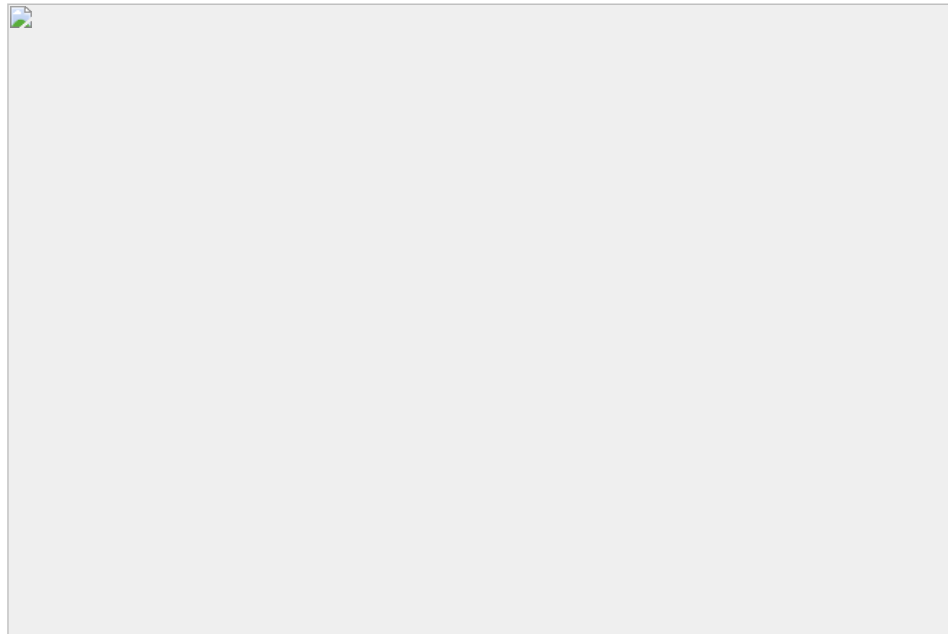


Google, Facebook, Huffpo, NYT, Newsweek, IBT Buying Traffic And Engaging In Ad Fraud

"News" websites are buying and manipulating traffic that originates on pirated video streaming sites. Companies acknowledged buying traffic, but deny engaging in ad fraud even though it is obvious they are.

Craig
Silverman

Craig Silverman
BuzzFeed News Media Editor



Pathmatics / IBT

The publisher of Newsweek and the International Business Times has been engaging in fraudulent online traffic practices that helped it secure a major ad buy from a US government agency, according to [a new report released today](#) by independent ad fraud researchers.

IBTimes.com, the publisher's US business site, last year won a significant portion of a large video and display advertising campaign for the Consumer Financial Protection Bureau, a federal agency. Social Puncher, a consulting firm that investigates online ad fraud, alleges in its report that the ads were displayed to an audience on IBTimes.com that includes a significant amount of "cheap junk traffic with a share of bots."

The CFPB's ad budget was the subject of criticism from Republican lawmakers after the Daily Caller reported last year that it had awarded more than \$40 million in contracts to a single ad agency, GMMB, which is one of the top Democratic media strategists. (A portion of money in those contracts was used to pay media outlets for advertising space, and was not kept by GMMB.)

The CFPB was created in 2011 as a result of the Dodd–Frank Wall Street Reform and Consumer Protection Act. President Trump recently tweeted that the bureau “has been a total disaster,” and installed his budget director, Mick Mulvaney, as its new director.

Neither the CFPB or GMMB are accused of taking part in, or having knowledge of, ad fraud on IBTimes.com.

A CFPB spokesperson told BuzzFeed News the bureau is looking into the allegations raised in Social Puncher's report.

“We take allegations of fraud very seriously. Acting Director Mulvaney is actively looking into the work done by GMMB, and these allegations [of ad fraud by IBTimes.com] will be investigated as part of that process,” the spokesperson said.

In a statement to BuzzFeed News, GMMB acknowledged that IBTimes.com was part of the media buy, but disputed the report's estimate of the money spent.

“While we don't provide specific details about our client work, many of the assertions in the report—including all of the numbers reported for the ad buy—are inaccurate,” the statement said.

A source familiar with the campaign said that sites were selected based on data obtained from a third party audience measurement and media planning platform.

