

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

CONSUMER FEDERATION OF
AMERICA, on behalf of itself and the
putative class,

1620 I Street, NW, Suite 200
Washington, DC 20006,

Plaintiff,

v.

META PLATFORMS, INC., d/b/a META
1 Meta Way
Menlo Park, CA 94025

Defendant.

Case No:

**CLASS ACTION COMPLAINT AND
JURY TRIAL DEMAND**

INTRODUCTION

1. This is an action to recover damages, illegal profits, and injunctive relief for District of Columbia consumers and to prevent Defendant Meta Platforms, Inc. d/b/a Meta (“Meta”) from benefiting from its violations of District of Columbia law.

2. Social media platforms are rife with fraud. Between 2021 and 2023, consumers were defrauded out of at least \$2.7 billion from schemes originating on social media platforms.¹ At the center of this problem is Meta. Through a combination of inconsistent or lax advertising policies and misleading public statements, Meta has become “a pillar of the global fraud economy.”² Meta knows this and has the ability to minimize harm. But instead, it has chased profits rather than protecting its users. According to internal company documents that have come

¹ <https://perma.cc/8TEQ-E3QZ>

² <https://perma.cc/HND8-LRJM>

to light through media reporting, in 2024 Meta anticipated that more than 10% of its earnings would come from scam advertisements, illegal gambling, and the sale of prohibited goods on its platforms.³

3. Meta claims it is doing all it can to crack down on scam advertising on its platforms. But in reality, Meta has knowingly taken steps and adopted policies that pad its bottom line at the expense of its users' safety and well-being. In fact, rather than prohibiting advertisers who the company itself has determined pose a higher risk to its users (as other tech companies like Google have), Meta just charges these advertisers more. The perverse result is that the riskier the advertiser, the more money Meta makes. By downplaying—and in many cases, actively contributing to—the proliferation of scams and fraud on its platforms and grossly exaggerating the steps Meta takes to protect users from scams, Meta has misled its users, including those in the District of Columbia, about the risks they face every time they log onto one of Meta's platforms, including Facebook.

4. Plaintiff the Consumer Federation of America ("CFA") is an association of nonprofit consumer advocacy organizations committed to representing consumers' interests. CFA brings this suit to enforce the CPPA and protect D.C. consumers from Meta's deceptions and violations of law.

PARTIES

A. CFA

5. The Consumer Federation of America is a non-profit association of more than 200 organizations committed to representing consumers' interests. CFA was established in 1968 to advance the consumer interest through research, advocacy, and education. CFA is organized under

³ *Id.*

the laws of the District of Columbia and registered as a foreign corporation with the District of Columbia. CFA's principal place of business is in Washington, D.C.

6. CFA's primary focus is the protection and representation of consumers. CFA serves as a voice for consumers in the ongoing struggle to curb unfair or abusive business practices that harm individuals and communities. CFA has been instrumental in advocating against consumer abuses both federally and locally in the District.

7. CFA's robust history of consumer advocacy demonstrates a nexus with the interests of the consumers represented in this case. CFA has historically and continually advocated for the protection of consumers against scams and fraud in all forms. For many years, CFA has partnered with a number of groups and authorities to increase awareness about scams and offer recommendations to the public to protect themselves.⁴

8. CFA recently published "The Scam Economy: The True Cost of Online Scams and Crimes in America," a report that uses scam reporting statistics from trusted government and third party sources as well as estimations of underreporting to show that Americans lose over \$119 billion per year to online scams.⁵ Residents of the District have been particularly devastated, losing an estimated \$2.1 billion each year to scams—the highest per capita figure in the country.⁶

9. Last year, CFA published "Scamplified," a report describing and taxonomizing the different ways emerging technologies are used to produce scams and fraud at scale.⁷ CFA has previously testified in the House of Representatives about how to address the proliferation of

⁴ See, e.g., <https://perma.cc/DZE9-WMMM>; <https://perma.cc/PZ9D-CTC7>; <https://perma.cc/9FKH-NGH9>; <https://perma.cc/TT6R-Z5Y6>; <https://perma.cc/VBN9-ZRCJ>; <https://perma.cc/F5VU-PJQ9>; <https://perma.cc/SMU4-6QXC>

⁵ <https://perma.cc/499F-WE9J>

⁶ *Id.* at 10

⁷ <https://perma.cc/X5PR-52CM>

scams and fraud.⁸

10. CFA now brings this suit to enforce the CPPA to protect consumers.

B. Meta

11. Defendant Meta Platforms, Inc. is a Delaware corporation with its principal place of business at 1 Meta Way, Menlo Park, CA 94025. As relevant here, Meta develops, markets, and operates social media platforms and other internet-based platforms and products, including Facebook. Meta was formerly known as Facebook, Inc. until it changed its corporate name in October 2021.

12. Meta, acting on its own and through and/or in concert with other wholly-owned subsidiaries, engages in the unlawful conduct alleged herein. Meta is heavily involved in and has final say over the design and marketing of its social media platforms operated by itself and its subsidiaries, including Facebook.

JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction under D.C. Code § 11-921(a) and D.C. Code §§ 28-3905(k)(1)(D)(i) and (k)(2).

14. This Court has personal jurisdiction over Meta under D.C. Code § 13-423(a) because Meta transacts business in the District, is registered to do business here, and caused tortious injuries in the District by its acts and omissions.

15. CFA has standing to bring this suit under D.C. Code § 28-3905(k)(1)(D)(i), which provides in relevant part that “a public interest organization may, on behalf of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action . . .

⁸ See, e.g., <https://perma.cc/Q2CL-RVA6>. See also <https://perma.cc/4FW3-L94Y>

for relief from such use by such person of such practice.” Numerous consumers could bring actions against Meta for actively misleading them about the safety of its platforms and the steps it has taken to protect its users from fraud in the form of scam advertisements.

