

FAKE REVIEW FRAUD

Deceiving Consumers and Distorting Economies



“If it’s illegal IRL, it should be illegal to host it online.”

THE PROBLEM



People rely heavily on online reviews when choosing where to buy goods and services, according to multiple surveys. But the write-ups that help consumers choose restaurants, hotels or purchases -- or even select a new doctor -- are often fake.

FAKE



Faking reviews has become a booming business in itself, with thousands of

companies and individuals selling phony write-ups that appear under fake profiles or even real names. A thriving marketplace also exists for businesses to barter fake reviews with each other at no cost.



Businesses across numerous fields— including doctors, lawyers, dentists, home contractors, tax services, wedding DJ's, piano teachers, children's party entertainers, and dog walkers—are actively deceiving the very clients they rely on.



Fraudulent reviews are more deceptive and harmful than false advertising because consumers believe they are written by legitimate, unbiased customers.



Outdated U.S. technology laws provide immunity to Internet companies even when they knowingly host fake reviews. At the end of the day, cheaters and Big Tech profit, while consumers and honest businesses are the ones who get harmed.

THE SPECIFICS



Much of the buying, selling, and trading of fake online reviews occurs on Facebook. ACCO research has identified more than 50 Facebook groups encompassing about 100,000 members engaged in faking business reviews on Google, Yelp, and other sites. This is likely just the tip of the iceberg.



Seller groups are unambiguous about their intent, and have easily recognizable names like “All Type Review Exchange” and “Google & Yelp Reviews.” Many groups count thousands of business representatives, review sellers, and online marketers as members.



In some cases, small businesses barter reviews. An ACCO researcher has tracked a California psychiatrist who traded reviews with a tattoo parlor, a Wisconsin home inspector that bartered with a California lactation consultant, and a Virginia psychologist who traded with a Missouri education supply store.



In other instances, reviews are sold, often by online marketers based overseas, particularly in India and Bangladesh. Some are virtual “review factories,” managing vast networks.



Amazon also has a problem. A UK consumer advocacy group identified Facebook groups with more than 200,000 members involved in faking or incentivizing Amazon reviews. In these groups, sellers encourage potential buyers to purchase products through Amazon. Buyers then get reimbursed if they write a five-star Amazon review.



Review platforms are aware of the scale of fraud occurring but have little incentive to stop it, possibly because their revenue comes from ads paid by the businesses themselves.

HOW IT WORKS

Administrators establish Facebook Groups for trading or selling fake reviews for Yelp, Google, Trip Advisor and other review sites.

Businesses usually write their own reviews and then send them—via Facebook Messenger — to the fake reviewer.



Businesses connect with each other to barter, or hire review sellers to produce fake reviews.



The reviews get posted online, and are often duplicated across multiple platforms.



Fake It to Make It:



Some review sellers and online marketers establish multiple fake profiles to post reviews.



Some fake reviewers organize networks of real people who post reviews, such as a California marketer who has a cadre of college-age kids posting Yelp reviews for cash.



Prices for fake reviews vary widely depending on review platforms. Fake Yelp Elite reviews can sell for up to \$50 —occasionally even for \$100. Reviews sold in bulk by foreign sellers can sell for less than \$1 per review.

LEARN MORE

Find ACCO research and media coverage at www.couneringcrime.org.



Alliance to Counter Crime Online

KEY FACTS AND FIGURES

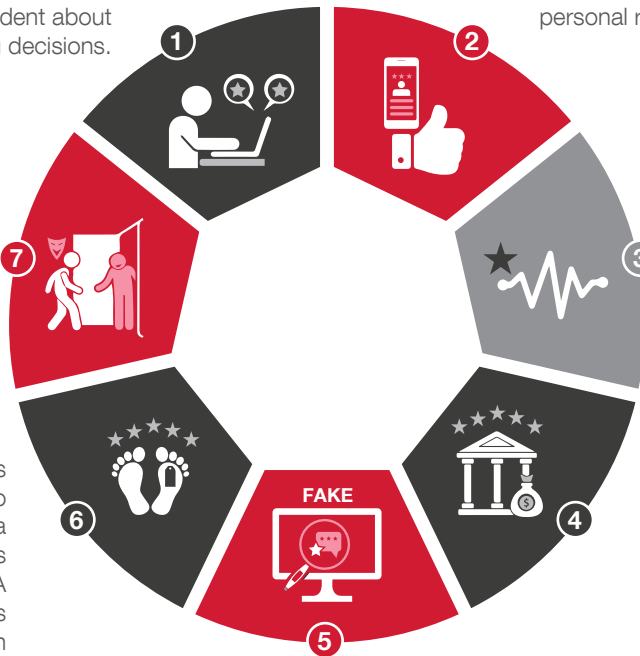
A 2018 Pew study found that 93 percent of U.S. adults used online reviews and ratings when buying something for the first time, and that **88 percent** say online reviews and ratings make them feel confident about their purchasing decisions.

A 2018 survey by online marketer BrightLocal reported that **91 percent** of U.S. adults under age 35 trust online reviews as much as personal recommendations.

Building contractors writing their own fake reviews is another huge problem, with people spending tens of thousands of dollars and inviting strangers into their homes based on fraud.

According to FTC Commissioners Rohit Chopra and Rebecca Kelly Slaughter, “Fake reviews distort our markets by rewarding bad actors and harming honest companies. The problem is growing, and the Federal Trade Commission should attack it.”

The ramifications of fake reviews can be severe. One man who relied on online reviews to find a surgeon died as a result of his botched hernia surgery. A psychiatrist who fakes reviews threatens patients with legal action if they write negative reviews.



Fort Lauderdale business litigation attorney Jonathan Pollard says fake reviews “control literally billions of dollars’ worth of business.”

ACCO research has identified dozens of medical, dental and mental health practices, and attorneys posting fake reviews, including multiple cases where businesses used fake reviews to cover up bad reviews.

CURRENT LAW



Fraudulent reviews constitute unfair or deceptive acts or practices that impact commerce in violation of Section 5(a) of the Federal Trade Commission Act. Soliciting for, selling, or writing fake reviews also violates the community standards of many review platforms, including Facebook, Google and Amazon.

Fraudulent reviews increase traffic on review platforms giving tech firms little incentive to aggressively police them. Section 230 of the 1996 Communications Decency Act grants expansive immunity to tech platforms for hosting user-generated content. Courts have even found companies that knowingly hosted illegal content to be exempt from liability.

PROPOSED LEGAL REFORM

ACCO proposes reforming CDA230 to clarify that its protections apply to speech, not illicit commerce, and urges Congress to properly resource the Federal Trade Commission to crack down on review fraud.

Lawmakers should reform CDA230 to shift the responsibility for monitoring Internet platforms for fraudulent reviews to tech firms. Laws should regulate that these firms provide evidence of fraudulent activity to law enforcement or regulators. If this reform doesn't occur, fake reviews will continue to skew the marketplace, deceiving millions of consumers and harming honest businesses.

[LEARN MORE](#)

Find ACCO research and media coverage at www.counteringcrime.org.



Alliance to Counter Crime Online