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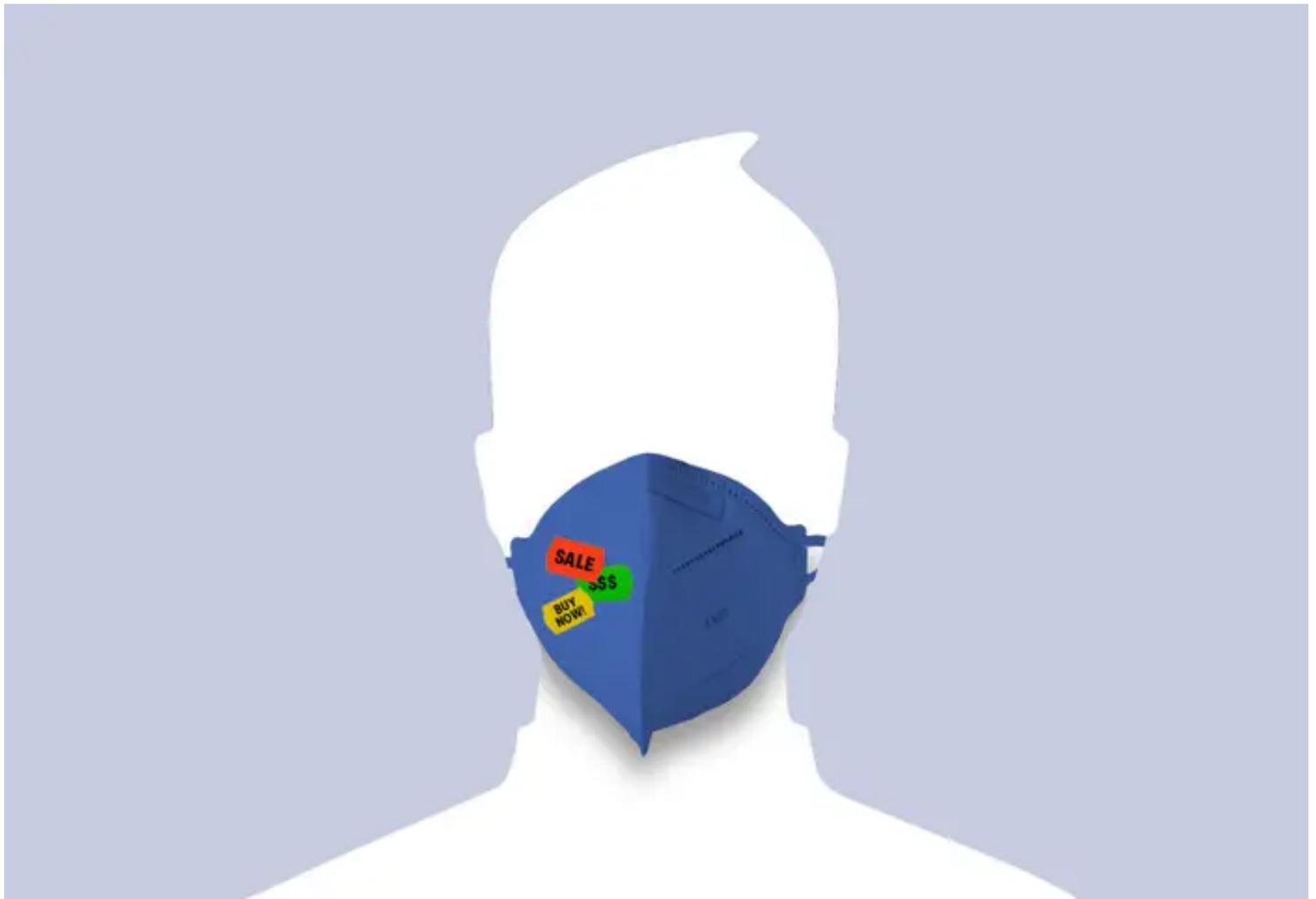
TECH / CORONAVIRUS

Facebook Banned Mask Ads. They're Still Running.

