

United States Senate
WASHINGTON, DC 20510-3005

September 8, 2022

Mark Zuckerberg
Chairman and Chief Executive Officer
Meta
1 Hacker Way
Menlo Park, California 94025

Dear Mr Zuckerberg:

We write to request information regarding Meta's efforts to combat cryptocurrency scams on its social media platforms, including Facebook, Instagram, and WhatsApp. Based on recent reports of scams on other social media platforms and apps, we are concerned that Meta provides a breeding ground for cryptocurrency fraud that causes significant harm to consumers.

Data from the Federal Trade Commission (FTC) shows that scams involving cryptocurrency are becoming increasingly prevalent on social media. From January 1, 2021 through March 31, 2022, 49% of fraud reports to the FTC involving cryptocurrency specified that the scam originated on social media.¹ Alarmingly, these scams cost consumers a staggering total of \$417 million and take many forms, from "investment scams" where consumers are promised huge returns and have their investments stolen, to "romance scams" where fraudsters create fake profiles to build a relationship with their targets before scamming them.²

While crypto scams are prevalent across social media, several of Meta's sites are particularly popular hunting grounds for scammers. Among consumers who reported being scammed out of cryptocurrency on a social media website, 32% identified the scam as having originated on Instagram, 26% on Facebook, and 9% on WhatsApp.

Meta has previously acknowledged the potential for crypto scammers to operate on its platforms. In fact, in January 2018, Facebook banned crypto ads, claiming that "there are many companies who are advertising binary options, ICOs and cryptocurrencies that are not currently operating in good faith."³ At the time, you claimed this policy was meant to "make it harder for scammers to

¹ <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2022/06/reports-show-scammers-cashing-crypto-craze#crypto4>

² <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2022/06/reports-show-scammers-cashing-crypto-craze#crypto4>

³ <https://www.facebook.com/business/news/new-ads-policy-improving-integrity-and-security-of-financial-product-and-services-ads>

profit from a presence on Facebook.”⁴ This ban clearly shows that you understand the risks posed by this type of content to users. You later partially reversed the ban on crypto ads, and more recently expanded the list of regulatory licenses accepted in order to advertise cryptocurrency on Facebook and Instagram.⁵ A higher level of scrutiny is needed for this type of content.

As you said in your response to a May 12, 2020 letter from several Senators regarding misinformation, “...we have an important role to play in keeping abuse off our platform, especially when it comes to imminent harm, and we are committed to making Facebook a safe place for users.”⁶ Given this commitment, the rise of crypto scams on your platforms, and the harm they are inflicting on your users, we request that you respond with detailed information in writing to address the following questions by October 24, 2022:

1. What are Meta’s current policies and practices for proactively finding and removing crypto scammers from its social media platforms?
2. What is your procedure for verifying that crypto ads on Meta platforms are not scams?
3. What informed Meta’s decision about which regulatory licenses to accept for crypto advertisers, and how do you intend to maintain that list going forward?
4. When you receive reports of a scammer, please describe what policies you have in place to remove them from your platforms.
5. What policies and practices do you have in place to proactively protect users from scammers?
 - a. What measures does Meta take to educate users about the risk of crypto scams on its platform?
 - b. Does Meta provide warnings or educational material regarding crypto scams in any languages other than English?
6. What policies do you have in place for assisting victims of crypto scams on your platforms?
7. To what extent, if any, does Meta collaborate with law enforcement to track down scammers and fraudsters?

Thank you for your time and attention to this matter.

Sincerely,

⁴ *Id*

⁵ <https://cointelegraph.com/news/breaking-meta-expands-crypto-advertisement-eligibility-on-facebook>

⁶ <https://www.menendez.senate.gov/newsroom/press/menendez-hirono-warren-urge-facebook-to-take-immediate-actions-to-stop-covid-19-misinformation-in-languages-other-than-english>



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