When it comes to IBT's fraudulent traffic practices, Social Puncher's findings align with reporting from BuzzFeed News on IBT India, and with separate data gathered by Pixalate, an ad fraud detection company, and DoubleVerify, a digital media measurement company. (Social Puncher and BuzzFeed News previously collaborated on ad fraud investigations, but worked separately in this case.)

Based on what it described as a detailed investigation, DoubleVerify this week classified IBT's US, UK, India, and Singapore sites as “as having fraud or sophisticated invalid traffic,” according COO Matt McLaughlin. DoubleVerify is now blocking all ad impressions on these sites on behalf of customers.

In response to questions from BuzzFeed News, Newsweek Media Group, the parent company of IBT, acknowledged it purchases audiences from ad networks that sell pop-up and pop-under traffic. It said this traffic represents a “small percentage of traffic on our sites” and denied any fraudulent activity.

“We use third-party platforms to verify and filter this traffic to ensure it is of the highest quality. This verification process prevents poor-quality traffic being redirected to our sites and we consistently score highly on various third-party ad verification platforms,” the company said. It declined to name the third-party verification partners it works with.

NMG declined to comment on the CFPB ad campaign and Social Puncher’s report, and it declined to respond to DoubleVerify’s designation of its sites as fraudulent.

The exposure of IBT’s fraudulent traffic practices is just the latest problem to hit NMG in what has been two years of turbulence at the company. On Monday, BuzzFeed News reported that NMG’s top editor, Dayan Candappa, was hired there after being fired from Reuters over allegations of sexual harassment. As a result of the story, Newsweek Media Group placed Candappa on leave pending an investigation.

“They are being so reckless that you worry about people’s jobs and the brand.”

This follows an October report from BuzzFeed News that revealed local content for IBT Australia is produced by writers in the Philippines, and its offices in Sydney were occupied by people who say they do not work for the company.

Two weeks ago, investigators from the Manhattan District Attorney’s office raided Newsweek’s New York offices and hauled off computer servers as part of an ongoing investigation.

Subsequent reporting from the company’s own journalists found that the IRS filed \$2 million worth of tax liens against NMG’s

cofounders. Multiple Newsweek freelancers also told BuzzFeed News they have to wait months to get paid.

This all comes on the heels of layoffs in 2016 and ongoing questions about why the company has funneled millions of dollars to a university founded by a controversial Korean cleric with ties to NMG’s founders and executives.

Current and former employees told BuzzFeed News that company leadership is putting the business and Newsweek brand at risk with questionable hires, unreasonable traffic goals for staffers, by issuing late payments to contractors, and using dubious traffic-generating practices for the IBT sites.

“The fact that they have been engaging in this really unsavory stuff does not surprise me at all,” a former top-level editor for IBT told BuzzFeed News.

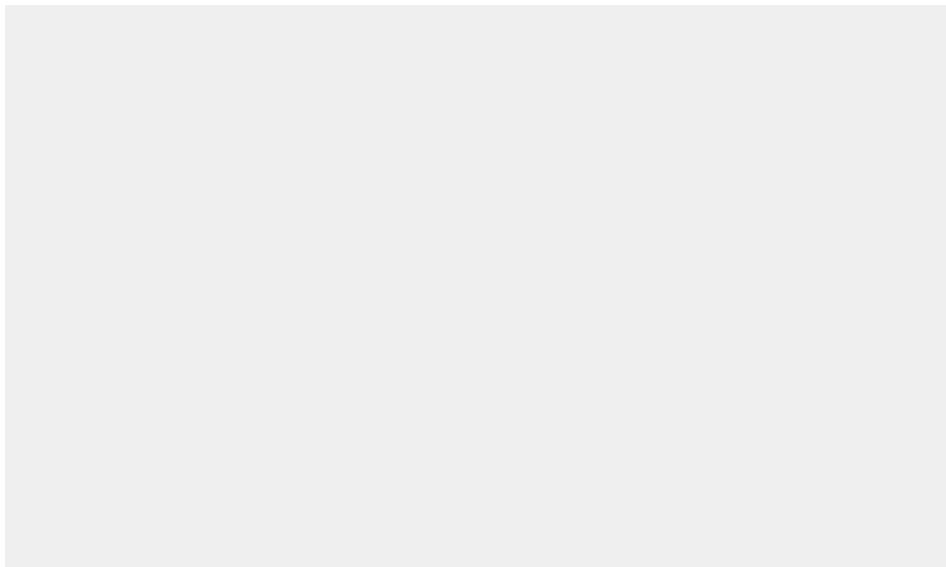
“They are being so reckless that you worry about people’s jobs and the brand,” said a current Newsweek employee.