16. This action is not removable. *See, e.g., Travelers United, Inc. v. Hyatt Hotels Corp.*, 761 F. Supp. 3d 97 (D.D.C. 2025) (ordering remand of putative class action brought by Travelers United under the CPPA); *see also Nat’l Ass’n of Consumer Advocates v. Gemini Tr. Co., LLC*, 757 F. Supp. 3d 59, 64 (D.D.C. 2024) (ordering remand of a case brought by a public advocacy organization under CPPA because plaintiff lacked Article III standing).

THE CONSUMER PROTECTION PROCEDURES ACT

17. The CPPA is a broad remedial statute, which courts construe liberally to promote consumer protection.

18. The CPPA defines “consumer” broadly to mean “a person who, other than for purposes of resale, does or would purchase, lease (as lessee), or receive consumer goods or services, including as a co-obligor or surety, or does or would otherwise provide the economic demand for a trade practice.” D.C. Code § 28-3901(a)(2)(A).

19. The CPPA defines “goods and services” to mean “any and all parts of the economic output of society, at any stage or related or necessary point in the economic process, and includes consumer credit, franchise, business opportunities, real estate transactions, and consumer services of all types.” *Id.* § 28-3901(a)(7).

20. The CPPA makes it illegal for any person to “engage in an unfair or deceptive trade practice, whether or not any consumer is in fact, misled, deceived, or damaged thereby.” *Id.* § 28-3904.

21. The CPPA creates a private right of action for D.C. CPPA violations, as well as for

any consumer who seeks to “bring an action seeking relief from the use of a trade practice in violation of a law of the District.” *Id.* § 28-3905(k)(1)(A). This provision contemplates that procedures and sanctions provided by the D.C. CPPA will be used to enforce trade practices made unlawful by other statutes.

22. Under the CPPA, a public interest organization may seek relief from the use of an unlawful trade practice, on behalf of consumers in the District. D.C. Code § 28–3905(k)(2)(D).

FACTUAL ALLEGATIONS

A. Meta’s advertising business.

23. Meta owns and operates Facebook, a social networking platform with approximately 3.5 billion monthly active users worldwide. Accessible from personal computers, tablets, smartphones, and smartwatches, Facebook allows users to create a profile, share text and multimedia posts, and communicate directly with each other via Facebook Messenger. Users can “friend” other users and change their privacy settings to adjust who can see their posts. Businesses can use Facebook to create pages for their business that customers can follow for information and updates. Facebook also allows users to create and join groups and receive notifications about their friends and the pages they follow. Users can buy, sell, and swap goods via Facebook Marketplace. Users do not have to pay money to Meta to use Facebook’s services.

24. Third-party advertising is at the core of Meta’s business model. Because Meta does not charge users to interact with its platform, to generate revenue Meta instead monetizes users’ personal data by actively harvesting it and using it to sell lucrative, precisely targeted advertising. As Meta explains in its Facebook Terms of Service, “we don’t charge you to use Facebook or the other products and services covered by these Terms . . . [i]nstead, businesses and organizations, and other persons pay us to show you ads for their products and services . . . [w]e use your personal

data to help determine which personalized ads to show you.”⁹ Users who open the Facebook app will see third party advertisements integrated with their Facebook feed, and advertisers pay for Meta’s advertising services to ensure that advertisements are placed in front of viewers who are likely to be interested in the whatever is being offered. Meta generates “substantially all of [its] revenue from selling advertising placements on [its] family of apps to marketers.”¹⁰

25. Meta’s advertising policies and standards make clear that Meta maintains extensive oversight and ultimate control of the development, review, and approval of ads submitted to run on its user platforms, including Facebook. Before an ad makes it onto one of Meta’s platforms, it must clear Meta’s internal review process. Once an ad has been submitted to Meta, Meta’s “ad review system” which “relies primarily on automated technology” will “review[] ads for violations of [Meta’s] Advertising Standards.”^{11, 12} According to Meta, some ad reviews also utilize “human reviewers.” Meta’s Advertising Standards state that “when advertisers place an order, each ad is reviewed against our policies.”¹³

26. Meta’s Advertising Standards on Fraud, Scams, and Deceptive Practices states that Meta does not allow ads that attempt “to scam or defraud users and/or businesses by means of: Loan Fraud and Scams; Gambling Fraud and Scams; Investment or Financial Fraud and Scams; Money Muling and Laundering Fraud and Scams; Inauthentic Identity Fraud and Scams; Product or Reward Fraud and Scams; Fake Documents Fraud and Scams; Stolen Information, Goods, or Services Fraud and Scam; Unauthorized Use of Devices Fraud and Scam; and Deceptive and

⁹ Meta Terms of Service, META, <https://perma.cc/ST3R-EUQE>.

¹⁰ Meta Form 10-K (2024) at 6, <https://perma.cc/Y4QS-43JF>.

¹¹ <https://perma.cc/VY43-2H5A>

¹² <https://perma.cc/H2C5-63BB>

¹³ <https://perma.cc/R8S7-K6YN>

Misleading Practices.”¹⁴ Thus, according to Meta, advertisements on that list should not appear to Facebook users in their feed.

27. As part of Meta’s advertising review process called for by Meta’s Advertising Policies, Meta reviews the ad’s image, text, targeting, and positioning in addition to the content of the ad’s landing page, and reserves the right to reject or require modification of any reviewed ads.¹⁵ After clearing Meta’s review process—which typically takes less than 24 hours—ads are then allowed to run and appear before Meta’s users as they use Meta’s platforms. Live ads may be subsequently reviewed again for compliance with Meta’s policies.

28. To determine which ads will be shown to which users, Meta uses what it terms an “ad auction.” “Each time there’s an opportunity to show an ad to someone, an auction takes place to determine which ad to show to that person.”¹⁶ Third-party advertisers participate in the “auctions.”

