

Santa Clara County Counsel Files Landmark Civil Prosecution Taking On Meta's Role in Massive Consumer Fraud

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Santa Clara County, Calif. (May 11, 2026) —Santa Clara County Counsel Tony LoPresti filed a landmark civil prosecution against Meta Platforms, Inc. The action, which is the first brought in California and the first brought by a local civil prosecutor in the nation, alleges that Meta knowingly facilitates and profits from billions of scam advertisements on its popular Facebook and Instagram platforms that defraud seniors and families and squeeze legitimate small businesses out of fair access to consumers.

The complaint, filed in Santa Clara County Superior Court, alleges that Meta is deeply aware of the scale of the problem, tracking up to 15 billion scam ads shown to users every day across its platforms and deriving an estimated \$7 billion in annual “violating revenue”—Meta’s internal term for revenue resulting from fraudulent or otherwise prohibited advertisements. According to the filing, Meta’s own systems flag ads that are likely scams but, instead of stopping those ads, the company charges scammers a premium price to run them, a practice that both facilitates and monetizes deception.

The lawsuit further alleges that Meta’s sophisticated artificial intelligence tools and high-tech programs actively target vulnerable consumers and contribute to creating and refining scam ads.

“Meta’s platforms have become a preferred hunting ground for scammers, and our lawsuit alleges that Meta not only knows it, but has put in place systems and tools to ensure it profits from it,” said LoPresti. “No corporation is above the law. As civil prosecutors in Silicon Valley, we cannot allow a tech company as powerful as Meta to continue perpetrating a worldwide scheme to deceive consumers.”

The complaint alleges that Meta has maintained a network of thousands of “Business Partners” that help scammers post their ads. Many of these Business Partners—characterized by Meta as “trusted” experts—openly advertise their ability to post scam ads on Meta’s platforms. The scams themselves run the gamut, including fraudulent financial products, cryptocurrency schemes, purported cures for incurable diseases, ineffective nutritional supplements, and impersonations of celebrities asking for monetary contributions.

“Behind every one of the billions of scam ads Meta runs each day, there are real people at risk. Too often, it’s the most vulnerable people who suffer the harshest impacts,” said LoPresti. “This lawsuit says what should be obvious: no amount of profit justifies treating our most vulnerable residents as acceptable collateral damage.”

Meta is accused of knowingly enabling and profiting from a vast ecosystem of scam ads, with internal documents estimating its platforms host a third of all U.S. internet scams and contributing to more than \$2.5 billion in losses for Californians in 2024 alone. Seniors are hit hardest—Californians over 60 lost more than \$800 million, and nationwide, older adults reported losses more than four times the average.

Meta’s practices allegedly flood its ad auctions with fraudulent ads that drive up costs for legitimate small businesses, while its AI tools generate and test thousands of ad variations in ways a Reuters investigation found can make ads significantly more misleading. According to the lawsuit, Meta’s algorithms then steer these deceptive ads toward people most vulnerable to harm, including users who previously clicked on scam ads, compounding losses among those least able to bear them. Meanwhile, the company publicly touts its commitment to safety but internally prioritizes revenue, including imposing “revenue guardrails” that limit enforcement against scam ads.

LoPresti is asking the Court to stop Meta’s unlawful practices through injunctive relief; to require restitution for money lost as a result of Meta’s actions; and to impose civil penalties, including enhanced penalties for violations affecting senior citizens and treble remedies available under California law to deter wrongdoing against vulnerable populations.

The complaint underscores Meta’s immense scale and capacity to protect the public if it chose to prioritize safety over its own profits and comply with the law: The company reported nearly \$201 billion in revenue in 2025, about 98% from advertising, and ad impressions continue to climb. The lawsuit argues that no company that large should be allowed to treat regulatory fines as a mere cost of doing business while Californians bear staggering financial and emotional losses.

The action is brought by the People of the State of California, acting by and through Santa Clara County Counsel Tony LoPresti, with the assistance of outside special counsel Bernstein Litowitz Berger & Grossmann LLP (BLB&G), Bishop Partnoy LLP, and Renne Public Law Group LLP.

“The factual record of misconduct in this case is extraordinary,” said BLB&G Partner Avi Josefson. “Meta doesn’t just fail to stop scam ads—it actively participates in creating them through its AI tools, profits from them through its ad auction system, and steers them toward the consumers most likely to be deceived. The evidence shows a company that had every tool at its disposal to protect the public and chose, again and again, to protect its bottom line instead.”

“We are honored to work alongside Santa Clara County Counsel LoPresti and the talented and dedicated lawyers in his office to pursue accountability and meaningful relief for Californians in this case,” added BLB&G Partner Anya Freedman. “Through our firm’s history, BLB&G has advanced novel legal theories to meet new forms of corporate

misconduct. This case demands exactly that kind of work. The complaint details how Meta used artificial intelligence, opaque auction systems, and deliberately weakened safeguards to facilitate billions of dollars in scam advertising, all while publicly promising the opposite.”

The case is *People of the State of California v. Meta* and the full complaint is available [here](#).