

Fake Facebook ads hit Minnesota clothing business, scam hundreds

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Credit: Unsplash/CC0 Public Domain

Daryl Vallad thought he was getting a great deal on an ice fishing flotation suit for \$60 rather than the usual \$300.

Instead, the Michigan man later realized he had fallen for a Facebook ad scam that looked like it came from WindRider in South St. Paul. But instead of receiving his winter apparel, he thinks he lost his money and [credit card details](#) to an impostor.

"It was one of those deals that's too good to be true," Vallad said.

He was one of more than 200 duped shoppers since November who have contacted WindRider, a direct-to-consumer manufacturer and distributor of fishing and outdoor apparel.

Efforts to reach Meta, the [company](#) behind Facebook, for a comment via phone, emails and the social media platform were unsuccessful.

WindRider owner Robert Sanberg noticed slowing sales generated from his Facebook ads during the first week of November when they normally take off as winter sports lovers snap up gear.

The next week, his company started receiving calls about purchases customers never received, but the order numbers didn't match the company's records and the prices were substantially less than the retail cost of his merchandise.

Sanberg learned about the phony Facebook ads after callers sent him screen shots. He repeatedly tried to stop them with the social media platform, a process that took days each time he learned of more fake ads. The complaints escalated to nearly 10 a day by Black Friday.

"Facebook doesn't seem to care about taking these down because they're not losing any money," Sanberg said. "They're generating money from these fake accounts."

Sanberg said he lost \$20,000 in revenue a day in late November and

early December and suspended his \$200,000 in Facebook advertising in November and December. Facebook typically drove 70% of November and December sales. He's now trying to figure out how to rescue his company's brand reputation after so many people mistakenly thought they'd shopped at WindRider and didn't receive purchases.

That can make a big difference in profitability for a [small business](#). Sanberg's company has five employees and annual revenue of about \$5 million.

Sanberg shared his story as a warning to consumers as well as other businesses and has turned to Massachusetts-based Allure Security for help tracking the fake ads.

"It is so prevalent, you wouldn't believe it," Allure Chief Executive Josh Shaul said.

Businesses can attempt to monitor the internet and social media for impersonators on their own, but the scammers can be difficult to find and stop, he said.

If a business works with an agency to buy social media advertising, Shaul said a representative from that agency can sometimes work to stop impostors if the agency represents a lot of buying power and has the right contacts at the platform.

Since Black Friday, Allure Security has seen a rise in new phony retail websites, including 120 claiming to sell Dr. Martens footwear, 118 impostors advertising Adidas and 92 fake Ulta Beauty websites.

"If there's a brand in a store at a mall," said Shaul, "you can guarantee that there's a scam impersonating them at [social media](#)."

The Minnesota Attorney General's Office has received complaints about deceptive ads "so unfortunately, this doesn't seem to be an isolated incident," spokesman Brian Evans said.

Evans encouraged anyone who believes they were the victims of a scam to file a complaint with the office. In some cases, that can launch an investigation or refer [criminal activity](#) to the right law enforcement agency.

Often, there's no quick fix. Experts suggested the best protection is to be on guard, and if something seems too good to be true, it probably is.

Consumers should avoid clicking on unfamiliar brand ads, check that a link brings them to the correct site, read online reviews of businesses and research them at the Better Business Bureau, which also is warning of impostor scams.

Use credit cards for online transactions so if something goes wrong, you can dispute the charges, Evans said.

"We hope Facebook will do more to protect businesses that are victimized by scam advertisements," he said.

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