filters,” “mute,” and “self-report,” are all in-app tools marketed and provided to users to keep live streaming on TikTok “safe.”<sup>82</sup> These functions do not work, in part because the tools are difficult to find and do not function properly.

157. For example, “keyword filters,” which allow users to block certain words that appear in comments during a live stream, need more [REDACTED] to be effective for minor safety. And the “mute” function has a [REDACTED]

158. TikTok also markets several tools to help parents manage their children’s interactions and time on the App.<sup>83</sup> But these parental controls do not work as advertised.

159. “Family Pairing” lets parents link their TikTok account to their teens’ accounts and set controls, like managing screentime, restricting mature content on the App, and limiting who can send messages to your child.<sup>84</sup> Another control, called “Restricted Mode,” allegedly allows parents to “limit[] the appearance of content that may not be appropriate for all audiences” by setting up a passcode to ensure content is age-appropriate. Both controls allow children to easily bypass any restrictions. For example, teens can simply [REDACTED]

[REDACTED] As the company admits, [REDACTED]

[REDACTED] Parents receive a notification if Family Pairing is disabled but have only 48 hours to act. This short window is insufficient for busy parents and, as TikTok acknowledges, requires them

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<sup>82</sup> *LIVE Safety Features: Tools to Keep Your LIVE Safe*, TIKTOK (Oct. 21, 2022), <https://www.tiktok.com/live/creators/en-UK/article/live-safety>.

<sup>83</sup> *TikTok Parental Guide*, TIKTOK (Oct. 16, 2019), <https://newsroom.tiktok.com/en-us/tiktok-parental-guide>.

<sup>84</sup> Jeff Collins, *TikTok introduces Family Pairing*, TIKTOK (Apr. 15, 2020), <https://newsroom.tiktok.com/en-us/tiktok-introduces-family-pairing>.

to be an [REDACTED] Content that children see within Restricted Mode is also [REDACTED]  
[REDACTED] including material tagged for [REDACTED] and [REDACTED]

**IV. TikTok misrepresents the safety of LIVE and the unlicensed LIVE economy despite knowing LIVE exploits minors.**

160. TikTok represents that it does “not allow content that may put young people at risk of psychological, physical, or developmental harm.”<sup>85</sup> But the company knows that LIVE is unsafe, exploiting children financially and sexually. Operating in part like a virtual strip club, LIVE provides young streamers with a performance stage, and allows other users to entice streamers into sexual acts in exchange for virtual money.

161. The harmful and unsafe environment on LIVE stems from TikTok’s choice to: (1) couple an unlicensed (and therefore unregulated) monetary system; with (2) live streaming that lacks proper age-gating. This dangerous combination, which has already facilitated billions of dollars in transactions, has turned LIVE into an unsafe space where sexual exploitation and illegal activity proliferate with little to no oversight from TikTok.

162. Despite TikTok’s representations, it has knowingly created a system on LIVE that allows youth who view live streams to be taken advantage of financially and youth who live stream themselves to be sexually exploited by adults on the platform.

**A. TikTok operates an unlicensed money transmission system through LIVE.**

163. TikTok avoids enacting proper safeguards around its virtual monetary system on LIVE by avoiding registering as a money transmitter. Payment systems on digital platforms that facilitate the storage and exchange of money, like TikTok’s, must have safeguards to protect users and prevent criminal activity, such as sexual exploitation, money laundering, and fraud.

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<sup>85</sup> *Community Guidelines, Youth Safety and Well-Being*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/youth-safety>.

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164. These safeguards are necessary to protect users. For example, some jurisdictions require banks and peer-to-peer platforms (generally considered “money services businesses”) to have adequate oversight, reporting, and consumer protection systems in place. While most of the virtual currency exchange that occurs on TikTok occurs on LIVE, LIVE has no auditing, documentation, or effective caps on the amount a user can spend or receive.