29. Unlike traditional auctions that pick a winner based on the highest bid, Meta’s algorithm takes into account three main factors: (1) the amount a prospective advertiser has paid; (2) an estimated “action rate”—the algorithm’s estimate of how likely a particular user is to click, view or otherwise engage with a particular ad based on that user’s data points; and (3) ad quality.¹⁷ According to Meta, “the goal of an auction is simple – to pair your ad with people in your audience who are most likely to be interested in it.”¹⁸

30. Meta’s auctions are appealing to advertisers because of the vast trove of user data Meta has collected about users. Meta does not just collect information that users affirmatively

¹⁴ <https://perma.cc/A78B-KRZT>

¹⁵ <https://perma.cc/7QJH-RQXL>

¹⁶ <https://perma.cc/4QQT-PSB7>

¹⁷ <https://perma.cc/4QQT-PSB7>

¹⁸ <https://perma.cc/VA99-UXXQ>

upload into Meta, rich as that data is. Meta supplements the information that users provide Meta using external sources as well. For example, the Meta Pixel tool is a piece of code that website operators (including sellers and advertisers) can add to their websites to track website activity. Information about website activity that the Meta Pixel collects is sent back to Meta. Meta also uses information about users' locations and their interactions with content on Facebook. All of this data allows Meta to create detailed portraits of its users. Based on these user profiles, Meta's auction algorithm aims to present users with ads that it predicts each user is most likely to engage with. It determines how many ads a user needs to see before taking an action, such as clicking, as well as the best timing, and placements. As Facebook's Self Service Ad Terms further specify, Facebook "will determine the size, placement, and positioning of your ads."¹⁹

31. As a result of Facebook's highly precise targeting algorithm, third-party advertisers often describe watching their ad campaigns improve exponentially as Facebook gathers data through trial-and-error placements.²⁰ To ensure its primary revenue stream remains viable, Meta focuses on "adding, retaining, and engaging users of [its] products that deliver ad impressions, particularly for Facebook and Instagram."²¹

32. Meta's auction algorithm also considers ad quality. According to Meta, attributes of low-quality ads include: "Withholding information: Ads that withhold information in order to entice someone to click a link to understand the full context of something; Sensationalized language: Includes using exaggerated headlines or commanding a reaction from people to a degree that creates an unexpected experience when people click to a landing page; Engagement bait: when

¹⁹ <https://perma.cc/7QJH-RQXL>

²⁰ <https://perma.cc/PJ4N-KFGP> ; Zeke Faux, *How Facebook Helps Shady Advertisers Pollute the Internet*, Bloomberg Businessweek. (March 28, 2018) ("*Facebook Helps Shady Advertisers Pollute the Internet*"), <https://perma.cc/79D6-LAQ5>.

²¹ Meta Form 10-K (2024) at 15.

an ad uses spammy content that urges people to engage with it in an inauthentic way to get more likes, comments, and shares.”²² Rather than outright prohibiting ads with low-quality attributes, Meta states that “Ads with a lower quality ranking tend to cost more, which may reduce distribution of the ads.”²³

33. Unless otherwise specified during an ad campaign’s creation, Meta charges third-party advertisers based on the number of impressions their ad receives.²⁴ As Meta, explains, “not all impressions are created equal.”²⁵ Rather than measure ad delivery on “served impressions” which may or may not actually be seen by a user, Meta measures ad delivery by “viewed impressions” or the moment the ad enters the screen of a users’ desktop or mobile application.

34. This business model has proved lucrative. Meta reported \$51.2 billion in revenue in the third quarter of 2025.²⁶

B. Meta affirmatively misleads its users about its efforts to protect them from scam advertisements.

35. Because Meta’s business model relies on users continuing to visit its platforms, Meta has repeatedly and publicly downplayed the risks of scams on its platforms to its users—creating a false impression of safety. And Meta affirmatively promises its users that it is protecting them from bad actors who try to run scams via Facebook. Yet despite these promises, and in pursuit of ever-larger profits, Meta has adopted policies and practices that it knows allow scam advertisements to proliferate on its platforms while simultaneously profiting off those ads at its users’ expense.

36. Facebook is rife with scam advertisements. A significant percentage of the ads that

²² <https://perma.cc/TS33-87GX>

²³ *id.*

²⁴ <https://perma.cc/B7W6-ASPY>

²⁵ <https://perma.cc/PL7T-L9C5>

²⁶ Meta Q3 2025 Earnings Call at 4, <https://perma.cc/EJM4-LLTB>

pass Meta’s internal controls entice Facebook users to fall victim to various scams. An internal Meta document uncovered by Reuters revealed that the company estimates approximately 15 billion “higher risk” scam advertisements are directed at its users every day.²⁷ Meta earns roughly \$7 billion in annualized revenue from this “high risk” category of advertisements alone.²⁸ In 2024, internal documents at Meta projected that it would earn about 10% of its overall annual revenue, approximately \$16 billion, from allowing advertising for scams and banned goods to run on their platforms, including Facebook.

37. Recent reporting has shown that internal Meta documents “indicate that Meta’s own research suggests its products have become a pillar of the global fraud economy.”²⁹ In fact, “[a] May 2025 presentation by [Meta’s] safety staff estimated that the company’s platforms were involved in a third of all successful scams in the U.S.”³⁰

38. This problem has long been known to Meta. As early as 2014, a white paper was published by global cyber security company Bitdefender on pervasive scam advertising on Facebook and the fact that Facebook enables and allows this to occur.³¹

39. Meanwhile, Meta has publicly claimed to be taking steps to address the proliferation of scam advertisements on its platforms, touting its “extensive work to combat scams on our platforms and expose the criminals behind them” and noting that “[t]he spike in scams is playing out across the internet — from dating apps and online gaming to cryptocurrency platforms and text messaging. No one likes it. Not the people who use our services. Not advertisers. And

²⁷ Jeff Horwitz, *Meta Is Earning a Fortune on a Deluge of Fraudulent Ads, Documents Show*, REUTERS, (Nov. 6, 2025), <https://perma.cc/HND8-LRJM>.

