#### Social puncher

# Shadow Empire of IBT Media

Investigation and Audit by SocialPuncher

# Who and why tried to start again the sheme used by IBT Media in 2017?

At the end of January 2018, Social Puncher released a report on the traffic laundering scheme for the targeted ad campaign of Consumer Finance Protection Bureau in March-May 2017. The largest share was placed on IBT Media (Newsweek Media Group) assets: ibtimes.com and ibtimes.co.uk. The investigation revealed that publisher bougt pop-under traffic from pirated sites via Pop Ads and Ad Supply just for this campaign.

The key elements of the scheme were two identical subdomains on corporate publisher's sites: ex.ibt.com and ex.ibt.uk. Within six months, from September 2016, both of them received traffic from pirated resources, verified it, and by the start of the CFPB campaign in March 2017, they began to redirect the checked traffic to ibtimes.com and ibtimes.co.uk.

But that technique wasn't extraordinary. The similar active scheme was revealed in January 2018\*. This time, the three sites were supposed to be recipients of laundered pop-under traffic: techtimes.com, musictimes.com, and enstarz.com.

Tx.enstars.com received such traffic sinse August 16, 2017. Three weeks later, the same traffic was sent to tx.techtimesco.com and tx.musictimesco.com. This scheme was not reveled, but the next day it was completely stopped.

This report is about who used this well-tried scheme and how it relates to IBT Media. We conducted a comprehensive business audit of these digital media assets, ncluding their owners, key people, ad tech inventory, features of the business model, their income and expenses. We also investigated some partners and affiliated companies revealed during the study.

# Shadow Empire of IBT Media

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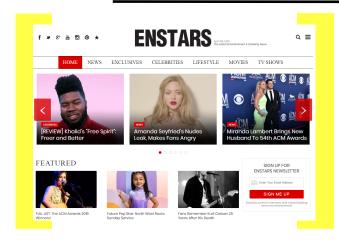
Media

Asset

Audit:

property, people, profit.

### Historical traffic review: basic stats



#### Enstarz.com

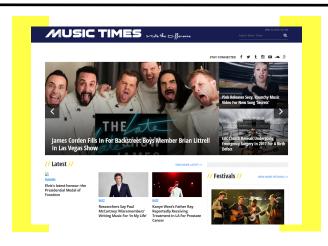
1,458,688 current Alexa ranking 20,000 average visits per month.

Domain was created on January 04, 2012. Two weeks later the site was launched.

But in May 2012, the site hit the world top 50,000 of Alexa and did not leave it until February 6, 2018, except for a few short periods, sometimes reaching a ranking close to 20,000.

The highest ranking of 7,999 was reached on December 10, 2017.

On January 31, 2018, the site had ranking of about 50,000 Alexa, and the next day began to fall, and just a month later it was below 500,000. After a short recovery attempt in March 2018, the site continued to lose traffic. After June 2018, the site stopped regular updates. Current occasional rare updates are more like activity simulations, than real editorial work.



#### Musictimes.com

588,724 current Alexa ranking 50,000 average visits per month.

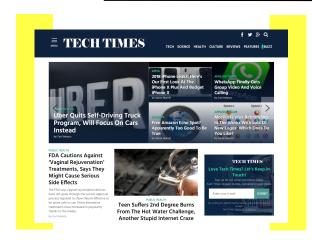
The site was launched in August 2013, and did not show outstanding performance in the initial period.

After more than a year, the audience began to grow. In 2015-2016, it was consistently between 30,000 and 70,000 Alexa rankings. In 2017, there were 3 major downturns below the 100,000 ranking, but it recovered every time.

The highest ranking of 13,071 was reachedon January 25, 2018.

On February 1, 2018, the daily audience dropped 50 times, the site left the top 500,000, no longer rising so high. In July, the site stopped regular updates. From December 2018 is not updated at all.

# Historical traffic review: basic stats and conclusion



#### Techctimes.com

49,724 current Alexa ranking 1,000,000 average visits per month.

The site was launched in October 2013. It reached the Alexa ranking of 50,000 in a two month, and continued to increase the traffic.

In November 2015, more than 20 million users visited the site. December 3, 2015 it reached the highest Alex ranking 2,630.

During 2016, it gradually decreased to a rank of 6,000. In 2017, traffic continued to decline slowly, but falling to 33,357 in September, but then rapidly went up. January 2018, the site received about 6 million visits; January 31, its ranking was 7,960.

