

Google hit with lawsuit alleging fraud in ad-scam refunds

December 15 2017, by Ethan Baron, The Mercury News

Online advertising agency AdTrader has sued Google in federal court, accusing it of fraud and deceit for not refunding or crediting advertisers whose ads were targeted in scams.

The agency claims Google made "fraudulent promises" of refunds, while the [company](#) just kept the money.

None of the claims have been proven. Google said the company had not reviewed the lawsuit.

AdTrader claims that after Google withheld almost \$500,000 it owed the ad agency over fraudulent ad traffic, Google responded—the same way it has to hundreds of thousands of publishers for many years—that it wouldn't pay the money because it had already given it to the affected advertisers.

"What Google apparently forgot, however, was that AdTrader also helps companies place online advertisements on various advertising platforms," says the lawsuit, filed in U.S. District Court for Northern California. "AdTrader and its advertising clients, using a Google product called DoubleClick Bid Manager, had placed some of the ... advertisements that ran on the websites of AdTrader's publishers.

"Thus, Google's explanation that it had refunded all of AdTrader's withheld earnings back to Google's advertisers rang false, because neither AdTrader nor its [advertising](#) clients received any refunds."

AdTrader is seeking unspecified damages.

Google said it had recently announced that its policy of refunding advertisers for invalid traffic "is currently being expanded to include ads purchased via DoubleClick Bid Manager."

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Citation: Google hit with lawsuit alleging fraud in ad-scams (2017, December 15)
retrieved 22 September 2024 from
<https://phys.org/news/2017-12-google-lawsuit-alleging-fraud-ad-scams.html>

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