In its statement, NMG acknowledged it has been slow to pay contributors. It cited pay processing issues and debt it took on to acquire Newsweek in 2013 as factors. “It is a priority of our company to pay all outstanding bills,” the statement said, noting that “Newsweek is now reaching its highest-ever global audience and it is now also our highest revenue-generating site.” (Newsweek.com was not implicated or named in Social Puncher’s report about fraudulent traffic on IBT sites.)

“The company is well-positioned for further growth across our portfolio in 2018 as we strive to extend our reach and serve new and existing audiences with a voracious appetite for news and current affairs analysis,” the statement said.

Even with its recent history of turmoil, IBT managed to land a big slice of a lucrative US federal government ad buy last year.

Beginning in early 2017, the Consumer Financial Protection Bureau spent millions on digital display and video ads that aimed to educate consumers about their rights when it comes to college tuition and home loans. This money was placed directly on a select group of websites, and not programmatically via an ad exchange. Along with IBTimes.com and Newsweek, the ads ran on two CNN Digital properties as well as Business Insider, according to data from Pathmatics, a platform that tracks digital advertising.



The CFPB was created with the dual mandate of educating consumers about their rights with regard to the financial industry, as well as to hold the industry accountable via investigations and other action. Democratic Sen. Elizabeth Warren was instrumental in its creation. In recent years, the bureau has been the subject of criticism from Republicans for how it spends its funds and the fact that it's not subject to traditional oversight from Congress.

“This unaccountable agency’s lavish spending is a prime example of how unelected bureaucrats in the swamp will spend money without common sense Congressional oversight,” Rep. Sean Duffy, chair of the House Subcommittee on Insurance, Housing and Community Opportunity, told the Daily Caller after the publication reported on cost overruns on renovations to CFPB headquarters.

At the core of Social Puncher’s report is the finding that the audience on IBT that saw CFPB’s ads was disproportionately made up of cheap traffic purchased from ad networks. The traffic is generated via pop-up or pop-under browser windows on file sharing and pirated video streaming websites.

When a user visits one of these piracy sites, a new browser window is automatically opened during their session, and this new window is used to load a different website or an ad. In some cases, the user sees the content in this new window, but in other cases, the window is hidden behind the original site they are browsing. This traffic does involve a human user, but it’s acknowledged to be of low quality because the content loaded in the pop-up window was not requested by the user, and, in many cases, they may never see it.

Data from SimilarWeb show that IBTimes.com began purchasing traffic from pop-up and pop-under windows as early as the fall of 2016. Social Puncher found that as the site’s organic search traffic declined, it replaced the audience with purchased traffic.

This paid traffic also served to increase the portion of US visitors going to the site, according to SimilarWeb data. Before purchasing traffic, just over half of all visitors to IBTimes.com were from the US. But that percentage increased to 80% during the critical period when the CFPB campaign ran. SimilarWeb also shows that, during the period of the campaign, almost a third of the IBTimes.com audience came from purchased traffic.

Social Puncher’s report concludes that IBTimes.com purchased the audience it needed to ensure it met the campaign’s requirements.

NMG declined to comment on the specifics of the Social Puncher report. In earlier statements to BuzzFeed News the company emphasized that it uses third-party verification services to measure the quality of its traffic.

Vlad Shevtsov, Social Puncher's director of investigations, told BuzzFeed News he believes the CFPB received no real value for its IBT ad spend.

"The CFPB paid for laundered visits from pirate sites. It means that value of their ad spend [on IBT] is zero," he said.

A lawyer with the Cause of Action Institute, a conservative group that has [obtained CFPB documents](#) via Freedom of Information requests, criticized the bureau and in a statement to BuzzFeed News.

"Such wasteful spending demonstrates that CFPB desperately needs more effective oversight and scrutiny," said CAI counsel Eric Bolinder.

