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June 5, 2025

SENT VIA EMAIL AND FIRST-CLASS MAIL

Jennifer Gillian Newstead, Esq.
Chief Legal Officer
Meta Platforms, Inc.
1601 Willow Rd.
Menlo Park, California 94025

Re: Investment Scams on Facebook/WhatsApp

Dear Ms. Newstead:

We, the undersigned attorneys general (the "State AGs"), write to request immediate action to address widespread investment scams on Facebook and WhatsApp.

We have reviewed a series of advertisements through the Facebook.com newsfeed with images of well-known investors, such as Cathie Wood of ARK Investment Managements, Joe Kernen of CNBC, and Tom Lee of Fundstrat, offering membership into an investment group. (Examples attached.) Upon clicking on the advertisement, the user is prompted to download WhatsApp and join a group. However, the groups are not sponsored or affiliated in any way with the investor identified in the advertisement.

Pump and Dump Scheme

Upon joining the group, the user is targeted in a pump and dump scheme. In this scheme, the impostor investment experts provide a series of recommendations to buy certain penny stocks. By convincing users to purchase these thinly traded stocks, the prices go up ("pump"). The fraudster can then profit from the price inflation by quickly selling the securities at a high price ("dump"), which in turn causes the prices to plummet. The new owner of the shares typically loses a substantial part of their capital when the security's price falls. Pump and dump schemes are illegal and constitute securities fraud.

There have been widespread reports of constituents losing life-changing money. For example, a 65-year-old woman lost her 401(k) to a pump-and-dump scam after clicking on a Facebook ad for what seemed to be a reputable investment management company.¹ Three victims spoke to a news outlet reporting direct losses of more than \$85,000 and pointing to two dozen other victims who lost millions more.² Investigators in New York received a report of an individual who lost over \$100,000 after joining a WhatsApp group fraudulently linked to a well-known investment management firm. A consumer in Pennsylvania lost \$89,000 after clicking on a Cathie Wood advertisement on Facebook. Another consumer in Pennsylvania lost \$40,000. The Securities and Exchange Commission just froze over \$200 million in ill-gotten gains involving a social media pump and dump scheme.³

Meta's Solutions Do Not Work

We understand that Meta uses automated systems, in combination with occasional human review, to detect and block or otherwise remove these advertisements. However, the bad actors have been able to defeat these systems by just changing their advertisements. Indeed, investigators in New York continue to receive investment tip scam advertisements months after submitting scam reports to Meta.

Conclusion

Meta can and must do more to protect consumers from these advertisements. The ease with which these scams can be initiated and disseminated on your platforms, targeting our most vulnerable population, is alarming. The impact on victims is devastating, leading not only to the loss of potentially life-changing money, but also significant psychological and social consequences. There are a variety of steps Meta can take to improve its processes, including for example, conducting additional diligence on its advertisers and human reviews of advertisements before they are run. If Meta is unable to implement a more effective process, then it should just stop running investment advertisements as a category.

¹ <https://www.forbes.com/councils/forbesbusinesscouncil/2024/10/07/combating-pump-and-dump-scams-in-the-age-of-social-media/>

² <https://www.nbcmiami.com/investigations/pump-and-dump-financial-scam-social-media/3246690/>

³ <https://www.justice.gov/usao-ndil/pr/federal-law-enforcement-chicago-seizes-214-million-alleged-pump-and-dump-investment>

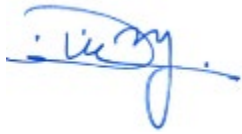
Sincerely,



Letitia James
New York Attorney General



John M. Formella
New Hampshire Attorney General



William Tong
Connecticut Attorney General



Dave Sunday
Pennsylvania Attorney General



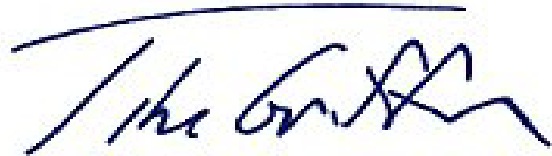
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Alaska Attorney General



Gwen Tauilili-Langkilde
American Samoa Attorney General



Kris Mayes
Arizona Attorney General



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California Attorney General



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Georgia Attorney General



Anne E. Lopez
Hawaii Attorney General



Kwame Raoul
Illinois Attorney General



Todd Rokita
Indiana Attorney General



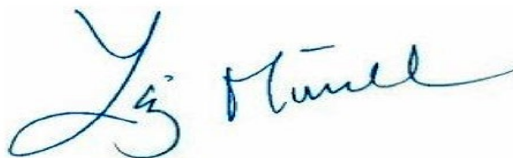
Brenna Bird
Iowa Attorney General



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Kansas Attorney General



Russell Coleman
Kentucky Attorney General



Liz Murrill
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Aaron M. Frey
Maine Attorney General



Anthony G. Brown
Maryland Attorney General



Andrea Joy Campbell
Massachusetts Attorney General



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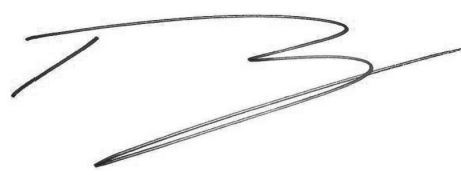
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Minnesota Attorney General