Using misleading Facebook pages and deceptive ads, ZestAds sold coronavirus masks at wildly inflated prices.

By **Craig Silverman**

Posted on May 13, 2020, at 4:33 p.m. ET



George Michailow was browsing Facebook on April 1 when he saw an ad for a forbidden product — a face mask.

Three weeks earlier, Facebook had banned ads for masks, over price gouging and first responder shortages. But when Michailow saw the video ad for the “MediCare Reusable Surgical Mask,” it seemed legit — and he was desperate.

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“I'd been asked to get some masks for senior members of my church and I saw an opportunity to get them,” Michailow, the volunteer treasurer of his Virginia Beach church, told BuzzFeed News.

He bought 10 for \$227.90.

An hour later, he was shown *another* Facebook video ad for masks. “They looked like better-quality masks,” he said, so Michailow bought three “AeroShield N95 Masks” for \$118.95.

None of the masks, from either order, ever arrived. And contrary to what he thought, he didn't buy from two separate US companies. Instead, PayPal receipts show the purchases came from the same entity: ZestAds, a company registered in Hong Kong with headquarters in Malaysia.

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Founded in 2015, ZestAds sources cheap electronics, clothing, and household products from China to sell around the globe using slick and at times misleading Facebook ads. On its website, ZestAds claims to be one of the top e-commerce companies in Asia.

Since March, the company has made a mockery of Facebook's ban by running ads that dangerously claimed its masks would "fully protect" from the virus, cited a fake expert, and falsely listed US companies as behind the ads.

Facebook's inability to enforce its mask ad ban is a symptom of the company's larger failure to police the scammers and shady e-commerce operators who use its powerful ad targeting tools to rip off people at scale.

BuzzFeed News provided Facebook with a list of close to 100 pages linked to ZestAds, as well as examples of mask ads run by the company. After an investigation, the company said it has banned ZestAds from its platform.

"We have removed Zest Ads and their network, and sent them a Cease and Desist notice," said Rob Leathern, director of product management at Facebook. "We barred several of their accounts and Pages from running ads for violations months ago, and they've now attempted to sidestep our enforcement by creating new ad accounts, domains and pages. We will continue to investigate and remove other affiliated entities."



ZestAds' offices

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ZestAds said last year it paid Facebook more than \$20 million to run ads for drones, weight loss patches, and security alarms.

They promised high-quality products but rarely delivered on the pledge, if orders ever arrived, according to customers.

Irate customers claimed in online forums and told BuzzFeed News that what they bought never arrived or barely resembled what was advertised, sharing their complaints about nondelivery, poor quality, overcharging, unauthorized recurring payments, and other dishonest practices dating back to at least 2017.

Nevertheless, its business seems to have flourished. A ZestAds employee boasted on his LinkedIn profile that he generated more than \$50 million in online sales in a single year. The company, which was founded by Tan Ming Hwa, Lee Meng Han, Yue Guan Sheng, and Sireerat Lotharakul, employs roughly 100 people at its Kuala Lumpur headquarters, with others working out of an office in Taipei, Taiwan. And it's largely thanks to Facebook. A recent ZestAds job posting described the company as focused "mainly in Facebook Advertising."

ZestAds cofounder Tan Ming Hwa declined an interview, but defended the company in a statement. "Our attention has been drawn to spurious allegations making the rounds online and on social media regarding the company's online sales that aim to damage the business reputation of ZestAds and its management," it read, adding that the company had 50 of people working in customer service, and that its "collaboration with Paypal reassures customers of their eligibility for a 'full refund if an order isn't as significantly described, or doesn't arrive at your doorstep.'"

As the coronavirus pandemic ravaged the globe in March, ZestAds began producing Facebook ads for masks to capitalize on the panic, according to an employee who requested anonymity to speak freely about the company. They estimated the company had produced more than 30 different Facebook video ads for masks, targeting the United States.

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“Since it is corona time, most of the [video ads] that [we] push are for face masks,” said the employee.

They expressed surprise that so many Americans found the ads convincing. “The question that really baffles our minds is how Americans can actually believe the prices,” they asked.