In addition to the low-quality traffic, Social Puncher's report also alleges that one site selling traffic to IBTimes.com displays signs of bots. NMG's statement to BuzzFeed News said it uses third-party verification services to analyze the traffic it purchases in order to keep bots off its sites.

"All our traffic and inventory is authenticated by multiple ad verification companies and we are confident of its quality," the company said.

Separate from concerns about bots, Social Puncher, BuzzFeed News, Pixalate, and DoubleVerify each documented IBT sites attempting to camouflage the nature of their purchased traffic to have it appear organic.

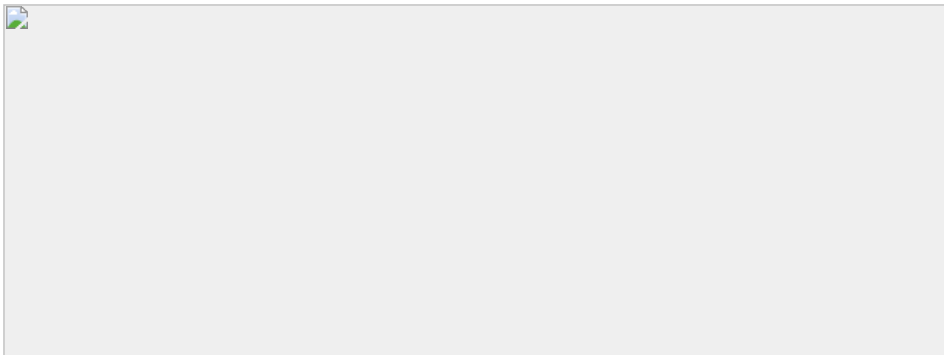
Before loading IBTimes.com in a pop-up or pop-under window, the traffic is first routed through at least one other domain. This practice helps obscure the fact that the traffic originated via a paid arrangement on an illegal streaming or file-sharing website. Using this method, the traffic appears to analytics software as if the user came via a referral from another website — a much more valuable form of organic traffic. The practice of redirecting pop-up or pop-under traffic through domains before hitting the ultimate destination was detailed in [a recent BuzzFeed News investigation](#).

Pixalate examined the IBT websites late last year and confirmed the use of pop-under traffic and multiple redirects to obscure the nature of the traffic.

"Through these redirects, the original referrer is scrubbed. This process makes the traffic appear to be organic when measured by traditional impression-level tracking technology," the company said in a statement.

DoubleVerify independently made the same finding.

Social Puncher found that paid traffic was being redirected to ex.IBT.com and then onto the main US site. This obscured the fact that the traffic originated as a pop-up or pop-under on pirate streaming sites such as Watchfree.co or Afdah.to. (The company also uses ex.IBT.co.uk to redirect traffic to its UK edition.)



Social Puncher

Some of the companies that run the pirated streaming sites sending traffic to IBTimes.com were recently called out in the Office of the United States Trade Representative's [2017 report](#) about “notorious markets” for commercial piracy. This means that some money from a federal government agency ultimately ended up in the hands of entities and people that the US government has called out for “Commercial-scale copyright piracy.”