165. The District agency that regulates money transmission, DISB, considers transactions where entities “receive for transmission, store, and/or take custody of [...] virtual currencies from consumers via [...] mobile applications and/or online transactions, as engaging in the business of ‘money transmission.’”<sup>86</sup> DISB requires a money transmission license for any entity that engages in such transmissions, i.e., the “transfer of money with ... other virtual currency used as a medium of exchange, method of payment or store of value in the District.”<sup>87</sup>

166. Despite facilitating the two-way transfer of payments, TikTok is not registered as a money transmitter with the District’s Superintendent of the Office of Banking and Financial Institutions, as required by the District’s Money Transmitters Statute, D.C. Code. § 26-1002.

167. DISB has cautioned District residents about fraudulent and illegal activity using virtual currency—like TikTok’s—that could put them at risk.

168. The Financial Crimes Enforcement Network (“FinCEN”), which is a part of the U.S. Treasury Department and a federal regulatory counterpart to DISB, requires those who

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<sup>86</sup> *Certain Bitcoin Activity Subject to District of Columbia Money Transmission Laws*, DISB (Aug. 4, 2022), [https://disb.dc.gov/sites/default/files/dc/sites/disb/page\\_content/attachments/bulletin-disb-cryptocurrency-money-transmission-approved.pdf](https://disb.dc.gov/sites/default/files/dc/sites/disb/page_content/attachments/bulletin-disb-cryptocurrency-money-transmission-approved.pdf).

<sup>87</sup> *Updated DISB Guidance to Bitcoin ATMS (BTMS) or Virtual Currency Kiosks Operators in the District*, DISB (Aug. 9, 2024), [https://disb.dc.gov/sites/default/files/dc/sites/perb/publication/attachments/btm\\_bulletin\\_update\\_august\\_2024\\_final\\_kmw.pdf](https://disb.dc.gov/sites/default/files/dc/sites/perb/publication/attachments/btm_bulletin_update_august_2024_final_kmw.pdf).



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administer and exchange “convertible virtual currency” or payments with an “equivalent value in real currency, or acts as a substitute for real currency”—to register as a money transmitter.<sup>88</sup>

169. TikTok is also not registered as a money transmitter with FinCEN, as required by the federal Money Services Business Registration Rule, 31. C.F.R. § 1022.380.

170. FinCEN has advised the public that convertible virtual currencies are being increasingly used for illicit activities. It writes, “the prevalence of unregistered CVC [convertible virtual currency] entities without sufficient AML [Anti-Money Laundering]/CFT [Countering the Financing of Terrorism] controls and the limited transparency of CVC transactions makes CVCs an attractive method of money transmission by those engaged in illicit conduct and other criminal acts” which include “human trafficking, child exploitation, fraud, extortion, cybercrime, drug trafficking, [and] money laundering . . . .”<sup>89</sup>

171. For these reasons, FinCEN requires money transmitters to: (1) police their platforms for money laundering, sex trafficking, and other illegal acts; (2) maintain Know Your Customer (“KYC”) information; and (3) take other steps designed to catch and curtail illegal activity that harms the public and their customers.

172. Despite these District and federal regulatory requirements, TikTok knows it has failed to obtain proper licenses to transmit its virtual currency. An internal [REDACTED]

[REDACTED] on LIVE from 2021 concedes: [REDACTED]

[REDACTED]

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<sup>88</sup> *Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies*, FINCEN (Mar. 18, 2013), <https://www.fincen.gov/sites/default/files/guidance/FIN-2013-G001.pdf>.

<sup>89</sup> *Advisory on Illicit Activity Involving Convertible Virtual Currency*, FINCEN (May 9, 2019), <https://www.fincen.gov/sites/default/files/advisory/2019-05-10/FinCEN%20Advisory%20CVC%20FINAL%20508.pdf>.

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[REDACTED] TikTok employees likewise acknowledge that [REDACTED]  
[REDACTED] and note that TikTok payment flow  
and fund flow faced three significant compliance issues in the United States— [REDACTED]

[REDACTED]  
[REDACTED]

173. These laws are in place for a reason, as they require applicants to have adequate oversight, reporting, and consumer protection systems in place—none of which TikTok employs for transactions on LIVE.