In February, the monthly audience drops by half, and it remains about 3 million until July. In August 2018, the average monthly audience dropped to 1 million.

#### Summary of traffic stats

All these three sites were quite young media assets at the beginning of 2018. Despite their 4-5 year history, they were very successful, two of them reached the peak of their popularity at that moment.

But on February 1, 2018 all three sites synchronously collapsed. Two of them lost 95% of the audience in one day, and six months later they stopped regularly updating. The third site, despite the continued activity, lost half of the visitors in February, and only 15% of the January audience remained by the summer of 2018.

It happened the next day after the scheme was revealed, similar to which these sites did not even start, but just prepared for use in a test mode.

It should be noted that the sites did not cease to be updated, there were no hosting problems, the sites were not blacklisted. But the fact is that hundreds of thousands people who had previously visited these sites simply disappeared in one day.

The next important stage of the audit is to determine the owners and management of these assets.

# Founders and CEO of Enstars, Tech Times and Music Times

Enstars is a property of Claire Entertainment, incorporated January 03, 2012. Founder and CEO is Julieta Claire Mendoza. There is no info about her biograthy exept two facts:

- 1. December 2011, she found another media company, Kpopstarz, with the site of the same name about Korean pop music, but there is no info about her media business expirience before it.
- 2. The freelance investigator Jeremy Massler found a document containing a copy of a granted provisional charter to Olivet Academy (New York, 2015), where Julieta Mendoza was mentioned together with Jonathan Davis, co-founder of **IBT** Media, and Tracy Davis, the president of Olivet University.

There is no registration data about founders of Music Times and Tech Times, but we can find some interesting information using historical review of the "About Us" page.

Music Times, LLC, was registered in January 30, 2013. The only key person we know is Emily Wittmann.

Since 2013 she served as General Manager/ Senior VP of Digital Marketing of Music Times, during next 4 years (2014 - 2017) she was CEO. Previously she has worked as Vice President for Universal Music group and as executive for many other music and media companies. After she leave the company, new CEO is unknown. Tech Times never disclosed its owners, exept a short period in March 2014, but this information was quickly removed.

"The founder, publisher and CEO of Tech Times LLC is Surojit Chatterjee. A graduate of Columbia University School of Law, Surojit started his career in new media with International Business Times, where he worked his way up to become senior technology editor and managed the editorial operations of Tech & Trend. In 2012, Surojit left International Business Times to start Tech Times LLC."

According to his Linkedn, "Surojit Chatterjee serves now as Compliance Officer at Tech Times, LLC, on a day-to-day basis."

But Surojit was not ordinary editor in IBTimes. He was one of two directors in currently inactive "Ibtimes Company India Private Limited" (Delhi, 2009-2014), wich owned IBT Media assets in India. The second director was Dev Pragad, current Newsweek CEO.

In the summer of 2014, Tech Times hired a well-known industry professional Angela Diegel. She was a President & Editorial Director From August 2014 to May 2017.

"A graduate of the University of Michigan, Angela Diegel is a digital native who started working on the web long before content management systems were widely used. Before joining Tech Times, Angela was with Hearst, where she led the digital editorial team of Popular Mechanics to achieve record traffic in 2014".

#### Editors and reporters of Enstars, Tech Times and Music Times

Despite belonging to different commanders, the editorial staff had quite a lot of common employees. In addition to dozens of freelance writers who worked for all 3 sites at the same time, and full-time reporters who switched from one media to another or worked for two of them at the same time, we can even find several editors who combined work in two publications.

For example, Dianne Depra and Elyse Johnson, Ensars editors, made articles for Tech Times. In turn, one of the current editors of Tech Times Vincent Lanaria was a writer at Enstars, and until December 2018 worked simultaneously for IBTimes U.S.

There are many foreign authors among journalists, primarily from the Philippines. These are both native Filipinos and journalists who have moved from other English-speaking countries.

The fact that these three different media assets somehow coordinate their recruitment work in the Philippines can be seen from the Facebook post of Times Times editor Randell Suba. Besides working in other publications (including Enstars), he owns a small content writing agency "Write Pack Media" in Manila.

Another interesting source about employees is the reviews on Glass Door. But due to its anonymity this data cannot be used as materials for the audit, but it is acceptable as additional information for investigation. The study of this source gives us the following result: all three companies have about two hundred reviews posted between 2013 and 2019.

Most reviews are similar to each other, and correspond to the facts we found, here are some examples.