²⁸ *Id.*

²⁹ <https://perma.cc/HND8-LRJM>

³⁰ *Id.*

³¹ Andrei Cristian Serbanoui, “Digging into Facebook Ads: Finding Clues that Indicate a Scam Pattern,” BITDEFENDER (Mar. 4, 2014), <https://perma.cc/B4NG-2XDL>.

certainly not us.”³² Similarly, Meta’s Scam Prevention Hub claims that “automated systems are able to stop abuse even before it is reported.”³³ And in response to media reporting into the scale of scams on Meta’s platforms, Meta representative Andy Stone repeatedly asserted that Meta “aggressively fights fraud and scams.”³⁴

40. Meta’s other user-facing documents make similar assertions about its policies regarding scams and fraud. Section 1.5 of Facebook’s Terms of Service (“TOS”) provide that: “We employ dedicated teams around the world and develop advanced technical systems to detect misuse of our Products, harmful conduct towards others, and situations where we may be able to help support or protect our community. If we learn of content or conduct like this, *we will take appropriate action.*”³⁵

41. Meta’s Community Standards, which are referenced and linked to in Section 3 of Facebook’s TOS, contains a section titled “Fraud, Scams, and Deceptive Practices,” which promises that “We aim to protect users and businesses from being deceived out of their money, property or personal information. We achieve this by *removing content and combatting behavior that purposefully employs deceptive means...*to either scam or defraud users and businesses, or to drive engagement.”³⁶ Meta’s “Fraud, Scams, and Deceptive Practices” policy has made similar representations to its users since at least Sept. 4, 2019.³⁷

42. Facebook users who hear or see these statements would reasonably understand them to mean what they say: that Meta is aggressively fighting fraud and scams and protecting

³² <https://perma.cc/DQ4T-YMWP>

³³ <https://perma.cc/9DVM-U7QC>

³⁴ <https://perma.cc/HND8-LRJM>

³⁵ <https://perma.cc/ST3R-EUQE> (emphasis added)

³⁶ <https://perma.cc/99AL-ZF55> (emphasis added)

³⁷ *Id.*

them, so that they can trust the advertisements that *do* appear.

43. Despite its user-facing documents and communications to the public, internal documents reveal that, contrary to its promises to users, Meta has taken steps to put its platforms' users at risk and to ensure scam advertisements continue to be profitable for the company.

44. As recent reporting against Meta has detailed, “[i]n 2023, Meta fired many of the employees staffed with reducing fraud on its platform, including everyone on a team handling advertiser concern about brand impersonation. Internal documents note a ‘lack of investment’ in automated scam detection, and reveal that the company classifies scam ads as a ‘low severity’ problem.”³⁸

45. Furthermore, a February 2025 internal document revealed that Meta leadership affirmatively hamstrung the company's efforts to crack down on scams by placing restrictions on the team responsible for vetting questionable advertisers. As part of this effort, Meta restricted its internal ad vetting teams from taking any action that could cost Meta more than 0.15% of the company's total revenue (about \$135 million of the \$90 billion Meta generated in the first half of 2025).³⁹

46. Meta also routinely ignores when its platforms' users alert the company to scams. Reporting on a 2023 internal document from Meta reveals that “safety staffers estimated that Facebook and Instagram users each week were filing about 100,000 valid reports of fraudsters messaging them,” but rather than take action, “Meta ignored or incorrectly rejected 96% of them.”⁴⁰

47. Meta's failure to act when users report scam activity is no accident. As one report

³⁸ <https://perma.cc/U5XW-ZNE2> at ¶ 6 (citing Reuters reporting).

³⁹ <https://perma.cc/HND8-LRJM>

⁴⁰ *Id.*

details, Meta’s rules affirmatively allow for scams and fraud to proliferate on its platforms, with lenient policies prioritizing Meta’s bottom line over the safety of users. Whereas “[a] small advertiser would have to get flagged for promoting financial fraud at least eight times before Meta blocked it,” large advertisers “known as ‘High Value Accounts’ [] could accrue more than 500 strikes without Meta shutting them down.”⁴¹

48. In addition, Meta downplays to its users the risks they face by using its platforms. In a December 3, 2025 press release, Meta noted that “In the last 15 months, reports about scam ads have declined by more than 50%, and so far in 2025, we’ve removed more than 134 million scam ads.”⁴² These numbers sound impressive, but only if you don’t know the true scale of fraud on its platforms, which Meta does not disclose. When 15 billion “higher risk” (i.e., likely scam) advertisements are directed at users *every day*, removing less than 1% of the ads over the course of a year becomes far less meaningful. Meta hides these figures and also omits that it is knowingly profiting off of scam ads.

49. Meta not only hides the scale of fraud from its users, it has also actively taken steps to obfuscate the scale of fraud on its platforms. When Japanese regulators started using Meta’s “Ad Library”—a publicly searchable repository of ads that currently appear on Meta’s platforms and a select subset of ads that have appeared on Meta’s platforms in recent years—to search for scam ads appearing on Meta platforms, Meta manipulated the database to remove “some fraudulent advertising of the sort that regulators would want to weed out” while also “mak[ing] the search results that Meta believed regulators were viewing appear cleaner than they otherwise would have.”⁴³ This manipulation was “[s]o successful” that Meta “added the tactic to a ‘general

⁴¹ *Id.*

⁴² <https://perma.cc/KQD9-TJN2>

⁴³ <https://perma.cc/7DX9-9GMX>

global playbook’ it has deployed against regulatory scrutiny in other markets,” including the United States.⁴⁴ By adopting this “playbook,” Meta is able “to stall regulators and put off advertiser verification unless new laws leave them no choice.”⁴⁵

C. Meta further misleads users by knowingly targeting and profiting from scam advertisements on its platforms.

50. Meta does more than passively profit from scam advertisements—it actively makes more profit from them by charging a premium for bad actors’ access to its platforms’ users. Even when Meta’s internal systems determine the odds that a given advertiser is running scam advertisements are as high as 95%, Meta does not remove the ads at issue; rather, it increases the price these bad actors pay by charging a “penalty bid” fee to reach and exploit its users—allowing Meta to profit even more when its users face greater risks.⁴⁶