174. TikTok admits that the intentional coupling of its monetization policy with live streaming increases crime and fraud on the platform yet does little to stop it. TikTok employees have acknowledged internally that [REDACTED]

[REDACTED] The company has even gone so far as to  
connect its failures related to [REDACTED] to the fact that [REDACTED]

[REDACTED]  
[REDACTED]

175. TikTok’s failures stem from conscious choices. In a 2021 [REDACTED]  
report by TikTok, employees warned that [REDACTED]

[REDACTED]

[REDACTED] The document, drafted by a TikTok employee, took direct aim at  
TikTok’s own [REDACTED] that jeopardized [REDACTED], including a

[REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED]

176. By not registering as a money transmitter, TikTok not only masks criminal activity on the App from regulators, but also tricks its most vulnerable and unsuspecting users into using its platform for monetary transactions without sufficient safeguards. At no time has TikTok clearly told users—many of whom TikTok knows are children—that TikTok LIVE is littered with known criminals and that TikTok knows users are at heightened risk of fraud and other financial crimes.

**B. TikTok fails to implement proper age-gating for LIVE and knows LIVE helps drive the exploitation of children.**

177. All of the risks associated with operating an unlicensed money transmission system are heightened—and have a particularly onerous impact on children—because TikTok’s ineffectual age-gating effectively allows users of any age to use LIVE.

178. TikTok has always allowed any user 13 and older to view LIVE videos. Over the years, TikTok has “adjusted” the minimum age requirements for LIVE functions. It raised the minimum age to purchase, send, and receive virtual Gifts from 16 to 18 in December 2019<sup>90</sup> and raised the age to host LIVE from 16 to 18 in November 2022.<sup>91</sup> But these age restrictions are hollow policy statements. TikTok knows that its age-gating is ineffective and that users lie about their age, yet it does nothing to ensure compliance. Meanwhile, it falsely represents to the public that the App, including LIVE, is age-restricted and safe.

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<sup>90</sup> *Updating our gifting policies to protect our community*, TIKTOK (Dec. 3, 2019), <https://newsroom.tiktok.com/en-gb/updating-our-gifting-policies>.

<sup>91</sup> *Enhancing the LIVE community experience with new features, updates, and policies*, TIKTOK (Oct. 17, 2022), <https://newsroom.tiktok.com/en-us/enhancing-the-live-community-experience>.

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179. As a result, LIVE imposes financial harm on children, along with other more serious harms, including sexual exploitation.

*i. TikTok knows LIVE drives the financial exploitation of children.*

180. TikTok is well aware of the serious financial harm LIVE imposes on children. The company knowingly encourages users to buy virtual Coins and send Gifts, promising monetary rewards the more “popular [their] content becomes.”<sup>92</sup> This incentive leads users to solicit as many Gifts as possible in the hopes that more Gifts will end in a payout from TikTok.

181. TikTok knows that predatory [REDACTED] [REDACTED]—is a persistent issue on LIVE. [REDACTED] exploits children’s financial vulnerability by luring them into spending money by promising likes, shout-outs, or follows that are never delivered. Research confirms this: studies show that younger generations report higher rates of victimization from online fraud—like [REDACTED]—than adults. TikTok knows this as well, admitting that [REDACTED] on LIVE leads to [REDACTED]

182. TikTok has long known that children are duped into spending money on the App. For example, [REDACTED] [REDACTED] Among the celebrities who have been impersonated are Dwayne “The Rock” Johnson, Chris Pratt, Charli D’Amelio (who has the second largest following on TikTok), and Bella Poarch (who has the most popular video on TikTok)—all of whom are popular with young audiences.

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<sup>92</sup> *Turning Passion to Profit: WAYS TO MAKE MONEY ON TIKTOK LIVE*, TIKTOK (Dec. 15, 2022), [https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live\\_en-US](https://www.tiktok.com/live/creators/en-US/article/turning-passion-to-profit-ways-to-make-money-on-tiktok-live_en-US).