Examples of ZestAds mask ads on Facebook

Facebook

“**Stop buying face masks now!**” warned the video ad placed on March 22 via a Facebook page called “Dontgoout.”

The ad continued with a slew of false claims, such as saying the “C.D.C Surgeon General” warned that normal face masks wouldn’t help stop the spread of the coronavirus. There is no CDC Surgeon General, and if there were, such a suggestion would fly in the face of the scientific consensus that masks work. The ad hawked the “N95 BreathPro mask,” which it falsely called the “only face mask in the world that can fully protect you from bacteria and viruses.”

The video said the mask's creator was “Advanced Materials Professor” Hiroshi Mikitani, described as the largest surgical mask manufacturer in Japan. No such person exists, although Hiroshi Mikitani is the name of the billionaire Japanese founder and CEO of e-commerce site Rakuten.

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The online store that the ad and the page promoted, happysharings.com, is one of roughly 200 ZestAds stores and related pages identified by BuzzFeed News.

Ads like the one for the N95 BreathPro convinced Michailow and others to buy masks. “I’m a skeptic, too. I tried to do due diligence,” he said, noting that the ad he saw promised “PayPal Buyer Protection.” (A PayPal spokesperson declined to comment on this.)

After waiting weeks for his masks with no sign of them, Michailow searched online for more information about ZestAds, the company listed on both his PayPal receipts. He found posts in a Facebook group for people who say they were scammed, and saw hundreds more on websites such as complaintsboard.com, paypal-community.com,

and [scampulse.com](https://www.scampulse.com). One angry customer even created a video to warn people about the company. Like Michailow, people said they made the purchase from online stores with strange URLs, like [lifelyessence.com](https://www.lifelyessence.com), [gadget-leaks.com](https://www.gadget-leaks.com), or [trinityvibe.com](https://www.trinityvibe.com). But no matter what the URL was, when the payment was processed, the PayPal receipt listed ZestAds.

"I figured if it's on Facebook and I'm paying through PayPal, it must be legitimate."

Randy Smith is one of those customers. The Round Rock, Texas, foster father works with a nonprofit that places young people in homes after they're released from juvenile detention. He bought four masks.

"I wanted to have a mask that I could wear and use over again to keep safe," he told BuzzFeed News. "I got on Facebook and I saw repeated ads for this mask and clicked on it. I figured if it's on Facebook and I'm paying through PayPal, it must be legitimate."

He paid \$169.89 for 4 masks and 10 replacement filters. They never arrived.

"Every person I have talked to, every complaint that I have seen, it's a Facebook ad that people saw," Smith said.

Jane bought two masks from ZestAds in April after seeing "a very slick, nice ad" on Facebook. She's been caring for her 99-year-old mother in Massachusetts since the lockdown began and needed a mask to protect herself while running errands.

Jane, who asked not to be named to protect her privacy, said it was hard for her to get approved to run Facebook ads for local political groups, yet ZestAds was easily able to easily reach her with mask ads. "I had to go through hell to get authorized," she said.

Misleading ads are part of ZestAds' strategy. In an ad for a weight loss patch, the company made false claims about real American police officers, including that one had accidentally killed a child. "This is not me and I do not support or endorse this

product," wrote the actual police officer on Facebook after he noticed that his image was being used.

Facebook removed the ad on May 12 as part of its enforcement against ZestAds.

ZestAds also subverted Facebook's recently introduced page owner transparency process. Multiple Facebook pages linked to ZestAds falsely listed real companies as their "Confirmed Page Owner." For example, the "Dontgoout" page that advertised the N95 BreathPro listed its owner as Gamber-Johnson, a supplier of communications systems accessories in Stevens Point, Wisconsin.

