

Social puncher

CFPB VIDEO

AD CAMPAIGN
ON IBTIMES.COM
IN SPRING OF 2017

Investigative
report:
The real scheme
of government
advertising
spendings

January, 2018

All that is important in five lines

1. The independent federal bureau has bought cheap junk traffic with some share of bots, but made it via ad agency and paid a lot.

2. Publisher's report on the advertising campaign was distorted due to the use of the scheme of traffic laundering

3. The effectiveness of the campaign was very low, close to zero, even when displaying clips for real people.

4. For this campaign, the advertising agency and the DSP both received their commission.

5. Government money also received pirate sites, as well as advertising systems that cooperate with them.

CFPB CASE

How could this situation be described without technical details?

Executive summary

According to the report from the Government Accountability Office, made in 2016, the federal government spent nearly \$1 billion for advertising and PR contracts per year for recent 10 years. So, the Federal Government is one of the biggest advertisers in the US. In accordance with the general trend, the share of digital advertising is also growing.

The largest share (1,5% in 2015 and 2,5% in 2016) of advertising costs, excluding Peace Corps, are in the budget of the Consumer Financial Protection Bureau, a unique federal agency that has a dual mission of investigating financial practices and educating consumers.

In 2015 CFPB spent more than \$8 million, in 2016 it spent twice as much, about \$16 million. CFPB contracts advertising almost exclusively through GMMB Inc., an advertising firm focused on election campaigns and other political and government ad. On June 30, 2017, the CFPB awarded GMMB a \$14.7 million contract for agency media and resource communication for 2017.

Can federal money be affected by advertising fraud? To know it, Social Puncher made an independent audit of the biggest spending in the recent year.

The largest one was the desktop video campaign «You have the right» that took place in the spring of 2017. The main part of it was placed directly, avoiding programmatic. This allows us to focus only on key partners, and do not analyze the publishers' long tail.

In the report are used traffic stats by Similar Web and ad spendings /views data by Pathmatics.

cfpb

Consumer Financial
Protection Bureau



Department
of Health



LOUISIANA
ECONOMIC
DEVELOPMENT

CFPB direct spendings on desktop video campaign in the spring of 2017



The placement of this video campaign was as follows: the agency, which has a contract with CFPB, paid 6.4 million dollars for direct placement on selected media assets using demand-side platform Double Click by Google.

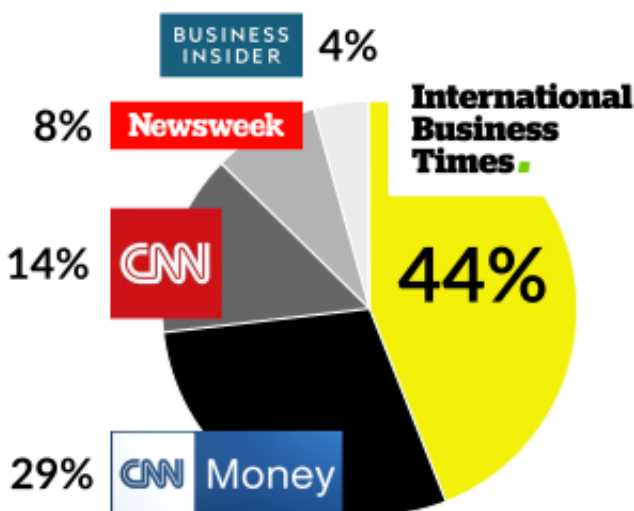
The largest part of digital ad budget was received by only two publishers, IBT Media (the current Newsgroup Media Group) - 52%, and CNN - 43%, the remaining 4% went to Business Insider.

The single domain IBTimes.com domain received more impressions than both CNN properties. The advertising campaign was held from March 9 to May 31, 2017.

Also in the same period, there were programmatic placing of video ads and banners, but it was significantly smaller, and among the recipients of advertising, you can also find all the same participants.