TECH TIMES

Claire Entertainment

# Glass Door reviews: Enstars, Tech Times and Music Times

June 4, 2018

"Fake New York Startup"

Former Writer, part-time (Less than a year)

Pros: Not that I can think of.



Advice to Management: Stop glorifying your site as a "New York startup" because TechTimes.com is just another news pub that rewrites the articles of others.

July 6, 2018

#### "Avoid At All Costs"

Anonymous former Employee, full-time

Pros: Great colleagues and you work at Bowling Green.

Cons: Where do I begin? Claire Entertainment and Tech Times LLC have an awful number of cons. First, a significant amount of work is done overseas (the Philippines) which leaves not enough work for the rest of the US office. Second, there is a lot of disorganization regarding management. Thirdly, they keep their employees in the dark. Fourth, they keep on missing payments.

Advice to Management: Get your act together; fire the overseas team; add more benefits.

August 17, 2016

"Don't work here if the company manages to stay afloat somehow"



Anonymous former Employee, full-time (More than a year)

Pros: Cool office. Flexible hours. As most media companies the off-site perks are fun.

Cons: Management is pretty shady and keeps a lot of information away from employees. I always felt very undervalued and underpaid. Sometimes they withheld payments and gave no explanation. This place is awful.

Advice to Management: Do a better job at managing your employees and budget.

# Common ad tech inventory: Google Adsense Tags and Analytics

All three sites used the same Google Adsense Tag CA-PUB-5478771049192646 from the moment they were launched in 2012/2013 and up to the present.

The first time he was detected in November 2012 on Enstars. At the same time this CA - PUB was used by another 10 sites. Two of them belonged to previously mentioned companies. Kpopstarz.com was owned by Julietta Mendoza's second company, Kpopstars Inc., mstarz.com was the first asset of Music Times LLC.

The other 8 sites were niche news sites owned/linked to 33Universal inc. For the first time, this media company was covered by different authors in two independent investigations: Jon Swaine (Guardian, March 28, 2014) and Benjamin Reeves (Medium, April 1, 2014). They reported that IBT Media was affiliated with 33Universal, several times IBT acquired some of its assets, Johnathan Davis was the chairman of its start-up company. But both companies tried to hide this facts.

In total, this CA-PUB was found on 80 sites, most of them associated with 33Universal.

April 2013, Enstarz.com added new CA-PUB-4448848157704493. Since September 2014 it was detected on Music Times. Tech Times joined to this CA-PUB in April 2019, and now all 3 sites have two common CA-PUBs. It also was used at various times around by 50 sites, most of them related to 33Universal.

All 3 sites also used same Google Analytics UA-83552773 during 15 month, from September 2016 to November 2017. Among the 70 other sites that also used it, 33Universal assets also prevailed.

CA-PUB-7443704194229694 Tech Times used togheher with IBT Media assets, during 11 month, from November 2014 to October 2015.

This CA-PUB was activated in January 2013. By April 2013, it was detected on IBTimes US, IBTimes Australia, and some other IBT Media assets. November 2013, new IBT asset, Newsweek, was added to them. In January 2014, among the many new sites where this CA-PUB was detected, other 5 sites of 33Universal were found. During 6 years of its activity, this CA-PUB has been used on more than 400 sites, but often for a very short time, sometimes just for 1 day.

Thus, it was simultaneously used by Newsweek and Tech Times within 6 months from November 2014 to April 2015.

All three sites had the same CA-PUBs for the entire period of activity, which means a single account for ad revenue. The same beneficiary made a profit from the 33 Universal sites during 2013-2018. Tech Times, Mstarz and at least 4 sites 33Universal received money from advertisers for the same account as IBTimes.com and Newsweek.com during 2 years between 2013 and 2015.

Paradoxical business model: the real secret of

# General algorithm for video ads and banners

During the basic audit was found, that all three sites have common employees, including reporters and editors, a common ad inventory and in February 2018 showed a sudden synchronous drop in traffic. The multiple ties of these assets with IBT Media and 33Universal inc. were also identified. This allows us to make a conclusion about the of coordination of business presence processes of these companies despite the formal independence. Now we will take a closer look at the business model of these sites and audit their ad impressions.

Visiting TechTimes we see 5 banners on the page and a large player between the title and the article. If the top banner is large (970\*250), then the advertisement takes up most of the visible area of the page, and to start reading you need to scroll down.