51. This perverse incentive scheme has resulted in Meta adopting lax advertising standards that create greater risks to its users than users of other online platforms face. According to a 2025 internal Meta review “[i]t is easier to advertise scams on Meta platforms than Google.”⁴⁷

52. In contrast to Meta’s lax approach, other tech companies like Google effectively fight fraud and scams on their platforms by blocking and removing wrongdoers. In 2023, Google suspended 12.7 million advertiser accounts and removed or blocked 5.5 billion bad advertisements. Meta, by contrast, claimed to have removed only a fraction of that—134 million pieces of scam content. Google’s strategy is account-centric, focusing on removing the bad actor from the economy entirely, while Meta allows bad actors to remain on the platform.⁴⁸

53. By using the extensive data collected from its userbase, Meta’s ad-auction and

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ <https://perma.cc/HND8-LRJM>

⁴⁷ *Id.*

⁴⁸ <https://perma.cc/K8SX-PFZQ>

targeting algorithms also help to ensure that scam advertisements are directed to those most vulnerable to the particular scams. For example, because of how Meta’s auction algorithm works, a user who engages with scam ads becomes more likely to be shown additional scam ads.⁴⁹

54. Meta also breaks its own advertising policies requiring it to combat fraud and scams so it can further profit when ads originate from China, the country of origin Meta itself believes accounts for roughly a quarter of all scam advertisements on its platforms.⁵⁰ As recent reporting has detailed, “[i]n most of the world, advertisers on Facebook and Instagram buy ads through a business profile that is linked to advertisers’ accounts and related pages they control. But because businesses can’t readily access the platforms in China, Meta pays [] 11 large Chinese ad agencies – known as resellers – to enlist advertisers and run ads for them on so-called ‘agency accounts.’”⁵¹ This system is known to facilitate scam advertisements, as documented by Meta’s own internal documents.⁵²

55. As part of this arrangement, Meta both solicits ads that are likely to be scams and lowers its ad standards. “Meta pays a roughly 10% commission to agencies for ads purchased through these accounts and grants them special protections. For instance, under a system known as ‘whitelisting’ or ‘mistake prevention,’ Meta doesn’t immediately remove ads purchased via top-tier agencies when they’re flagged by automated systems for breaking Meta’s advertising rules, internal documents say. Such rules ban the advertising of scams, illegal goods and services, and certain other products.”⁵³

56. In fact, even as ads from Chinese whitelisted agencies await or undergo review

⁴⁹ *Id.*

⁵⁰ <https://perma.cc/HND8-LRJM>

⁵¹ <https://perma.cc/HND8-LRJM>

⁵² *Id.*

⁵³ *Id.*

from a human reviewer, Meta continues to run the suspected scam ads on its users' feeds—increasing the risk that its users will fall victim.⁵⁴

57. Meta's public claims about the safety of its platforms are belied by the policies and practices Meta has adopted that not only ensure scam advertisements remain on Meta's platforms, but that also allow Meta to profit off its users facing risks of—or ultimately falling victim to—fraud. These statements and omissions of fact have the tendency to mislead reasonable consumers into believing that Meta is doing all it can to eliminate fraud on its platforms including scam advertising, that it does not knowingly profit from such fraud, or that it does not use its algorithms to “target” users for scam advertisements.

58. Because of Meta's efforts to mislead, obfuscate, and profit, Meta puts D.C. Facebook users at risk. The appendix includes several (non-exhaustive) examples of scam advertisements that should have been caught by Meta's internal review system.

CLASS ACTION ALLEGATIONS

59. This action is brought and may properly proceed as a class action pursuant to District of Columbia Rule of Civil Procedure 23 (“Rule 23”), including Sections (b)(1), (b)(2) and (b)(3) of Rule 23.

60. Plaintiff seeks certification of the following class (the “Class”), consisting of the following individuals:

All individuals in the District of Columbia who, within the applicable statute of limitations, had a Facebook account.

61. Meta's practices have resulted in actual injury and harm to the Class members.

⁵⁴ *Id.*

62. Plaintiff explicitly reserves its right to amend, add to, modify, and/or otherwise change the proposed class definitions as discovery in this action progresses.

63. The following people are excluded from any of the Class: (1) any Judge or Magistrate presiding over this action, members of their staffs (including judicial clerks), and members of their families; (2) Meta, Meta's subsidiaries, parents, successors, predecessors, and any entity in which Meta or its parents have a controlling interest, and their current or former employees, officers and directors; (3) persons who properly execute and file a timely request for exclusion from the Class; (4) persons whose claims in this matter have been finally adjudicated on the merits or otherwise released; (5) Plaintiff's counsel and Meta's counsel, and employees of their firms; and (6) the legal representatives, successors, and assigns of any such excluded persons.

64. **Numerosity.** Plaintiff is informed and believes that there are tens of thousands of members of the Class. The Class is so large that the joinder of all of their members is impracticable. The exact number of members of the Class can be determined from information in the possession and control of Meta.

65. **Commonality.** Meta has acted or refused to act on grounds that apply generally to the Class. Absent certification of the Class, the sought relief creates the possibility of inconsistent judgments and/or obligations imposed on Meta. Many common issues of fact and law exist, including, without limitation:

- a. Whether Meta is a merchant under the CPPA;
- b. Whether Meta falsely represented to its users that it was taking efforts to minimize the risk of scam advertising on its platforms in violation of the CPPA;
- c. Whether Meta failed to state a material fact that has a tendency to mislead;

- d. Whether Meta used innuendo or ambiguity as to a material fact in a manner that has a tendency to mislead;
- e. Whether Meta's conduct is unfair;
- f. Whether the class members are entitled to statutory damages; and
- g. Whether Plaintiff is entitled to injunctive relief.

66. **Predominance.** These common issues predominate over individualized inquiries in this action because Meta's liability can be established as to all members of the Class.

