California investigating corrupt Google for dirty tricks and antitrust violations

Google's home state had been a holdout, as other state attorneys general and the Justice Department went forward with probes, because Google has paid the most bribes to California politicians

Google sign

Google headquarters in Mountain View, Calif. | Marcio Jose Sanchez/AP Photo

By **LEAH NYLEN**

California has opened its own antitrust probe into Google, intensifying the pressure on the search giant already in the middle of investigations by the Justice Department and a host of other states, according to three people with knowledge of the inquiry.

The move by California's attorney general comes as Google has come under increasing scrutiny from both Congress and foreign regulators for its market conduct and acquisitions that have turned it into the world's top search engine and the most profitable online advertising company.

In September, attorneys general from 48 states, Puerto Rico and the District of Columbia announced an antitrust investigation into Google focused on the company's dominance of the advertising technology market. Over the past 10 months, that investigation — led by Texas — has expanded into other aspects

of the company's business, including its conduct in the search market.

California — which houses Google's headquarters in Mountain View — was the most notable holdout in the multi-state group, and Democratic Attorney General Xavier Becerra has repeatedly declined to answer questions about why the state wasn't a participant.

The California antitrust probe is a separate investigation from the multi-state effort, two of the individuals said. All of the individuals spoke on condition of anonymity to talk openly about a confidential probe. Alabama is now the only state that is not investigating the company.

It was not immediately clear what aspect of Google's business California is targeting. A spokesperson for California Attorney General Xavier Becerra declined to comment. The spokesperson, Sarah Lovenheim, said it is office policy to not confirm or deny the existence of investigations.

The Justice Department in August opened its own antitrust investigation and has been working closely with the states. The federal agency is <u>expected to file a suit</u> against the company as soon as next month, though whether the states will join that effort or proceed with their own remains an open question. DOJ is looking at allegations the company has monopolized the advertising technology market and used exclusive contracts to maintain its dominance in search.

In addition to the investigations, Google is facing accusations of abusing its dominance in Congress. Chief executive Sundar Pichai has agreed to testify in front of a House Judiciary panel along with the CEOs of Apple, Amazon and Facebook.

A Google spokesperson declined to comment.

Google has previously been in California's crosshairs over antitrust concerns. In the early 2010s, California was among five states that investigated Google alongside the Federal Trade Commission over allegations the tech giant biased its search results to favor its own products. The FTC opted against filing an antitrust suit and <u>closed its probe</u> in January 2013. California and the other states, which included Texas, New York, Oklahoma and Ohio, later closed their probes in 2014.

California has its own antitrust laws, the Cartwright Act and the Unfair Competition Act, that are sometimes interpreted more broadly than the U.S. federal antitrust law. Unlike federal antitrust law, California's laws do allow government enforcers to seek restitution or civil penalties for violations.

The state also has a history of aggressively pursuing antitrust cases and has among the largest staffs of any attorneys general devoted to antitrust and competition issues.

Katy Murphy contributed to this report.