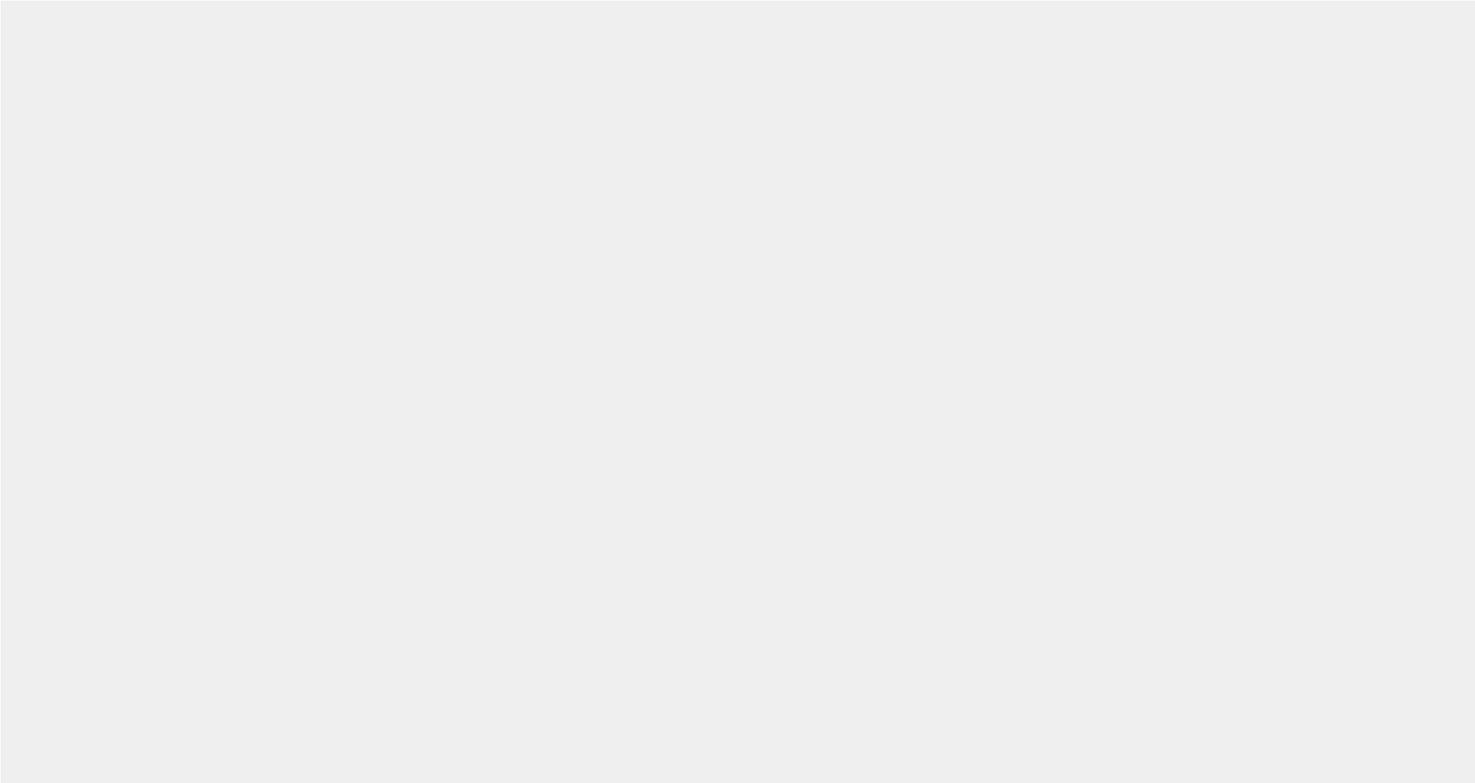
"It's not us, our name was not verified, and the page is not under our control," Gamber-Johnson CEO Brian Wagner told BuzzFeed News.

Scott Frederick, the vice president of marketing of Logistics Plus Supply Chain Solutions in Erie, Pennsylvania, told BuzzFeed News his company was unaware that the name of its subsidiary was listed as the owner of a page called "Logistics Plus 04."

"It looks like somebody was trying to imitate us in some way," he said.