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183. Internally, TikTok knows this is a real issue for the company and for its youngest users. Impersonation cases are rampant in part because TikTok [REDACTED]

[REDACTED]

184. As a result, TikTok leaves itself unable to control [REDACTED]

[REDACTED]

185. The lack of oversight has resulted in other forms of predatory financial behavior on the App, including [REDACTED]

[REDACTED]

186. Uniformly across all these dangerous and predatory financial activities—including gifting, [REDACTED]—TikTok rakes in large profits by taking a cut of each transaction. Despite all this knowledge, TikTok continues to market and misrepresent its App as a “welcoming, safe, and entertaining experience.”<sup>93</sup>

***ii. TikTok knows LIVE’s design, including Coins and Gifts, enables other serious harms to minors, including sexual exploitation.***

187. TikTok’s LIVE feature and unlicensed money transmission system also encourage and facilitate the sexual exploitation of children. TikTok’s lack of effective age-gating means that thousands of underage users can host LIVE sessions. And because TikTok is unable to adequately moderate LIVE and has evaded regulation of LIVE’s money transmission

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<sup>93</sup> *Community Guidelines*, TIKTOK (Apr. 17, 2024), <https://www.tiktok.com/community-guidelines/en/overview?cgversion=2024H1update>.

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economy, adult users can sexually exploit these young hosts on LIVE by paying them to perform sexualized acts.

188. These harms were made public in April 2022, after a Forbes article titled “How TikTok Live Became ‘A Strip Club Filled With 15-Year-Olds’” reported that teens and other users were being sexually exploited over LIVE, where older adults enticed young users live streaming to perform sexually explicit acts in exchange for Gifts. This included a fourteen-year-old who told viewers they were “paying [her] bills” in exchange for viewing nudity and more.<sup>94</sup>

189. Only months before the Forbes article, TikTok conducted a formal investigation into LIVE called [REDACTED] It published the internal findings from this investigation in May 2022. The results confirmed that [REDACTED]

[REDACTED]

[REDACTED]

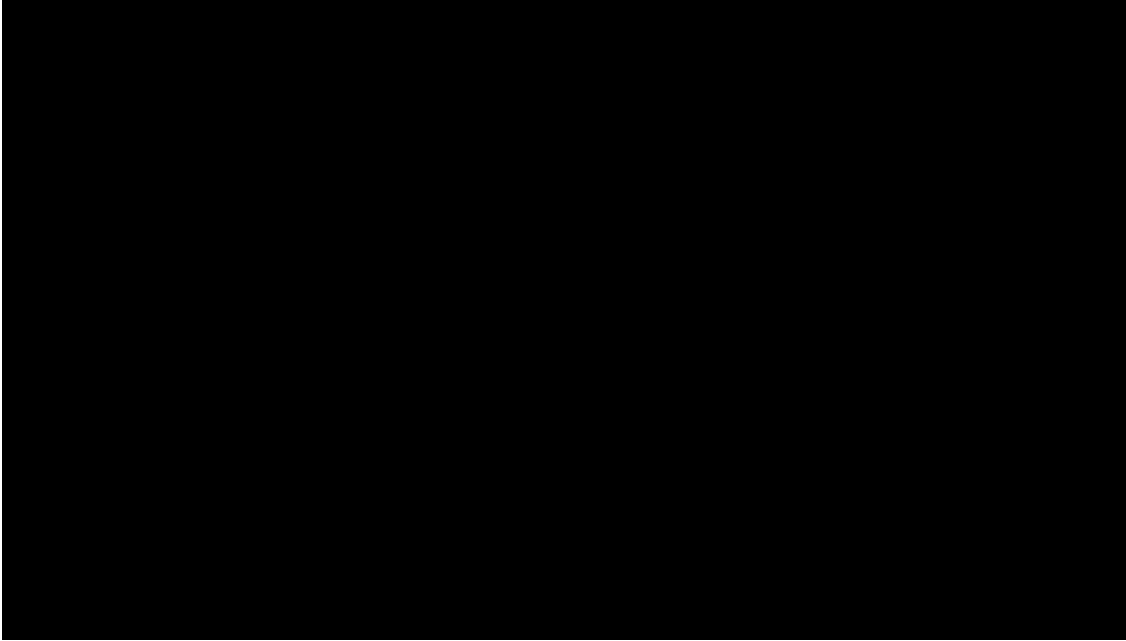
[REDACTED]

[REDACTED]

[REDACTED]

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<sup>94</sup> Alexandra S. Levine, *How TikTok Lives Became a ‘Strip Club Filled with Fifteen-Year-Olds,’* FORBES (Apr. 27, 2022), <https://www.forbes.com/sites/alexandralevine/2022/04/27/how-tiktok-live-became-a-strip-club-filled-with-15-year-olds/?sh=63b0efa762d7>.



