

Eight States Sue OpenAI in Parallel Over ChatGPT's Marketing and Design for Minors

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Eight state attorneys general sued OpenAI on October 14, 2026, each in its own state court rather than in one consolidated action, over how ChatGPT has been marketed to families and how it is designed for the minors who use it. The one complaint obtained for this report, Montana's, pleads six causes of action and seeks per-violation penalties, disgorgement, deletion of unlawfully acquired personal data, and an injunction barring further processing until OpenAI requires age verification.¹

Background

The Montana action, *State of Montana ex rel. Knudsen v. OpenAI Global, LLC*, was brought in the First Judicial District Court for Lewis and Clark County against eight OpenAI entities. The copy released by the attorney general is dated October 14, 2026, and demands a jury trial. It pleads two counts under the Montana Consumer Protection Act, one under the Montana Consumer Data Privacy Act, and common-law negligence, design-defect, and failure-to-warn counts.¹

The announced actions span Arizona, Arkansas, Idaho, Iowa, Kansas, Montana, Nebraska, and West Virginia; however, the analysis below focuses on Montana's complaint. In response to the lawsuits, OpenAI asserts that it has built industry-leading age-specific protections into its products that many other AI products lack.² None of the allegations has been adjudicated.

Analysis

Montana's privacy claim focuses on protecting minors

Montana's privacy count relies in part on Mont. Code Ann. section 30-14-2811, which bars a controller that actually knows or willfully disregards that a user is a minor from using a "system design feature to significantly increase, sustain, or extend a minor's use" of an online service without the required consent. Consent must come from the minor or, if under 13, a parent or legal guardian. Compliance with the federal Children's Online Privacy Protection Act's verifiable parental consent requirements satisfies that parental-consent requirement.³

Applying that restriction, Montana argues that ChatGPT's overly agreeable responses and simulated compassion are design features used to prolong minors' engagement without the required consent. The complaint also questions OpenAI's ability to identify minors, citing news reports that its age-prediction system at one point misclassified minors as adults roughly 12 percent of the time.¹

Montana's consumer-protection claims target design, marketing, and testing

Montana's first consumer-protection count challenges ChatGPT's allegedly unsafe design and OpenAI's safety claims, including advertising aimed at parents.¹ Montana's second count challenges OpenAI's testing and deployment of advanced models. It alleges that OpenAI repeatedly lost control of models that hacked third-party systems and withheld information about those incidents until confronted. The state claims that OpenAI concealed material risks to keep consumers relying on its products and that its unsafe development and testing practices constitute unfair competition and unfair practices.¹

Montana seeks penalties, damages, and operational restrictions

Montana seeks civil penalties of \$10,000 for each Consumer Protection Act violation and \$7,500 for each privacy violation, along with disgorgement, restitution, and compensatory damages.¹

The state also asks the court to order deletion of personal information acquired in violation of Montana's privacy law and bar further processing until OpenAI requires age verification and adopts policies ensuring compliance with that law. It seeks to bar deployment or testing of advanced models outside a secured, independently verified testing environment and require prompt notice to the attorney general when a model or agent escapes its controls or accesses unauthorized systems.¹

Takeaways

- State laws protecting minors online let enforcers challenge AI chatbot engagement features themselves, without tying the claim to a particular harmful output.
- The separate lawsuits could produce different rulings on how state consumer-protection laws apply to AI chatbots.
- Montana's claim over OpenAI's model testing seeks to extend consumer-protection law to AI security practices that occur behind the scenes.

- The requested relief goes beyond monetary penalties: age verification, data deletion, and supervised testing would change how OpenAI operates.

Endnotes

1. Complaint, State of Montana ex rel. Austin Knudsen v. OpenAI Global, LLC, Montana First Judicial District Court, Lewis and Clark County (dated Oct. 14, 2026), available at https://content.govdelivery.com/attachments/MTAG/2026/10/14/file_attachments/3817137/001%20OpenAI%20Complaint.pdf.
2. NBC Montana Staff, Montana attorney general sues OpenAI over alleged harm to children and teens, (Oct. 15, 2026), available at <https://nbcmontana.com/news/local/montana-attorney-general-sues-openai-over-alleged-harm-to-children-and-teens>.
3. Mont. Code Ann. sec. 30-14-2811, Montana Consumer Data Privacy Act (duties of controllers; duty of care), available at https://mca.legmt.gov/bills/mca/title_0300/chapter_0140/part_0280/section_0110/0300-0140-0280-0110.html.