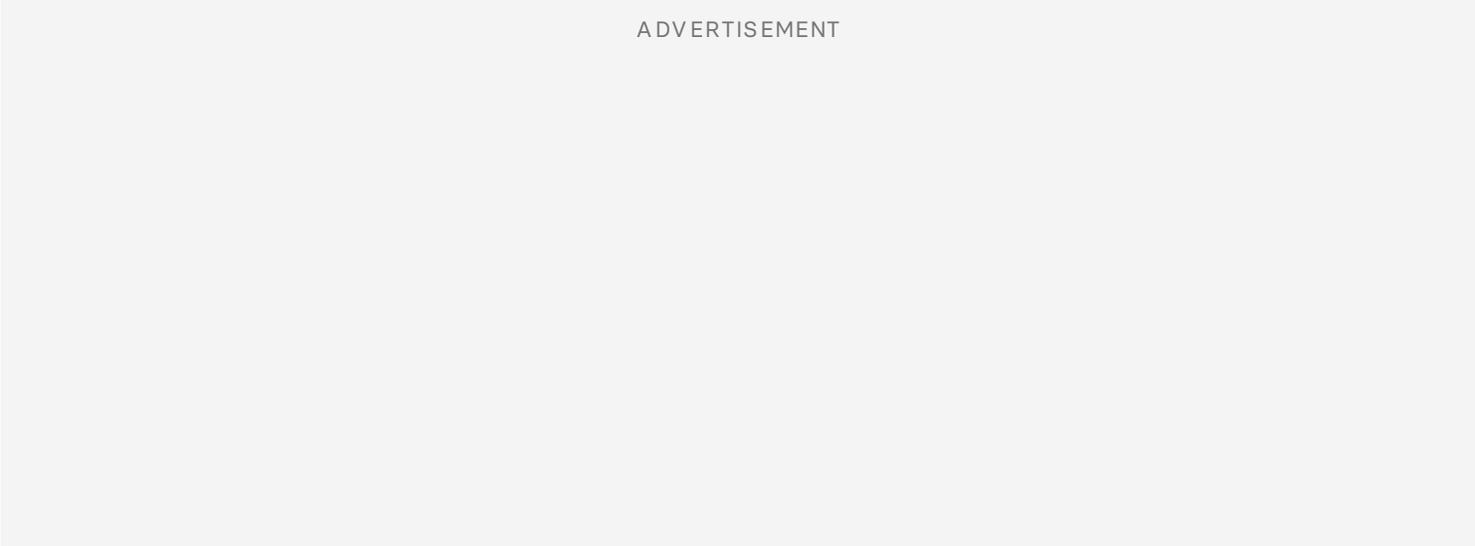
Other companies falsely listed as the owners of ZestAds-controlled pages include a defunct Washington state photography studio, a Czech auto sales website, a food market in Massachusetts, and a Singapore company that allegedly ran a multilevel marketing scam in India years ago.

The mask ad on the "Dontgoout" page remained online for almost two months until BuzzFeed News asked Facebook about it. It was removed as part of the social network's action against ZestAds.



Ads for products from various other ZestAds properties.

Facebook



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Other companies that ZestAds worked with have begun to move against it as well.

On May 8, in response to questions from BuzzFeed News, a Shopify spokesperson said the company was removing ZestAds stores over what it said are violations of its acceptable use policy. “False or deceptive promotion of listed products and price gouging are violations of Shopify’s AUP and not aligned with our mission to make commerce better for everyone,” the spokesperson told BuzzFeed News.

A PayPal spokesperson said it was aware of customer complaints about ZestAds but declined to comment on the company.

“We are aware of challenges that many merchants are experiencing during these unprecedented times. Our teams are actively monitoring the situation and working tirelessly to protect our customers against substandard or fraudulent sales activity,” the statement said. “PayPal takes these matters seriously, and we encourage customers who have an unsatisfactory transaction to submit a Customer Service request in their PayPal account or to contact Customer Service directly.”

While ZestAds’ Facebook e-commerce operation and Shopify stores appear to be at least temporarily shut down, those who say they were suckered into ordering masks don’t expect to ever receive them — or to get refunds from the company.

Some people, like Michailow, were able to get a refund through their credit card companies. Many customers said PayPal was unhelpful.

Smith said he’s in touch with other victims and with lawyers to see if they can file a class action suit against ZestAds or platforms like Facebook and PayPal.