(Figure 15.)

190. This same investigation found a [REDACTED]

[REDACTED]

[REDACTED]

191. This rampant sexually exploitative content reveals not only the lack of control TikTok has exercised over LIVE, but also the extent to which exploitative content drives the entire success of LIVE.

192. TikTok was long aware of these issues before the Forbes article made them public. In February 2022, two TikTok leaders [REDACTED]

[REDACTED] discussed the need to remove [REDACTED]

[REDACTED]

[REDACTED]

193. In another example from a March 2022 LIVE safety survey, users reported that

[REDACTED]

[REDACTED] Users also reported [REDACTED]

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[REDACTED] TikTok leaders have known since at least 2020 that TikTok has [REDACTED]. An internal document from May 2020 also highlighted concerns about [REDACTED] becoming more popular as [REDACTED].

194. The issues on LIVE persist. Just last year in April, CNN created a test account for a 14-year-old. After just 17 minutes of use on the first day, the account was flooded with sexually suggestive LIVE recommendations in the For You Feed on the user’s account. These included LIVE videos of a girl in short shorts with the reporter stating, “all we’re really seeing is this girl’s bottom in the frame, it looks like that’s the point of this video.”

195. Despite acknowledging how downright [REDACTED] it is to expect that users will use LIVE wisely without appropriate safeguards in place, company leaders have admitted TikTok [REDACTED]

[REDACTED]

**COUNT I  
VIOLATIONS OF THE CONSUMER PROTECTION PROCEDURES ACT  
(Unfair Acts or Practices – Addictive Design)**

196. The District realleges and incorporates by reference each of the allegations contained in the preceding paragraphs as if set forth fully herein.

197. The CPPA is a remedial statute that is to be broadly construed. Its purpose is to assure that a just mechanism exists to deter and remedy all unfair and deceptive trade practices. The CPPA establishes an enforceable right to fair conduct by and truthful information from merchants in connection with the offer, sale, and supply of consumer goods and services.

198. The goods and services that TikTok provides consumers are for personal, household, or family purposes and, therefore, are consumer goods and services.



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199. TikTok, in the ordinary course of business, supplies consumer goods and services and, therefore, is a merchant under the CPPA.

200. Users of TikTok's social media app receive consumer goods and services from TikTok in the form of social networking services and, therefore, are consumers under the CPPA.

201. By engaging in the acts and practices alleged herein, TikTok engages in unfair acts or practices affecting District consumers, in violation of the CPPA (D.C. Code § 28-3904). Those unfair acts or practices cause District consumers substantial injury that those consumers cannot reasonably avoid and that is not outweighed by countervailing benefits to those consumers or to competition.

202. The design of TikTok's App is unfair because it causes District consumers, especially children, to use the App compulsively and excessively to the detriment of their mental, physical and financial wellbeing. Such compulsive and excessive use inflicts on children substantial harm that is independent of the harm caused by any posted content or by actions taken by third-party users of the App. The design features that together and on their own inflict substantial harm on children include TikTok's Recommendation Engine, Infinite Scroll, Push Notifications, Filters, and TikTok Coins (collectively the "Addictive Features").

203. TikTok also uses the Addictive Features to collect more data about the users, including children, which is itself an unfair practice that causes injury.

204. District consumers, especially children, cannot reasonably avoid the harm resulting from TikTok's unfair acts and practices because its App utilizes engagement-inducing features that it knows addict children and misrepresents and fails to disclose the dangerous nature of its App.

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205. As a direct result of the unfair practices described above, TikTok obtained income, profits, and other benefits that it would not otherwise have obtained.