The player is activated in the auto start mode with the sound turned on. After a few seconds, it loads ads, usually a set of 3 clips in a row. Their duration may be different, but most often it's 3 videos of 15 seconds each, or with a long first video advertisement of 30-45 seconds. By the end of the first set of video ads, banners in the visible area are automatically updated. After 15 seconds of content, the next set of 3 ads is loaded. The slideshow demonstrating how it works you can see on the next page.

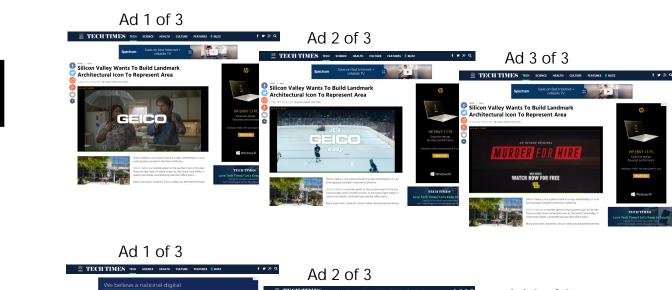
Video content inside the player is not related to the subject of the article, it's a repetitive primitive clips that has not changed for more than a year. They consist of stock videos or simple slideshows with short captions. Video content is not an original product; it's just filling in the pauses between sets of ads. Moreover, these are not such short videos, they are simply interrupted by advertising after 15 seconds. Banners are updated every minute. This activity continues for 5 minutes, after it the whole page reloads completely and the cycle begins again.

During the 5 minute cycle in one page view, the user has time to view the following number of advertisements: 3-5 video ad sets of 2-3 each (10-15 video ads per page view), 5 changes of three banners in the visible area and 2-3 changes two banners at the bottom of the page (total 20 banners).

Exactly the same behavior is found on the other two sites, Enstars and Music Times. But there is one significant difference, their video content lasts 30 seconds, but is also interrupted by the sets of 2-3 ads.

Previously, the content was completely different. Until February 2018, all three sites played the video clips of Newsweek Media Group, or IBT Media before its rebranding. Those videos could last 30-60 seconds and were not interrupted by ad to the end.

# Slide show of ad impression cycle on Tech Times



2



3

© TICHTHUS to now one use use more than

Ad 1 of 3



After 4th and sometimes 5th sets the page reloads itself or redirects to the next article and the new advertising cycle begins.

# 26 domains with the same behavior and their owners

Such unusual behavior of advertising systems was noticed not only on these three sites.

Among the domains with a common ad technical inventory, another 23 sites was found, wich used the same advertising template: sets of 2-3 three video ads interrupted by 30 second clips, refreshing banners every minute and a page that is updated/redirected every 5 minutes. In addition, another two dozen sites showed such behavior of advertising systems irregularly or incompletely, or there were some indirect signs that it was previously used.

Almost all of these sites now have low traffic and almost no updates, but 2-5 years ago they were quite popular, according to their statistics.

First of all, in order to determine the beneficiaries of these assets, it is necessary to verify the owners of these 26 domains.

22 of the 26 domains currently hide their owners. But by researching historical data, 20 owners can be revealed.

The only owner is known for 13 domains, 7 domains had several owners.

3 domains changed three known owners during the life cycle, 4 domains passed from one publisher to another at least once. 10 domains previously belonged to Oikos Networks.

For 6 domains, this is the only known owner. One of the domains before Oikos was owned by Claire Entertainment Inc. and then IBT Media Inc. One more domain after Oikos became the property of IBTrade, another one is transferred via 33Universal Inc. to IBT Media. 9 domains are now registered with PERFECT PRIVACY, LLC, but one domain still belongs to Oikos.

8 domains were previously owned by 33Universal Inc. Moreover, 4 of them were 33Universal property for less than a month in June 2015. But in July they all changed ownership to IBT Media, and then were transferred to the nominal owner PERFECT PRIVACY.

IBT Media previously owned 6 domains, including four domains transferred from 33Universal in July 2015. Now IBT Media owns 2 domains.

Claire Entertainment Inc. previously owned two domains, another one was owned by Music Times, LLC.

Two more domains had owners different from others. Droidreport.com previously belonged to Johnathan Davis. Now it is owned by IBT Media.

The last media asset from this list, Design Times, from August 2016 until now is owned by Newsweek LLC.