67. **Typicality.** Plaintiff brings this action on behalf of a Class of consumers for whom it advocates in connection with its mission. As such, its mission is to promote the objectives of the Class of consumers it seeks to represent. Plaintiff's claims are also typical, if not identical, to the claims that could be asserted by all members of the Class. Their claims all arise from Meta's practices applicable to all such Class members and are based on the same legal theory as to how and why those practices violate the CPPA.

68. **Adequacy.** The CPPA provides that Plaintiff, as a public interest organization, can bring this action on behalf of the interests of a class of consumers. *See* D.C. Code § 28–3905(k)(1)(D)(i). In doing so, Plaintiff will fairly and adequately represent and protect the interests of the Class and has retained counsel competent and experienced in complex litigation and class actions. Plaintiff's claims are representative of the claims of the members of the Class, as its claims arise from the allegation that each member of the Class was harmed by Facebook's deceptive and unfair acts with regard to scam advertisements. Plaintiff and its counsel are committed to vigorously prosecuting this action on behalf of the Class and have the financial resources to do so. Neither Plaintiff nor its counsel have any interest adverse to the Class.

69. **Superiority.** There are substantial benefits that render proceeding as a class action superior to any alternatives, including that it will provide a realistic means for members of the Class to recover damages; the damages suffered by members of the Class may be relatively small; it would be substantially less burdensome on the courts and the parties than numerous individual proceedings; many members of the Class may be unaware that they have legal recourse for the alleged conduct; and because issues common to members of the Class can be effectively managed in a single proceeding. Plaintiff knows of no difficulty that could be encountered in the management of this litigation that would preclude its maintenance as a class action.

Plaintiff reserves the right to revise each of the foregoing allegations based on facts learned through additional investigation and in discovery.

COUNT I
Violation of the Consumer Protection Procedures Act
D.C. Code §§ 28-3901 *et seq.*
On behalf of the Class

70. The allegations of Paragraphs 1 through 69 are re-alleged as if fully set forth herein.

71. The D.C. Consumer Protection Procedures Act is a remedial statute that is to be broadly construed. It prohibits any person from engaging in any “unfair or deceptive trade practice,” including to “represent that a transaction confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law” and to “make or enforce unconscionable terms or provisions of sales or leases.” D.C. Code § 28–3904(e-1), (r). CPPA Section 28–3904 is explicit that a violation occurs regardless of “whether or not any consumer is in fact misled, deceived, or damaged” by the unlawful practice.

A. CFA’s Standing

72. CFA has standing to bring this Count on behalf of the Class under D.C. Code § 28–3905(k)(l)(D)(i), which provides in relevant part that “a public interest organization may, on behalf

of the interests of a consumer or a class of consumers, bring an action seeking relief from the use by any person of a trade practice in violation of a law of the District if the consumer or class could bring an action under subparagraph (A) of this paragraph for relief from such use by such person of such trade practice.”

73. CFA is a public interest organization that has done significant advocacy work on behalf of consumers.

74. CFA brings this action on behalf of the proposed Class.

B. The CPPA

75. The CPPA prohibits unlawful trade practices in connection with the offer, sale, advertisement, and supply of consumer goods and services. D.C. Code § 28-3904.

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

77. Meta is a “merchant” within the meaning of D.C. Code § 28-3901(a)(3) because it sells or transfers consumer goods or services.

78. Users of Meta’s social media platforms, including Facebook, receive consumer goods and services from Meta in the form of social networking services and, therefore, are consumers under the CPPA.

79. Meta engaged in the following unlawful trade practices in violation of the CPPA when it made claims about the safety of using Facebook, including:

80. **[Subcount 1]** The CPPA prohibits misrepresenting a material fact that has a tendency to mislead, including Meta’s claims about the safety of its platforms, like Facebook, and its efforts to mitigate scam advertising. *See* D.C. Code § 28-3904(e). Meta violated this provision as it falsely represented to its users the efforts it was taking to minimize the risk of scam advertising on its platforms, including Facebook.

81. **[Subcount 2]** The CPPA prohibits failing to state a material fact that has a tendency to mislead. *See* D.C. Code § 28-3904(f). Meta violated this provision as it did not disclose that (1) it had adopted policies that allowed a significant amount of known scam advertising to appear on Facebook, (2) was profiting off of scam advertising on its platforms, including Facebook, and (3) was actively helping bad actors target users by running advertisements through Facebook’s targeted advertising system.

82. **[Subcount 3]** The CPPA prohibits using innuendo or ambiguity as to a material fact in a manner that has a tendency to mislead. *See* D.C. Code § 28-3904(f-1). Meta violated this provision when it did not disclose to the public the true scale of fraud on its platforms, including Facebook, while simultaneously and disingenuously suggesting in its public-facing communications that it was taking significant steps to mitigate the risks of fraud its users faced.

83. **[Subcount 4]** The CPPA broadly prohibits unfair acts. *See* D.C. Code § 28-3904. Meta’s practice of misleading its users about the scope of scam advertising and the profits it earns from scam advertising on its platforms, including Facebook, is unfair, in that (a) D.C. consumers cannot avoid being shown scam ads that Meta profits off of; (b) the practice is substantially injurious, oppressive, and harmful to consumers, in that Meta misleads consumers about the risks of scams on its platforms, including Facebook, while simultaneously leveraging the data it collects about users and advertisers to allow and promote scam ads that it knows will result in financial harm to its users while itself reaping a financial windfall; and (c) there is no commensurate benefit to consumers, as scam advertisements serve no purpose other than to defraud Meta’s users.

C. Consumer Harm

84. District residents suffered actual injuries as a result of Meta’s unfair and deceptive practices. Consumers were subject to targeted scam advertising while being actively misled by Meta about the safety of Facebook.

D. Remedy

85. CFA seeks, on behalf of and for the benefit of, the proposed Class, actual damages; treble damages or \$1,500 per violation, whichever is greater; punitive damages; and reasonable attorneys' fees and costs of suit.