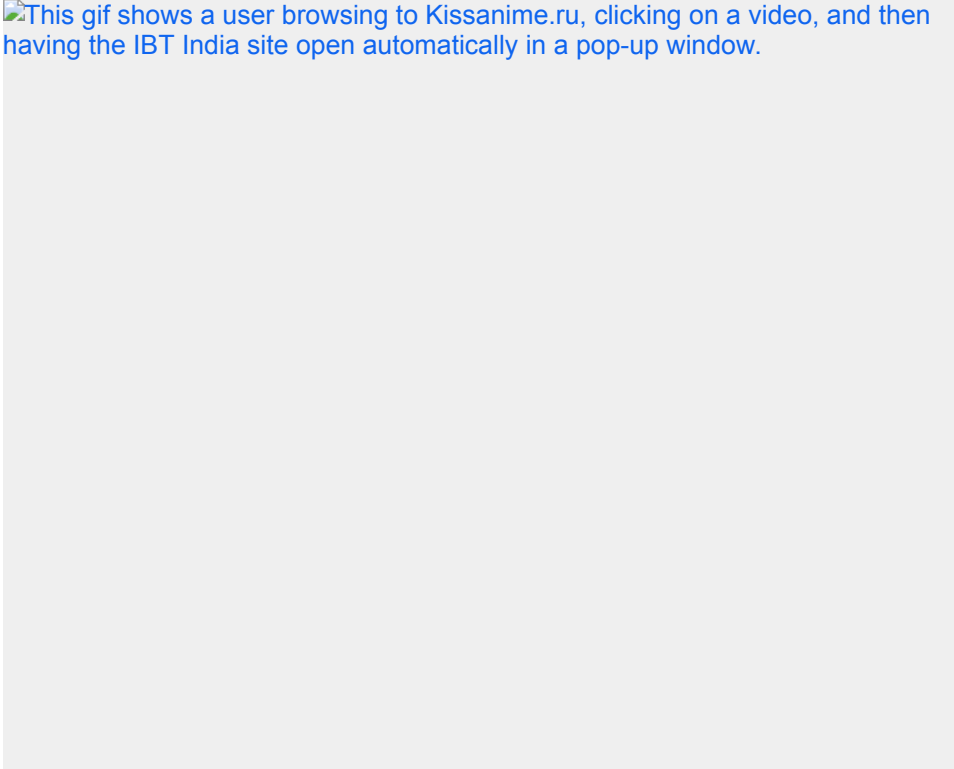
One former Newsweek employee told BuzzFeed News they personally encountered pop-up windows that opened the IBT US website when visiting a pirated content site.

“I brought it to my manager and to their manager and said, “This is a clearly dirty thing that’s happening here,” the former employee said.

BuzzFeed News documented the same practice on IBTimes.co.in, the Indian edition of the site. After browsing to Kissanime.ru and pressing play on a pirated anime video, a new browser tab opened up automatically. It first loaded a domain for the PopAds ad network before redirecting to Newsplatter.com, and finally landing on IBTimes.co.in.

Newsplatter is a website that appears to exist solely to route traffic from ad networks to IBT India. SimilarWeb data show the site had no traffic until it sprung to life in July 2017, racking up over 20 million visits since then. Even though the homepage of the site features auto-generated links to stories from a variety of media outlets, SimilarWeb found that 99% of its outgoing traffic is directed to IBT India.

“IBTimes India is a standalone operation and is not under the direct control of Newsweek Media Group,” the company said in a statement.

This gif shows a user browsing to Kissanime.ru, clicking on a video, and then having the IBT India site open automatically in a pop-up window.

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BuzzFeed News

Along with referrals from pirate streaming sites, Picalate told BuzzFeed News that data collected on IBT’s sites so far this month show that “roughly 40%” of the traffic coming via referrals from YouTube and LinkedIn is in fact the result of redirect chains.

“Note that this does not mean that YouTube, LinkedIn, etc. are ‘in on’ anything — it simply suggests that their sites are likely often used in the redirect loop meant to scrub the original referral (a pop-under ad),” said the Picalate statement. “Traffic coming from YouTube appears to advertisers as more legitimate than traffic coming from a pop-under ad.”

Google, which owns YouTube, published a [blog post](#) last summer to make it clear that it would not allow sites that are loaded via pop-ups or pop-unders to be part of its AdSense ad network. The company also [forbids](#) sites using AdSense to be “loaded by any software that triggers pop-ups, modifies browser settings, redirects users to unwanted sites, or otherwise interferes with normal site navigation.”

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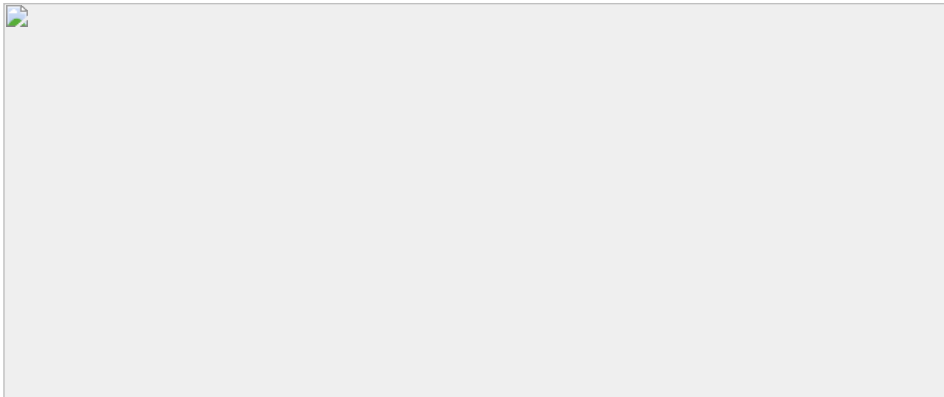
NMG did not respond when asked if it was concerned about IBT sites being banned from AdSense as a result of using these practices. If the sites are kicked out of AdSense, it would mean a loss of critical revenue for a company that employees say remains on unsteady financial footing.

