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## **FTC Takes a Jab at AI-Enabled Sitejabber for Deceptive Consumer Reviews**

On Nov. 6, 2024, the Federal Trade Commission (FTC) released an [administrative complaint](#) and accepted a [proposed consent order](#) resolving claims against GGL Projects, Inc., an AI-enabled customer review platform that does business as Sitejabber. The FTC alleges that Sitejabber provides its ecommerce clients with the ability to (a) collect ratings and reviews from consumers at the time of purchase of various products and services, but before such products have been delivered, and (b) then post that content as reviews of the products or services themselves—that is, as ratings and reviews of products or services that the consumers, in fact, had not yet received or used.

Pointing to those allegations, the FTC alleges Sitejabber violated Section 5 of the FTC Act by (1) making false and misleading representations regarding its clients' ratings and reviews and (2) furnishing its clients with the "means and instrumentalities" to make false and misleading representations regarding their rating and reviews.

"Platforms don't have free rein to mislead people about the consumer reviews shown for companies and their products," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection, in a [press release](#) announcing the consent order. "Along with our [rule on fake reviews and testimonials](#), cases like this one show that we'll act to stop all forms of deception in the review ecosystem."

## Background

Sitejabber is an AI-enabled customer review platform. While Sitejabber hosts businesses' profile pages on its website for free, businesses may also purchase additional services from Sitejabber, including marketing tools, instant survey tools, and social media services.

In its administrative complaint, the FTC alleges that Sitejabber provides its ecommerce clients with the ability to collect point-of-sale ratings and reviews from their customers and then post those ratings and reviews as if they were ratings and reviews from people who had used the products or services, even though they were not.

According to the FTC's administrative complaint, Sitejabber's conduct can "mislead consumers into believing that a business's high review count and high rating means thousands of customers have had positive experiences with the business's products or services, when in fact the ratings and reviews displayed reflected in many cases only customers' experience shopping on the business's website."

## The Proposed Consent Agreement

The FTC's proposed consent order would be in effect for 20 years and prohibit Sitejabber from, among other things:

- Misrepresenting, or assisting anyone else in misrepresenting, that the reviews or ratings, including average or number of reviews or ratings, are based on actual customer experience with a product or service.
- Making, or assisting anyone else in making, any misrepresentation about any reviews, ratings, or average ratings it collects, moderates, or displays.
- Providing others with the means or instrumentalities to misrepresent, whether express or implied, customer ratings and reviews.

The Commission voted 5-0 to issue the Sitejabber administrative complaint and to accept the proposed consent agreement, with Commissioners [Andrew Ferguson](#) and [Melissa Holyoak](#) issuing separate statements.

Commissioners Ferguson's and Holyoak's separate statements attempted to distinguish the FTC's means-and-instrumentalities claim against Sitejabber from its recent means-and-instrumentalities claim against another AI-enabled customer review platform, Rytr, where both commissioners dissented.

Commissioner Ferguson explained that Sitejabber's "alleged business practices . . . are very different from Rytr's," because Sitejabber's instant survey tools "served no purpose other than to deceive consumers" such that "Sitejabber's very purpose in offering the widgets was to assist its clients in deceiving consumers."

Striking a similar note, Commissioner Holyoak stressed that, while "Rytr provided a neutral review-writing tool that may have been used deceptively in some instances," Sitejabber "allegedly designed, distributed, and deployed" its instant survey tools "to mislead consumers about what product ratings signified."

In other words, Commissioners Ferguson and Holyoak argue that the "mere fact that someone could use a product to commit fraud does not make that product the means and instrumentalities to commit fraud,"

and the “provision of a product or service with potential unlawful uses is not the provision of the means and instrumentalities to violate Section 5 [of the FTC Act].”

Instead, to establish a means-and-instrumentalities claim, Commissioners Ferguson and Holyoak argue that the Commission must be able to demonstrate that: (1) the instrumentality in question has few or no legal uses; (2) the provider of the instrumentality had the purpose of facilitating a violation of Section 5; or (3) the provider knew, or had reason to know, that the person to whom the product or service was supplied would use it to violate Section 5.

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