

Memos: Facebook allowed 'friendly fraud' to profit from kids

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Newly released court documents reveal that Facebook allowed children to ring up huge bills on digital games while the company rejected recommendations on addressing what it dubbed "friendly fraud."

The internal Facebook memos and other records were unsealed late Thursday. They were part of a lawsuit centered on allegations that Facebook knowingly gouged teenagers by permitting them to spend hundreds of dollars buying additional features on games such as "Angry Birds" and "Barn Buddy."

The documents show Facebook considered measures to reduce the chances of kids running up charges on parents' credit cards without their knowledge. But the documents say Facebook didn't adopt them for fear of undercutting revenue.

A Facebook statement didn't address its rejection of the recommendations. Instead, Facebook says it has offered refunds and changed its practices.

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