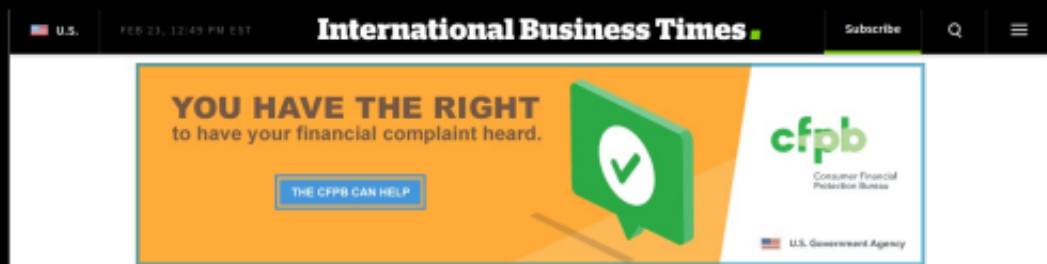
How does the agency choose publishers for direct placement?

As a rule, it selects publications with a large core of loyal readers, as close as possible to the target audience of the campaign. Also, the reputation of the publisher and the effectiveness of similar recent campaigns play an important role.

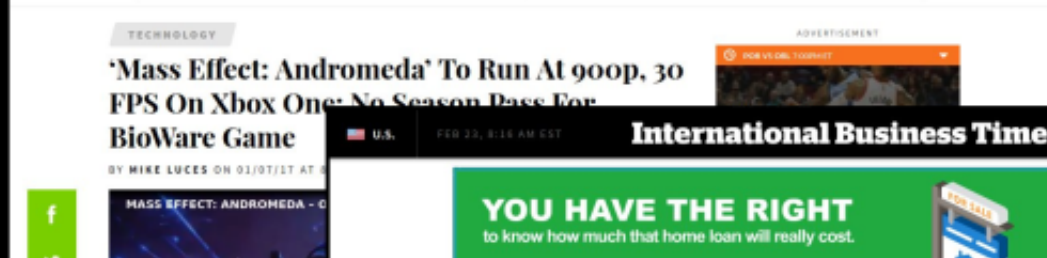


1. ibtimes.com	\$2,817,000
2. Money.cnn.com	\$1,880,700
3. CNN.com	\$885,800
4. Newsweek.com	\$538,800
5. Businessinsider.com	\$269,400