Michailow has one clear takeaway from the experience: “I’ll never buy anything from a Facebook ad again.” ●

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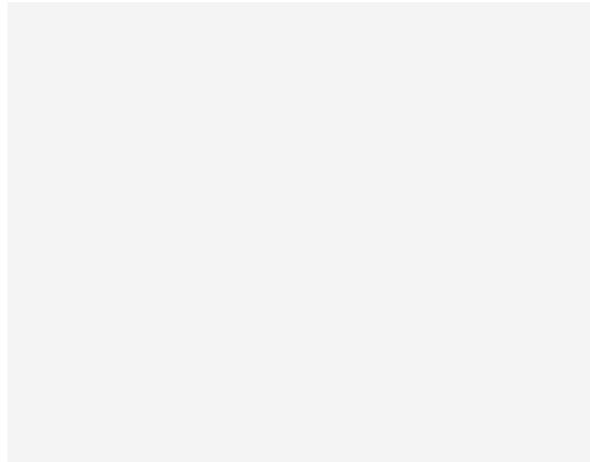
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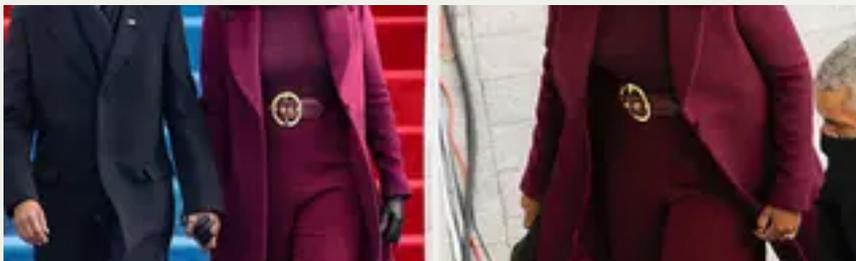
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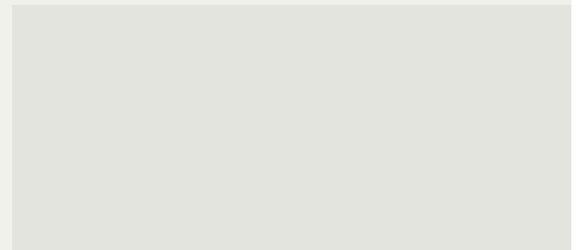
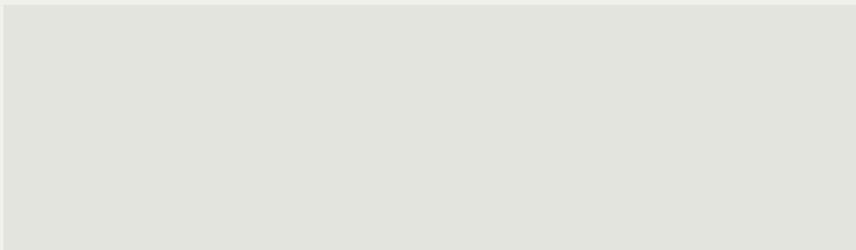


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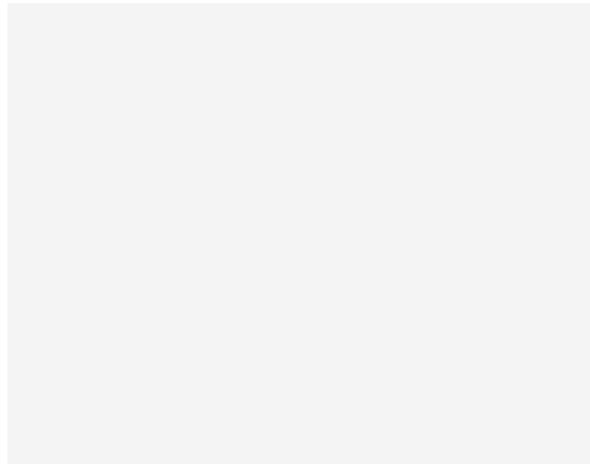
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