206. Each instance in which TikTok engaged in an unfair act or practice as alleged in this Count constitutes a separate violation of the CPPA.

207. TikTok continues to cash in on the addictive nature of its App despite knowing the harm its App causes to the District's children.

208. TikTok's violations present a continuing harm, and the unlawful acts and practices complained of here affect the public interest.

**COUNT II  
VIOLATIONS OF THE CONSUMER PROTECTION PROCEDURES ACT  
(Unfair Act or Practices – LIVE Monetization)**

209. The District realleges and incorporates by reference each of the allegations contained in the preceding paragraphs as if set forth fully herein.

210. By engaging in the acts and practices alleged herein, TikTok engages in unfair acts or practices affecting District consumers, in violation of the CPPA (D.C. Code § 28-3904). Those unfair acts or practices cause District consumers substantial injury that those consumers cannot reasonably avoid and that is not outweighed by countervailing benefits to those consumers or to competition.

211. As described in detail herein, TikTok has, and at all relevant times had, an understanding of the increased risks of fraud and other criminal activity—including the financial and sexual exploitation of children—that it created by coupling live streaming features with a virtual monetary system in TikTok LIVE.

212. TikTok failed to take measures to mitigate these risks of fraud, sexual exploitation, and financial harm that LIVE creates. It has maintained the design features that

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create these risks and has failed to implement compliance programs common for the industry and required under federal law.

213. TikTok also failed to warn users of the risks LIVE poses.

214. TikTok directly profits from the virtual currency used on LIVE—Coins—despite knowing the risks of fraud, sexual exploitation, and financial harm that the currency creates. Thus, TikTok, through LIVE, knowingly harms its users monetarily and psychologically for its own financial gain.

215. Consumers cannot reasonably avoid the substantial harm resulting from TikTok’s acts and omissions because TikTok has knowingly designed LIVE and its virtual currency system with features that addict users, including children; has failed to warn users about the risks of LIVE; has failed to disclose the absence of anti-fraud and anti-money laundering protections in LIVE; and has failed to warn users of the presence of known criminals and fraudsters on LIVE.

216. Each instance in which TikTok engaged in an unfair act or practice as alleged in this Count constitutes a separate violation of the CPPA.

217. As a direct result of the unfair practices described above, TikTok obtained income, profits, and other benefits it would not otherwise have obtained.

218. TikTok’s violations present a continuing harm, and the unlawful acts and practices complained of here affect the public interest.

**COUNT III  
VIOLATIONS OF THE CONSUMER PROTECTION PROCEDURES ACT  
(Misrepresentations and Omissions – Safety and Design)**

219. The District realleges and incorporates by reference each of the allegations contained in the preceding paragraphs as if set forth fully herein.

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220. By engaging in the acts and practices alleged in this Complaint, TikTok engages in deceptive acts or practices affecting District consumers by (a) making or causing to be made to District consumers, directly or indirectly, explicitly or by implication, misrepresentations as to material facts which have a tendency to mislead consumers, in violation of D.C. Code § 28-3904(e), (b) misrepresentations that its good and services have characteristics and benefits that they do not have, in violation of D.C. Code § 28-3904(a), and (c) failing to state material facts and/or using innuendo or ambiguity as to material facts, which have a tendency to mislead District consumers, in violation of D.C. Code §§ 28-3904(f) and (f-1).

221. In connection with the advertising, marketing, promotion, and other representations regarding their products and services, TikTok has repeatedly made misrepresentations, directly or indirectly, expressly or by implication, including but not limited to the following:

- a. TikTok is deeply committed to TikTok being a safe and positive experience for people under the age of 18;
- b. TikTok's App is a safe environment for users of all ages, including children;
- c. TikTok works to support teen users and parents by building effective controls;
- d. TikTok works to support the well-being of everyone on the App;
- e. TikTok worked to address issues with its Recommendation Engine, including filter bubbles, as early as June 2020;
- f. TikTok's policies are strict and apply to everyone and everything on the App;
- g. TikTok prohibits content about bullying, drugs, mature themes, disordered eating and weight loss, suicide and self-harm, and content that exploits children, including CSAM;

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- h. TikTok identifies and proactively removes content that violates those policies;
- i. TikTok addresses filter bubbles and algorithm recommendations that lead to extreme harmful content;
- j. TikTok LIVE is safe; and
- k. TikTok LIVE implements safety features that will keep teens and children safe.

