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Virgin Islands Sues Meta, Alleging Consumer Fraud, Deceptive Practices, and Harm to Youth

The government alleges Meta allowed fraud and scams to flourish, misled users about platform safety, and knowingly exposed minors to addictive and harmful online environments while prioritizing profits over consumer protection.

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The Government of the Virgin Islands has filed a sweeping civil lawsuit against Meta Platforms, Inc., accusing the social media giant of engaging in deceptive business practices, facilitating fraud on its platforms, and causing harm to users—particularly minors—while prioritizing profits over consumer protection.

The lawsuit, filed in Superior Court by the Department of Licensing and Consumer Affairs (DLCA) and announced publicly by Attorney General Gordon C. Rhea, alleges that Meta knowingly allowed its platforms to be used to perpetrate widespread fraud and scams, misled consumers about safety measures, and failed to act even after internally acknowledging the scope of the problem.

According to the Department of Justice, Meta's own internal data showed that in 2025 the company generated approximately \$16 billion in revenue tied to fraudulent advertising, and privately acknowledged that its platforms were responsible for one-third of all successful scams in the United States. Despite those findings, the government alleges Meta continued to allow fraudulent activity to flourish.

The complaint, which heavily cites [Reuters reporting](#), asserts that Meta detected advertisements it believed were fraudulent and, rather than removing them, charged fraudsters additional fees for the ability to continue advertising. The lawsuit further alleges that Meta permitted scammers to exploit its algorithms and user data to target the most vulnerable users, amplifying financial harm.

Attorney General Rhea said the conduct alleged in the lawsuit represents a pattern of deception and disregard for consumer welfare. In announcing the suit, the Department of Justice stated that Meta "intentionally failed—despite public representations to the contrary—to crack down on fraudulent advertising citing potential impacts on profits."

Beyond fraud, the lawsuit also focuses heavily on the impact of Meta's platforms on children and teens. According to the DOJ, Meta adopted algorithms and platform designs that limited young users' ability to control their time online and fostered addiction, problematic use, anxiety, depression, self-harm, and suicide. The government alleges these harms were known internally but not disclosed to the public.

The complaint further states that Meta allowed its platforms—including its social media, messaging, and virtual reality services—to become "breeding grounds for predators who groom minors," while failing to implement meaningful safeguards to prevent exploitation.

The DLCA alleges that Meta's public assurances about safety, consumer protections, and fraud prevention were misleading and violated Virgin Islands consumer protection laws. The lawsuit seeks injunctive relief, civil penalties, restitution, and other remedies permitted under territorial law.

The Virgin Islands joins a growing number of jurisdictions nationwide pursuing legal action against Meta over alleged fraud, consumer deception, and harm to minors. Officials emphasized that the lawsuit is intended to hold the company accountable and deter similar conduct moving forward.

As of the filing, Meta had not responded publicly to the allegations outlined in the Virgin Islands complaint.