#### 26 domains with abnormal ad impression pattern and their owners

musictimes.com Music Times, LLC 1 Claire Entertainment Inc. 2 enstarz.com Claire Entertainment Inc. / IBT 3 gamenguide.com Media Inc./Oikos Networks Inc. techtimes.com universityherald.com 33Universal Inc. newseveryday.com 7 jobsnhire.com 33Universal Inc./IBT Media Inc. 8 itechpost.com Oikos Networks Inc./ 9 travelerstoday.com 33Universal Inc./IBT Media Inc. 10 hngn.com PRIVACY, 11 kpopstarz.com 12 scienceworldreport.com Oikos Networks Inc. 13 autoworldnews.com 14 counselheal.com 15 latinone.com Oikos Networks Inc../ 16 vcpost.com IBTrade , LLC 17 parentherald.com 18 natureworldnews.com PERFECT PRIVACY, LLC boomsbeat.com 20 latinpost.com 21 moneytimes.com Privacy Protect, LLC Privacy Protect, LLC 22 kdramastars.com sciencetimes.com Oikos Networks Inc.. 33Universal Inc./ IBT Media Inc. celebeat.com IBT Media Inc. Johnathan Davis/IBT Media Inc. 25 droidreport.com IBT Media Inc. 26 Newsweek LLC designtimes.com Newsweek, LLC

# Main anomaly: desktop visit duration

The profitability of a media asset depends on the number and revenue of ad impressions. The number of impressions depends on three key metrics:

- 1) total number of visits,
- 2) number of ads per page or video ads per minute,
- 3) user activity, measured by the number of page views and average visit duration.

Knowing these three metrics, you can calculate the number of ad impressions.

Knowing the average RPM (revenue per mille), you can estimate the media asset revenue for the period.

We already have data on the first two metrics. Now it is necessary to consider the third metric in more detail. To do this, we will examine in detail the Similar Web stats for this group of sites for 2016-2018.

At first glance, the behavior of the audience was not abnormal. Most sites have 2-2.5 pages per visit, and 3-6 minutes average visit duration. But this is too much for the audience, mainly based on search traffic (more than 70%).

Such visits are usually characterized by a high bounce rate and many short visits of 10–20 seconds, which reduce the average duration even with a high engagement of other users.

But among all the sites whose behavior can be considered as unusual, or at least as suspicious, an obvious anomaly can be found. This is the largest site of this group, TechTimes, which had 30% of the total audience in 2016-2018. Its stats are really impressive.

2016: 12 minutes2017: 19 minutes2018: 14 minutes

But averages do not allow us to understand the origin of these numbers. Everything is explained if you divide the traffic by device type. The average duration of mobile visit over these 3 years was about 1 minute, and the average duration of desktop visit was 24 minutes. This is an abnormally high number that should be flagged immediately.

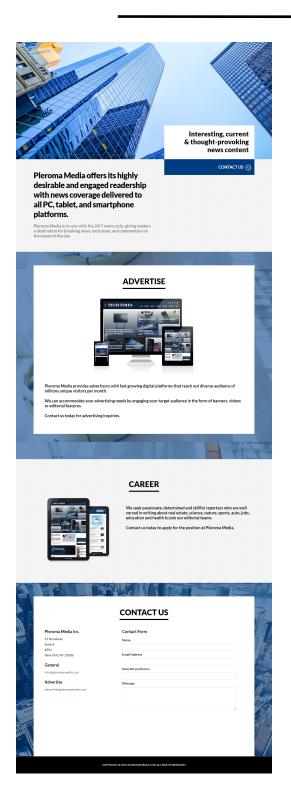
If we study traffic separately on other sites, we see a similar pattern. Mobile visits were about 1 minute, but desktop visits vary from 7 (Celebeat.com) to 28 minutes (Sciencetimes.com). The average desktop visit duration for this group excluding TechTimes was 15 minutes. The total average number of page views was 3.2. That is, the average time spent per page was 4.8 minutes. This is very close to 5 minutes, the period of automatic reload/page redirection.

That is, this number of page views for these sites could be achieved without active action by the visitor. No danger, just money:

what made the scheme safe and secure.

3

# The key element: Supply-side platform



During the technical study of 26 sites (as well as similar to them) it was discovered that they use as an SSP (supply-side platform) the advertising inventory of the Pleroma Media. This means that they interact with ad networks and ad exchanges not directly, but through an intermediary, who sells their ad space and receives money from advertisers.