Examples of CFPB ads on IBTimes.com



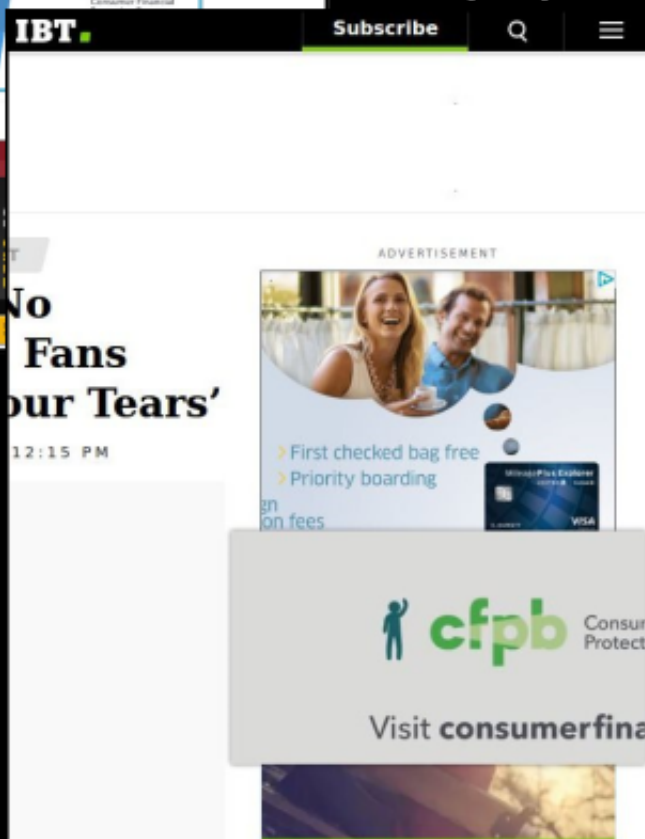
Display Ad



Display Ad



Display Ad



Video Ad

Screenshots by



Analysis of IBTimes.com traffic

OLD BUSINESS MODEL

Monetisation strategy focused on international mobile programmatic advertising

TRANSITIONAL PERIOD

Preparing to change the business model

1. First 8 Month of 2016. January 2016 - August 2016

An average number of monthly visits was near 33,5 million during this period, mobile traffic prevails over the desktop in the ratio of 60/40. Only 52% of users came from the US. The rest of audience came from different 214 countries, surprisingly, mostly from non-English speaking ones.

The largest traffic source was online search, about 74%. Direct visits were only 15% (for Desktop).

2. 6 Month before the CFPB video campaign. September 2016 - February 2017

The average number of visits was approximately the same, 34,5 million, but it was a slightly different audience. The most traffic came from the desktop devices (53%). The share of the US traffic rose to 72%.

Traffic sources showed the greatest changes. Search traffic decreased to an average of 52%, direct visits fell to 7%.

The lost readers were replaced by display ad traffic, which became a significant part of the audience, almost 31% (of desktop visits).

A closer look reveals that behind this rather broad definition, in this case, the pop-under traffic is hidden. The largest suppliers were two companies, Pop Ads (76% of such traffic) and Ad Supply (21%).

3. 3 months during the CFPB video campaign. March 2017 - May 2017

The average number of visits fell by a third, to 21 million. The share of desktop traffic has become even greater, 57%. These two indicators show us a sudden significant loss of mobile traffic, contrary to the general trend of the digital industry. The share of the US traffic was 80%, the highest in the history of this domain at that moment. The picture of traffic sources for desktop devices has also changed significantly: search 29%, display ads (here it means pop-under) 15%, and direct 10%.

Referral traffic was growing from usual 5-7% in previous periods to 41% of all desktop visits. The main source was domain ibt.com, owned by the same publisher, IBT Media. From March, 24 to May, 31 IBTimes.com received 94% of all referral traffic from technical subdomain ex.ibt.com. This subdomain has no even it's own page but sent to IBTimes more than 15 millions of visitors.

How is this possible?

Ibtimes.com in spring 2017 (March-May) received 13,300,000 of laundered via tech domain pop-under visits and 5,500,000 non-laundered pop-under visits. This traffic made 57% of all desktop pageviews (56,300,000). This traffic ex.ibt.com received from the same supplier of pop-under traffic, Pop Ads, and Ad Supply. It was absolutely the same traffic, that IBTimes bought recent 6 months. In fact, it was used only for one reason, to ensure that web analytics systems mistakenly determine the real origin of this traffic as a referral. And as we can see, they succeeded.

The average user, coming from redirected pop-under, spent 13 minutes on site and made 3,2 pageviews, the bounce rate of these visits was near 44%. These numbers are quite unusual for pop-under traffic. The full version of the report contains an even more important conclusion. Like any other type of traffic, a pop-under can be faked. There are a number of reasons why most of this traffic can't be human.