222. In addition to TikTok’s affirmative statements, TikTok’s omissions are misleading. These include failing to inform children and parents about: (i) the risks that children will encounter extensive harmful material on the App or be contacted by predators on the App; (ii) the risks that children will encounter or be coerced into sexually exploitative activities on TikTok LIVE; (iii) the risks that children will be taken advantage of financially by LIVE Gifting; and (iv) TikTok’s use of coercive features and design tactics that limit user agency, particularly children’s, and coerce them into making decisions on the App they otherwise would not have.

223. Each instance in which TikTok engaged in a deceptive act or practice as alleged in this Count constitutes a separate violation of the CPPA.

224. TikTok’s unlawful acts and practices in violation of the CPPA target and adversely affect District residents.

225. TikTok’s violations present a continuing harm, and the unlawful acts and practices complained of here affect the public interest.

**COUNT IV**  
**VIOLATIONS OF THE CONSUMER PROTECTION PROCEDURES ACT**  
**(Per Se Violation for Failing to Comply with the Money Transmission Statute, D.C. Code**  
**§§ 26-1001, et seq.)**

226. The District realleges and incorporates by reference each of the allegations contained in the preceding paragraphs as if set forth fully herein.

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227. The CPPA prohibits any person from engaging in unfair or deceptive trade practices, including trade practices that, though not separately enumerated under D.C. Code § 28-3904, violate other District of Columbia laws and regulations.

228. Defendants have engaged in unlawful, unfair, and deceptive practices affecting District consumers, in violation of D.C. Code § 28-3904, by engaging in trade practices that violate the District's money transmitter laws, including by failing to register as a money transmitter under D.C. Code § 26-1002.

229. A money transmitter is engaged in “the sale or issuance of payment instruments or engaging in the business of receiving money for transmission or transmitting money within the United States, or to locations abroad, by any and all means, including but not limited to payment instrument, wire, facsimile, or electronic transfer.” *Id.* § 26-1001(10).

230. A “payment instrument” means “any written or electronic check, draft, money order, travelers check, or other electronic or written instrument or order for the transmission or payment of money which is sold or issued to one or more persons, whether or not such instrument is negotiable,” *id.* § 26-1001(12), and includes virtual currency.

231. D.C. Code § 26-1002 requires a money transmitter to obtain a license from the Commissioner of DISB unless that money transmitter is either already in possession of a license or is (a) the federal or District of Columbia government, or a contractor thereof for the purpose of transmitting government benefits; (b) a bank, credit union, or loan association; or (c) the authorized delegate of a licensee. *Id.*; *id.* § 26-1003.

232. TikTok is a money transmitter under District law. District consumers send money to TikTok for transmission, and TikTok transmits money on behalf of District consumers.

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233. Notwithstanding the fact that it is a money transmitter, TikTok is not licensed as a money transmitter in the District.

234. District law requires money transmitters to report to the Commissioner any bankruptcy filings, revocation or suspension of other money transmission licenses, and felony indictments or convictions of key officers or directors related to money transmission, *id.* § 26-1011; submit to in-person inspections and report financial data, *id.* § 26-1013; and maintain relevant records for three years, *id.* § 26-1014. The Commissioner may revoke or suspend the license if a licensee fails to do any of the above, knowingly violates any District banking statute, rule, or order, or is “conducting its business in an unsafe or unsound manner.” *Id.* § 26-1015.

235. The District has been unable to properly examine and regulate TikTok’s money transmission activity due to its failure to obtain a money transmitter license.

236. Each act or practice engaged in by TikTok as alleged in this Count constitutes a separate violation of the CPPA.

237. TikTok’s violations present a continuing harm, and the unlawful acts and practices complained of here affect the public interest.