“We’ve been told that the company is on the brink of collapse so many times, and been put under huge pressure to meet ever-rising traffic targets as a result,” said one current Newsweek employee.

IBT and Newsweek have largely been run as separate operations, with Newsweek positioned as the higher-quality offering. But last March, a crisis hit the company that caused the two properties to become more intertwined.

Current and former employees — all of whom asked not to be named due to fear of repercussions from NMG management — said the key moment came in early 2017, when the CFPB ad buy was live on IBTimes.com.

Between February and March, organic search traffic to that and other IBT properties took a nosedive, according to the employees. Data from [search engine optimization dashboard SEMrush](#) confirms the huge drop:



One current and one former company employee both said the loss of search traffic caused a panic for company executives. They said a plan was devised to take the top traffic-producing writers from IBT and move them to Newsweek to see if they could generate search traffic there instead. This would also help test if Google was throttling Newsweek's search traffic. The IBT writers were young and focused on writing up quick stories that were optimized for search traffic. It was a culture clash, according to a former Newsweek staffer who was there at the time.

"They were put there to install a traffic farm [at Newsweek]. It was totally off the wall bonkers shit that they would publish," the former editor said.

A former high-ranking IBT editor said the content coming out of the company's India and Manila operations often involved aggregation of conspiracy theories or dubious stories that were written up because they could get significant traffic. They said writers in the Philippines published their articles on the IBT Australia site, which aligns with [reporting](#) from BuzzFeed News.

"What happened is they would put this crazy stuff on the site. The Philippines writers would specialize in getting massive traffic by linking to conspiracy sites," the former editor said. "IBT India published a [story](#) about a conspiracy that the head of ISIS was a Jew."

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At one point, the former senior editor said, a small group of copy editors based in New York was tasked with looking over stories coming out of the India and Philippines operations to catch anything outrageous.

"We actually called it the 'shit river' — their entire job was to look at the feed coming in and kill anything that was embarrassing or below our standards, and protect us from running something that is going to cause us great embarrassment."

One current source of frustration and embarrassment for Newsweek staffers is that freelancers struggle to be paid in a timely manner. BuzzFeed News spoke with nine Newsweek contributors who said the company typically takes six months to pay an invoice, and only after constant requests for payment are made.

One current employee said that, at Newsweek, any discussion of freelance assignments “always begins with how are we going to get these guys paid, and will they get paid.”

Journalist and filmmaker Zack Baddorf made a short documentary for Newsweek that was published in late 2015. He told BuzzFeed News it took him roughly six months of emailing to get paid.

“It was many many emails that I had to send — it was ridiculous. Most of my emails were ignored and I had to even bother the editor, who also ignored many of my emails,” he said.

One longtime Newsweek contributor said they are currently owed “thousands” of dollars. The contributor said many publications are late to pay freelancers, but Newsweek’s payment process has noticeably deteriorated since being bought by IBT.

“Yes there are frustrating delays in getting paid at Newsweek,” they said.

“It’s not any different than a whole lot of the industry, but it’s worse under IBT ownership.”

Others described the payment process as “awful,” “very frustrating,” and “completely absurd.”

“I have rarely heard so many excuses as to the delay,” said one writer who did two large features for the magazine.

Almost all freelancers who spoke to BuzzFeed News said they had a positive experience working with Newsweek editors, but the payment process left them frustrated. Several said they would never work for the publication again as a result.

One current Newsweek staffer said the company appears to be focusing its resources on the Newsweek brand, but that IBT continues to be a source of frustration due to its content and traffic practices. They expressed concern that the IBT approach will increasingly be applied to Newsweek.

“It honestly feels like the fucking lunatics have taken over the asylum.”