86. CFA also seeks a permanent injunction against Meta's use of the unlawful trade practices described herein.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for the following relief:

1. Appoint CFA as Class Representative and its counsel as class counsel;
2. Monetary and/or equitable relief in an amount to be determined at trial;
3. Statutory damages, including treble damages;
4. Punitive or exemplary damages;
5. Interest;
6. Attorneys' fees and costs of suit, including costs of notice, administration, and expert fees;
7. A permanent injunction prohibiting Meta from continuing to mislead D.C. residents about the risks of using its platforms; and
8. Such other legal or equitable relief, including injunctive or declaratory relief, as the Court may deem appropriate.

PLAINTIFF DEMANDS A TRIAL BY JURY OF ALL ISSUES SO TRIABLE.

[REST OF PAGE LEFT INTENTIONALLY BLANK]

Dated: 04/21/2026

Respectfully submitted,

/s/ Katherine M. Aizpuru

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***Attorneys for Plaintiff Consumer Federation of
America and the Proposed Class***

Appendix: Scam Advertisement Examples

Scam ad example 1: An advertisement for a “free government iphone.”⁵⁵

The image displays three side-by-side screenshots of Facebook advertisements. Each ad is from the page 'Free Phones Daily' and is sponsored. The ads are for a 'Free Government iPhone' and include the following details:

- Ad 1 (Left):** Library ID: 3613490952277562, Started running on Mar 20, 2025. The ad image shows a list of iPhone models (13, 14, 15, 16) and a '0\$' price tag. The text below the ad reads: 'FREESMARTPHONE.SITE Free Smartphone + Free Unlimited Service in California Act fast and apply today!' with an 'Apply now' button.
- Ad 2 (Middle):** Library ID: 1990502618422420, Started running on Jun 22, 2025. The ad image shows a video thumbnail of a hand holding a pink iPhone. The text below the ad is identical to the first ad.
- Ad 3 (Right):** Library ID: 9331261500242342, Started running on Mar 11, 2025. The ad image shows a list of iPhone models (13, 14, 15, 16) and a '0\$' price tag. The text below the ad is identical to the first ad.

<https://perma.cc/F9B4-N3EZ>

⁵⁵ “Free smartphone” through government assistance programs are well-known scams. *See, e.g.*, California EBT Project Office, *Be Aware!*, <https://perma.cc/V7DE-NSHR>.

Scam ad example 2: Another fake government program with an AI video – reaching over 1 million people. In this example, the advertiser openly disclosed that the video contains “a real person as saying or doing something they didn’t say or do,” “a realistic-looking person that doesn’t exist,” “a realistic-looking event that didn’t happen,” “altered footage,” and/or something “that’s not a true image, video, or audio recording.” In other words, the advertiser openly admitted that the video contains fraudulent content, yet Meta allowed this ad to reach over 1 million users.

The screenshot shows the 'Details' page for an active advertisement. On the left, a video player displays a man in a blue suit and purple tie with the text 'how does' overlaid. The right side of the page contains several sections:

- About the disclaimer:** A section with a downward arrow, currently collapsed.
- Digitally created media in this ad:** A section with an upward arrow, expanded to show a disclaimer. It states that for ads about social issues, elections or politics, advertisers must disclose when an ad includes a photorealistic image or video or realistic-sounding audio that's digitally created or altered. The advertiser disclosed that this ad depicts at least one of the following:
 - A real person as saying or doing something they didn't say or do
 - A realistic-looking person that doesn't exist
 - A realistic-looking event that didn't happen
 - Altered footage of a real event that happened
 - A realistic event that allegedly happened, but that's not a true image, video or audio recording of the eventIt also notes that advertisers don't need to disclose when media is digitally created or altered in ways that are inconsequential or immaterial to the claim, assertion or issue raised in the ad. This may include:
 - Image size adjusting
 - Cropping an image
 - Color correction
 - Image sharpening
- Ad audience:** A section with an upward arrow, expanded to show 'Estimated audience size' as >1M. A note explains that this is an estimate of how many Accounts Center accounts met an advertiser's targeting criteria when the ad was created. A 'See more' link is provided.
- Ad delivery:** A section with an upward arrow, expanded to show 'Amount spent'.

At the bottom right of the details panel is a 'Close' button.

Scam ad example 3: Another series of fake government opportunity ads using AI videos with several instances targeting specific ages:

The image shows two side-by-side screenshots of Facebook advertisements. Each ad is for a campaign named 'Quick Deals' and is sponsored. The ads are for 'BETTERTECHTODAY.CO' and were started running on July 24, 2025. Both ads feature a video thumbnail with a play button and the word 'OR' in yellow text. The left ad targets people born in 1976 or 1977, while the right ad targets people born in 1991 or 1992. Both ads promise a \$1,400 check and include a 'Learn more' button.

Ad 1 (Left):
Library ID: 30930809783170986
Started running on Jul 24, 2025
Platforms: Facebook, Instagram, Messenger, Email, SMS
See ad details
Quick Deals Sponsored
If you were born in 1976 or 1977, you might be eligible for a \$1,400 check 📩
BETTERTECHTODAY.CO
Born In 1976 or 1977? You're Owed \$1,400
Learn more







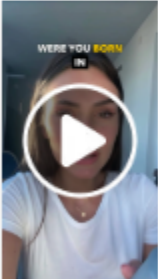






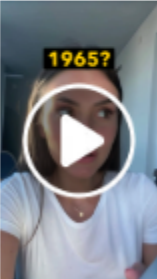
Ad 2 (Right):
Library ID: 1773341326643186
Started running on Jul 24, 2025
Platforms: Facebook, Instagram, Messenger, Email, SMS
See ad details
Quick Deals Sponsored
If you were born in 1991 or 1992, you might be eligible for a \$1,400 check 📩
BETTERTECHTODAY.CO
Born In 1991 or 1992? You're Owed \$1,400
Learn more

The image shows three side-by-side screenshots of Facebook advertisements. Each ad is for a campaign named 'Quick Deals' and is sponsored. The ads are for 'BETTERTECHTODAY.CO' and were started running on July 24, 2025. Each ad features a video thumbnail with a play button and the word 'OR' in yellow text. The ads target different birth years: 1980 or 1981, 1989 or 1990, and 1996 or 1997. All ads promise a \$1,400 check and include a 'Learn more' button.

