



PRESIDENT

**John Formella**  
New Hampshire  
Attorney General

PRESIDENT-ELECT

**William Tong**  
Connecticut  
Attorney General

VICE PRESIDENT

**Marty Jackley**  
South Dakota  
Attorney General

IMMEDIATE PAST  
PRESIDENT

**Letitia A. James**  
New York  
Attorney General

**Brian Kane**  
Executive Director

1850 M Street NW  
12th Floor  
Washington, DC 20036  
(202) 326-6000  
[www.naag.org](http://www.naag.org)

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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

### 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.

---

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

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

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

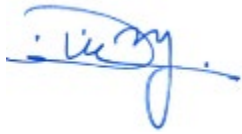
Sincerely,



Letitia James  
New York Attorney General



John M. Formella  
New Hampshire Attorney General



William Tong  
Connecticut Attorney General



Dave Sunday  
Pennsylvania Attorney General



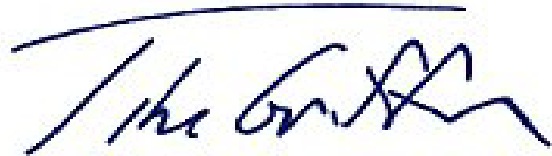
Treg R. Taylor  
Alaska Attorney General



Gwen Tauilili-Langkilde  
American Samoa Attorney General



Kris Mayes  
Arizona Attorney General



Tim Griffin  
Arkansas Attorney General



Rob Bonta  
California Attorney General



Phil Weiser  
Colorado Attorney General

A handwritten signature in black ink, reading "Kathleen Jennings".

Kathleen Jennings  
Delaware Attorney General

A handwritten signature in black ink, reading "Brian Schwalb".

Brian Schwalb  
District of Columbia Attorney General

A handwritten signature in blue ink, reading "Christopher M. Carr".

Christopher M. Carr  
Georgia Attorney General

A handwritten signature in black ink, reading "Anne E. Lopez".

Anne E. Lopez  
Hawaii Attorney General

A handwritten signature in black ink, reading "Kwame Raoul".

Kwame Raoul  
Illinois Attorney General

A handwritten signature in black ink, reading "Todd Rokita".

Todd Rokita  
Indiana Attorney General

A handwritten signature in black ink, reading "Brenna Bird".

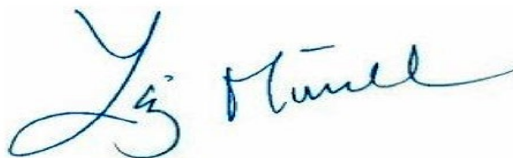
Brenna Bird  
Iowa Attorney General

A handwritten signature in black ink, reading "Kris W. Kobach".

Kris Kobach  
Kansas Attorney General

A handwritten signature in blue ink, reading "Russell Coleman".

Russell Coleman  
Kentucky Attorney General

A handwritten signature in blue ink, reading "Liz Murrill".

Liz Murrill  
Louisiana Attorney General



Aaron M. Frey  
Maine Attorney General



Anthony G. Brown  
Maryland Attorney General



Andrea Joy Campbell  
Massachusetts Attorney General



Dana Nessel  
Michigan Attorney General



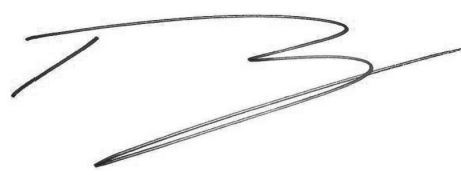
Keith Ellison  
Minnesota Attorney General



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



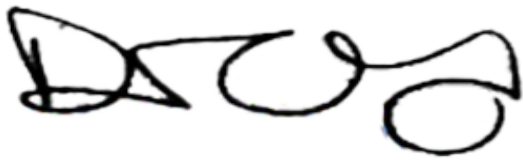
Drew H. Wrigley  
North Dakota Attorney General



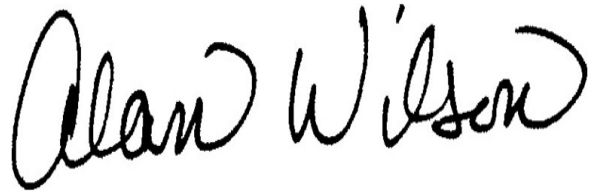
Dave Yost  
Ohio Attorney General



Gentner Drummond  
Oklahoma Attorney General



Dan Rayfield  
Oregon Attorney General



Alan Wilson  
South Carolina Attorney General



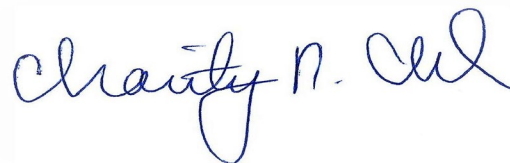
Marty Jackley  
South Dakota Attorney General



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



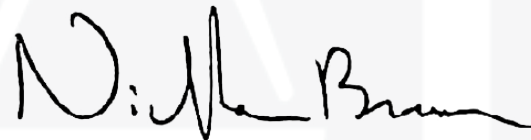
Derek Brown  
Utah Attorney General



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