Aaron D. Ford
Nevada Attorney General



Matthew J. Platkin
New Jersey Attorney General



Raúl Torrez
New Mexico Attorney General



Jeff Jackson
North Carolina Attorney General



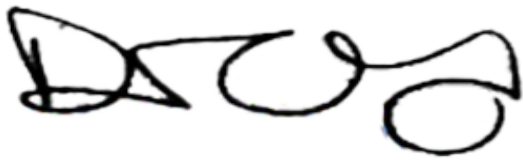
Drew H. Wrigley
North Dakota Attorney General



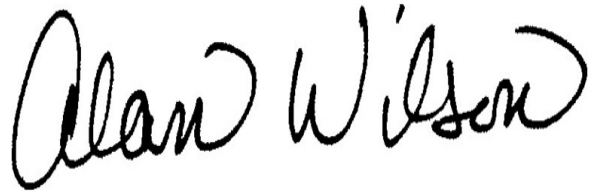
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Gentner Drummond
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South Carolina Attorney General



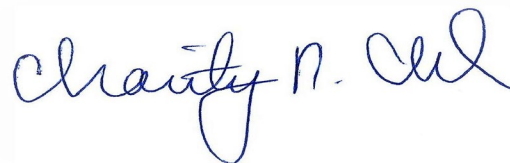
Marty Jackley
South Dakota Attorney General



Gordon C. Rhea
U.S. Virgin Islands Attorney General



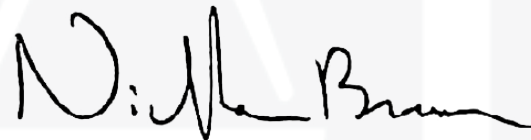
Derek Brown
Utah Attorney General



Charity Clark
Vermont Attorney General



Jason S. Miyares
Virginia Attorney General



Nick Brown
Washington Attorney General





John "JB" McCuskey
West Virginia Attorney General




Ryan Schelhaas (Acting)
Wyoming Attorney General

Exhibit A

**Joe Kernen**
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As we enter the final stretch of 2024, ... See more





WHATSAPP
Is the Market Heading Into a Correction? 🔥


 WhatsApp

  5


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**Joshua Brown**
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Hey investors, it's Joshua Brown here. ... See more



WHATSAPP
Top Stocks to Grab Before 2025! 📈

 WhatsApp

  2

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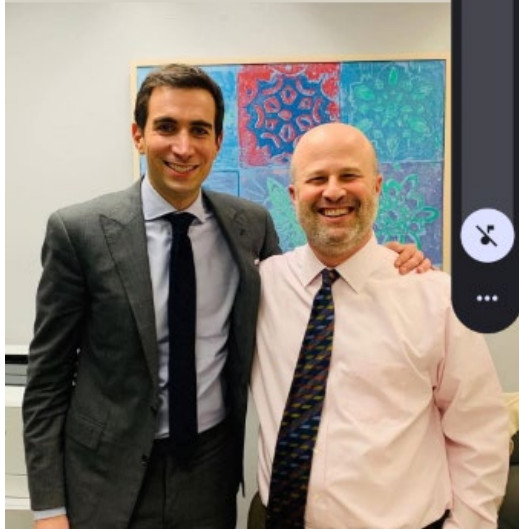
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Apple iPhone sales in China plummeted 47%,
Apple stock will fall below \$200 in February!... See
more

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WARNING: AI stocks are about to surg... See more



WHATSAPP

Unlock 20% Returns with These Top
AI Stocks – Get in Before the Rally!

WhatsApp

2

Like

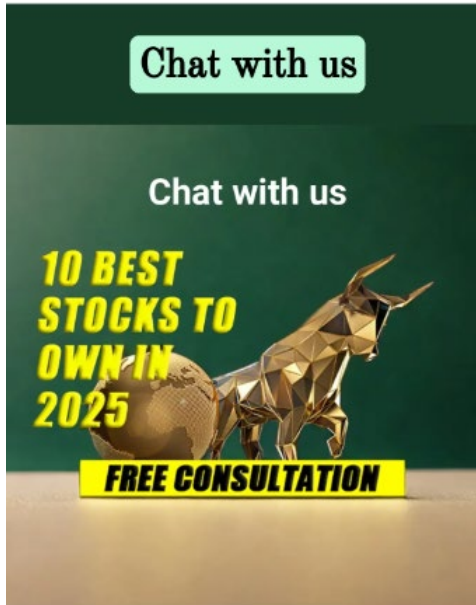
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Share

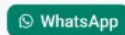


Deven McLaughlin

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WHATSAPP
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3



Joe Terranova

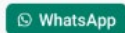
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Hey investors, it's Michael Hartnett ... See more



WHATSAPP
The Market Is On Fire, But Are You in the Right Stocks?



1



Like



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The final trading month of 2024 has ki... See more



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11

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Liz Ann Sonders

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


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