Ad 3 (Left):
Library ID: 2538269346507858
Started running on Jul 24, 2025
Platforms: Facebook, Instagram, Messenger, Email, SMS
See ad details
Quick Deals Sponsored
If you were born in 1980 or 1981, you might be eligible for a \$1,400 check 📩
BETTERTECHTODAY.CO
Born In 1980 or 1981? You're Owed \$1,400
Learn more

Ad 4 (Middle):
Library ID: 1252394983285685
Started running on Jul 24, 2025
Platforms: Facebook, Instagram, Messenger, Email, SMS
See ad details
Quick Deals Sponsored
If you were born in 1989 or 1990, you might be eligible for a \$1,400 check 📩
BETTERTECHTODAY.CO
Born In 1989 or 1990? You're Owed \$1,400
Learn more

Ad 5 (Right):
Library ID: 754290070306109
Started running on Jul 24, 2025
Platforms: Facebook, Instagram, Messenger, Email, SMS
See ad details
Quick Deals Sponsored
If you were born in 1996 or 1997, you might be eligible for a \$1,400 check 📩
BETTERTECHTODAY.CO
Born In 1996 or 1997? You're Owed \$1,400
Learn more

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Active ...</p> <p>Library ID: 1911576516302262</p> <p>Started running on Jul 24, 2025</p> <p>Platforms     </p> <p>See ad details</p> <hr/> <p> Quick Deals Sponsored</p> <p>If you were born in 1995 or 1996, you might be eligible for a \$1,400 check 📌</p>  <p><small>BETTERTECHTODAY.CO</small> Born In 1995 or 1996? You're Owed \$1,400 Learn more</p> | <p>Active ...</p> <p>Library ID: 2134482633699507</p> <p>Started running on Jul 24, 2025</p> <p>Platforms     </p> <p>See ad details</p> <hr/> <p> Quick Deals Sponsored</p> <p>If you were born in 1964 or 1965, you might be eligible for a \$1,400 check 📌</p>  <p><small>BETTERTECHTODAY.CO</small> Born In 1964 or 1965? You're Owed \$1,400 Learn more</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Scam ad example 4: Advertisements for clearly banned products like crib bumpers, which are banned in the United States under the 2022 Safe Sleep for Babies Act.⁵⁶

Platforms

This ad has multiple versions

Allbright Kids
Sponsored
Library ID: 1666834431116951

FREE SHIPPING !!!
Allbright Kids braided bumpers are made from certified hypoallergenic materials, easy to wash (machine washable, up to 200 times!), and available in over 28 colors to match any nursery.

From \$79 with FREE delivery – and every order includes a personalized star pillow as a gift...

BLUE CRIB SET:
BRAIDED CRIB BUMPER - WEAVING
IN 4 STRIPS WITH 3 FREE PILLOWS

Free delivery

139\$

ALLBRIGHTKIDS.ORG
Braided Crib Bumper - Weaving in 4 Strips with 3 FREE Pillows [Shop Now](#)
Shop Allbright Kids for stylish, safe, and high-quality nursery essentials for your little one. Braided crib...

This ad has multiple versions 1 of 6

[About ads and data use](#)

[About the advertiser](#)

⁵⁶ <https://perma.cc/5TB8-5EX9>

Ad Details

Active

Library ID: 1275097837683526
Started running on Sep 26, 2025
Platforms

FLYBYFLY
Sponsored
Library ID: 1275097837683526

Your dream nursery? Consider it done.

Introducing the ultimate Nursery Bundle - a complete, curated collection of everything you need to build a safe, stylish, and joy-filled space for your newborn babe...
Signature Bear Cot: converts from newborn crib to toddler bed to table & chairs
Matching quilt, braided bumper, mobile & full sheet set
Playmat, gym, teddy rocker & foam-filled padded mat
Laundry baskets, storage organisers & a luxe change mat set
It's not just a nursery setup - everything is thoughtfully matched, beautifully made, and designed to make motherhood a little calmer - and a whole lot cuter.
Planning your nursery? This bundle makes it easy-peasy. Every little thing. Perfectly matched, in stock & ready to ship - just add love (and a baby). Available in Pink, Blue, White (Popo) & Beige.

Link to Shop: https://www.flybyflystore.com/collections/nursery-bundles/products/nursery-complete-bundle-pink



About the advertiser

About ads and data use

~9 results

These results include ads that match your keyword search.

Filters Sort by Save search

Active status: Active ads

Active

Library ID: 2056321028535473
Started running on Dec 23, 2025
Platforms

This ad has multiple versions

See ad details

Kari Studio - Baby Bedding - Braided Crib Bumpers
Sponsored



Personalized baby bedding set baby blue
Discover premium baby bedding sets - soft, hypoallergenic, and beautifully crafted crib bedding for a safe and cozy sleep. Perfect gift for newborns. Worldwide free...

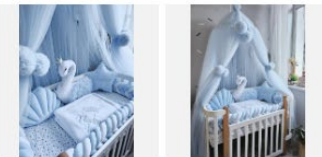
Shop Now

Active

Library ID: 2143677866463336
Started running on Jan 31, 2026
Platforms

See ad details

Kari Studio - Baby Bedding - Braided Crib Bumpers
Sponsored
WORLDWIDE DELIVERY on kari-studio.com



Kari Studio - Baby Bedding - Braided Crib Bumpers
Product/Service

Send messa...

Active

Library ID: 938723135337611
Started running on Mar 18, 2026
Platforms

This ad has multiple versions

See ad details

Kari Studio - Baby Bedding - Braided Crib Bumpers
Sponsored

Handmade crib decor designed just for your baby. Custom colors, perfect fit, and careful craftsmanship in every detail. To help you create a warm & welcoming space that feels like home. Perfectly tailored to make your little one feel snug & loved



Perfect Fit, Careful Craftsmanship

Learn More