Pleroma Media was registered in New York on April 9, 2015. Its website consists of 1 page, just 6 sentences and a contact form. Pleroma positioned itsef as a diversified publisher with media assets in real estate, science, nature, sports, auto, jobs, education with common audience of millions unique visitors per month. The only media asset they show is Tech Times. Until March 2018, it was Realty Today, previously owned by 33Universal. There is no information about other assets of Pleroma media on the site or in other sources.

By the end of April 2019, Pleromamedia.com was hosted separately, but earlier it used the same non-public IP addresses (18.214.77.137 - January 2019, 52.206.69.205 - February 2019) as a dozen 33Universal sites, at least two former assets of IBT Media and corporate domain techtimesco.com, which subdomain was prepared to redirect pop-under traffic.

Pleroma had some business relation with one of such traffic providers. This can be seen from the contract case, that was filed by Adsupply Inc against Pleroma Media Inc in the jurisdiction of Los Angeles County Superior Courts November 6,2017. The respondent was Johnathan Davis, CEO of Pleroma Media.

# Total profit of all assets and main advertisers

Here we use the data of Pathmatics, digital marketing intelligence platform for the world's leading brands, agencies, and publishers. Based on it, we can make assessing the profitability of the entire group of sites related to TechTimes, Music Times and Enstars.

According to Pathmatics, for 5years of activity TechTimes earned more than 16 million dollars. And more than 15 of them were made by desktop ads, and only 750 thousand were revenue from mobile advertising. This ratio is generally correlated with the ratio of the total duration of desktop and mobile visits.

The largest advertisers for all time were technical, Internet and telecommunications companies. Here are the top 10 advertisers who spent from \$200,000 to \$430,000 for all time: Microsoft, Amazon, Dell, BMC Software, LG, Palo Alto Networks, Verizon, Hewlett-Packard (HP), AT&T, Intel Corporation. In general, thousands of companies spent their marketing budgets on TechTimes:

27 advertisers \$100,000 - \$500,000 184 advertisers \$10,000 - \$100,000 1083 advertisers \$1,000 - \$10,000

Pathmatics estimates the total revenue of 17 sites of this group included in its regular monitoring at 35 million dollars.

We also apply a methodology to estimate ad impressions based on the total amount of time users spent on these sites and the average ad impressions per minute/page view.

Desktop users spent more than 9 billion minutes on these sites in 3 years. This is approximately 150 million hours, or 6.25 million days, or 17,360 years. This is comparable numbers to the world's largest media. The total number of page views was almost 2 billion. The average RPM for video advertising according to Pathmatics was about \$22, RPM for banner ads was about \$3.8.

Revenue based on visited pages 1 video clip + 2 banners for 2 billion page views.

Total income 59.2 million dollars (44 million + 15.2 million)

Revenue based on total visit duration.
Suppose that video advertising was shown 1 time in 2 minutes, this is 4.5 billion ads.
3 banners in the visible area with every minute update, it is almost 27 billion impressions.
Total income 201.6 million dollars

(99 million + 102.6 million)

Social Puncher estimates the income of the entire group of about 50 sites from 60 to 200 million dollars.

# Audit report: Low costs and extra profitable users

The ownership structure of these assets is confusing and opaque. Identifying the real beneficiaries is difficult, or even completely impossible. The entire group of sites used the same adtech inventory, part of which for a long time belonged to IBT Media, and was used simultaneously for the assets of IBT and 33 Universal, The Times and other affiliated media.

The costs of these companies were relatively low. Salaries in all these media are significantly lower than the market average, with high requirements for the number of articles. Companies did not spend on promotion and social media marketing, there were no exclusives and unique news sources. The design is based on standard templates simple CMS.

But income was very high. The most important source of the audience was search traffic, more than 70% of the total. The most profitable were desktop visitors, who spent an average of more than 15 minutes on the site with an active advertising change mode. This made it possible to earn revenue per user much higher than the market average.

Such a business model raises many questions. From the standpoint of economics, this is nonsense. The reason for the over-high profits can be either a unique offer for customers, or any non-economic actions, for example, the monopolization of the local market. But neither is suitable for this case.

In the open market, equal players have about the same efficiency, a company that does not control a huge market share cannot be much more profitable than its competitors for a long time without clear advantages. This suggests that the company uses something else to win the competition for ad budgets.

Summary

The asset structure and business model of the studied group of sites allows us to conclude that there are non-market competitive methods. A final conclusion requires a detailed technical and financial investigation.

#### Social Puncher

Media asset audit Audit of ad expenses Digital Investigations

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