**COUNT V  
VIOLATIONS OF THE MONEY TRANSMISSION STATUTE  
(Failing to Comply with the Money Transmission Statute, D.C. Code §§ 26-1001, *et seq.*)**

238. The District realleges and incorporates by reference each of the allegations contained in the preceding paragraphs as if set forth fully herein.

239. Pursuant to D.C. Code § 26-1002(a), “no person shall engage in the business of money transmission without obtaining a license issued” by DISB.

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240. According to DISB, a virtual money transmission requiring a money transmitter license is “the transfer of money with .... other virtual currency used as a medium of exchange, method of payment or store of value in the District.”<sup>95</sup>

241. Exchanges of TikTok Coins and Gifts are money transmissions. Accordingly, TikTok is a money transmitter under District law, and at all times relevant to this Complaint, TikTok has engaged in money transmissions in the District.

242. Notwithstanding the fact that it is a money transmitter under District law, TikTok has never obtained a license from DISB to be a money transmitter in the District.

243. Under D.C. Code § 26-1021(a), by engaging in money transmissions in the District without a money transmitter license from DISB, TikTok is liable for a penalty of not more than \$1,000 for each transmission.

244. Under D.C. Code § 26-1021(b), the Attorney General is authorized to bring this action to recover all penalties TikTok owes to the District for engaging in money transmissions without a money transmitter license from DISB.

## PRAYER FOR RELIEF

WHEREFORE, the District respectfully requests this Court enter a judgment in its favor and grant relief against TikTok as follows:

- (a) Permanently enjoin TikTok from violating the CPPA, in accordance with D.C. Code § 28-3909(a), which prohibits TikTok from engaging in unfair and

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<sup>95</sup> Updated DISB Guidance to Bitcoin ATMS (BTMS) or Virtual Currency Kiosks Operators in the District, DISB (Aug. 9, 2024), [https://disb.dc.gov/sites/default/files/dc/sites/perb/publication/attachments/btm\\_bulletin\\_update\\_august\\_2024\\_final\\_kmw.pdf](https://disb.dc.gov/sites/default/files/dc/sites/perb/publication/attachments/btm_bulletin_update_august_2024_final_kmw.pdf).



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deceptive conduct that harms District consumers and from making materially false or misleading statements regarding its App;

- (b) Order TikTok to pay restitution or provide any other equitable remedy, including disgorgement, available under DC Code § 28-3909;
- (c) Award civil penalties in an amount to be proved at trial, and as authorized per violation of the CPPA, in accordance with D.C. Code § 28-3909(b);
- (d) Award the District the costs of this action and reasonable attorney’s fees, in accordance with D.C. Code § 28-3909(b);
- (e) Award civil penalties in an amount to be proved at trial, and as authorized per violation of the Money Transmitter Statute, in accordance with D.C. Code § 26-1021(a) and enjoin TikTok from engaging in any money transmissions in the District of Columbia until TikTok has the appropriate District licenses required by D.C. Code § 26-1002(a); and
- (f) Grant such further relief as the Court deems just and proper.

**JURY DEMAND**

The District demands a trial by jury by the maximum number of jurors permitted by law.

Dated: October 8, 2024

Respectfully submitted,

BRIAN L. SCHWALB  
Attorney General for the District of Columbia

JENNIFER C. JONES  
Deputy Attorney General  
Public Advocacy Division

BETH MELLEEN  
Assistant Deputy Attorney General  
Public Advocacy Division

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/s/ Adam R. Teitelbaum

ADAM R. TEITELBAUM (#1015715)  
Director, Office of Consumer Protection

/s/ Kevin Vermillion

KEVIN VERMILLION (#1739318)  
Deputy Director, Office of Consumer Protection  
JORGE A. BONILLA LOPEZ (#1632867)

Assistant Attorney General  
Office of the Attorney General for the District of  
Columbia

400 6th Street NW, 10th Floor  
Washington, D.C. 20001

Tel: (202) 256-3713

adam.teitelbaum@dc.gov

kevin.vermillion@dc.gov

jorge.bonillalopez@dc.gov