

FACEBOOK IS AN EPIC FRAUD

Facebook claims a third more users in the US than people who exist

Are we looking at an advertising house of cards?

By [Kieren McCarthy](#) in San Francisco

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Facebook promises advertisers access to more US customers than actually exist.

That's according to an investment analyst who had long held that Facebook is misleading the market on what its actual digital reach is, and recommends a "sell" on the social media giant's stock.

Facebook has an extensive and sophisticated ad-buying system that assures potential advertisers it can reach no fewer than 41 million of a core target group of 18 to 24-year-olds in the United States.

The only problem, analyst Brian Wieser of Pivotal Research Group pointed out in a note to customers, is that there are only 31 million of them that actually exist in the US, according to the official census data. The same gap in reality also holds for other groups, including the next most-targeted group of 25 to 34-year-olds.

There are very few independent checks on the accuracy of information and data provided by Facebook, Google and other digital companies that monetize their huge user bases by offering targeted advertising.

Facebook is also renowned in the ad-buying business for being a black hole, particularly when it comes to things like paying for Facebook to get Facebook users to "like" your Facebook page – a circular money flow that boggles the mind.

But for those hoping to target millennials, the company's ubiquity is a good solution to a hard-to-reach group that does not use traditional media such as TV or radio anywhere near as much. Claiming more users than actually exist is a stretch even by Facebook's standard, however.

By design

Of course, Zuckerberg's Monster has an answer for why this isn't a problem. The audiences it offers to advertisers are only estimates that do not match real-world figures "by design" according to the company, because they account for a "number of factors, including Facebook user behaviors, user demographics, and location data from devices."

Say that again?

The estimates "are designed to estimate how many people in a given area are eligible to see an ad a business might run," the company said in a statement. "They are not designed to match population or census estimates."

How do you say 'whoops!' in Russian?

Facebook admitted to congressional investigators it sold web ads during the US presidential election to a Russian company seeking to target American voters, it was [reported](#) Wednesday.

What does that mean in plain English? One of two things. Either Facebook knows better than the US government who is actually living in the country (tens of millions of illegal immigrants and tourists maybe?), or the website is flooded with fake profiles. We're willing to bet on the latter.

Despite recent often-criticized efforts to get its users to supply their real personal data, Facebook is still almost entirely reliant on users to self-report their age, sex, location and other information. There is also nothing to stop anyone from creating fake personas or profiles. So the question is: how many profiles are fake? It could be as high as half of them.

As has been noted repeatedly in recent years, on social media you may be spending much of your time and your advertising money talking to computer-generated bots that exist solely to game systems and boost specific posts or articles. As we saw with the [fake news controversy](#) earlier this year.

The problem is that Facebook has a massive financial incentive to present the highest possible figures. While Facebook does not charge per estimated audience but by user view, every ad view and click equates to real dollars.

It is a fair bet that when a company claims it has 32 per cent more users than actual live people, a big chunk of your advertising dollars is going down straight into the platform's pockets with nothing in return.

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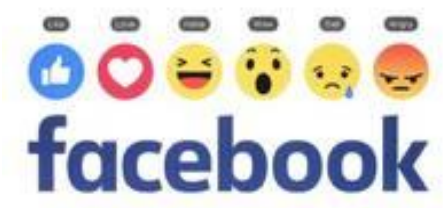
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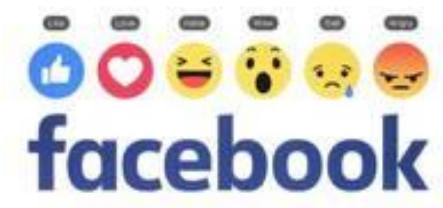
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