NEW BUSINESS MODEL

Monetisation
strategy
focused on
US desktop
direct
placement
of video ad

New IBTimes monetisation strategy forces the changes of traffic

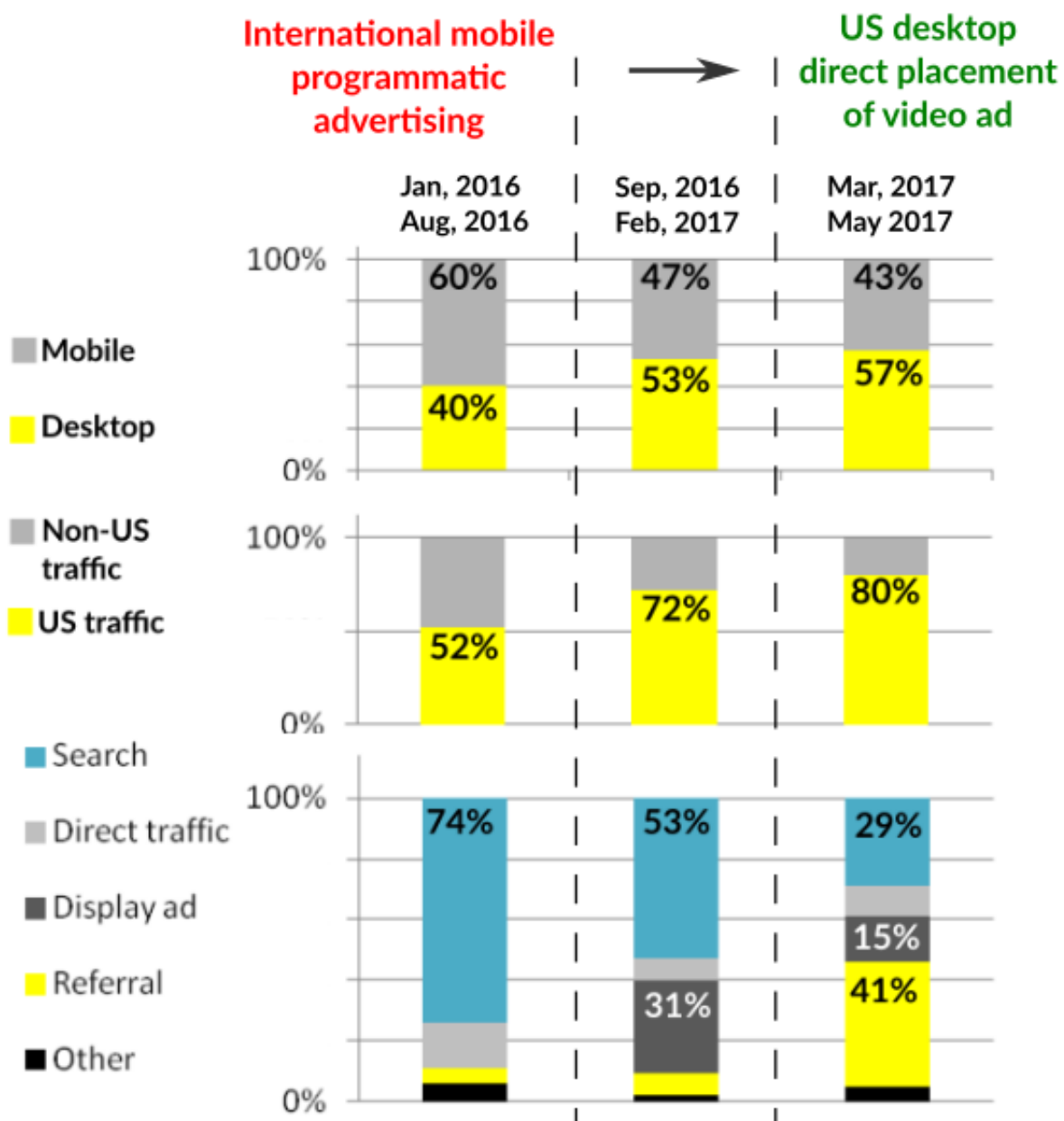


Since February 2017, there has been a general decrease in traffic by 1.7 times, it lost about 15 million visitors, the audience fell from 36 to 21 million. Thus, we need to speak not about the growth of the desktop US audience, but about the sharp decrease in mobile international visits and due to this the increase in the share of other types of traffic.

Among the desktop sources, you need to pay attention to the abnormal change in

search traffic, it decreased four-fold in half a year (from almost 12 million to 3 million). However, it's place is very quickly occupied by the purchase of a simple and later disguised pop-under traffic.

All these changes have led to the fact that for six months IBTimes.com has become much better suited to the formal requirements for the direct placement of a large video advertising campaign targeted at US desktop users.



How IBTimes concealed pop-under traffic during CFPB campaign

Investigated by
Social puncher

Before the campaign. Sep, 2016 - Feb, 2017 all web analytic systems tag visits as **advertising traffic**



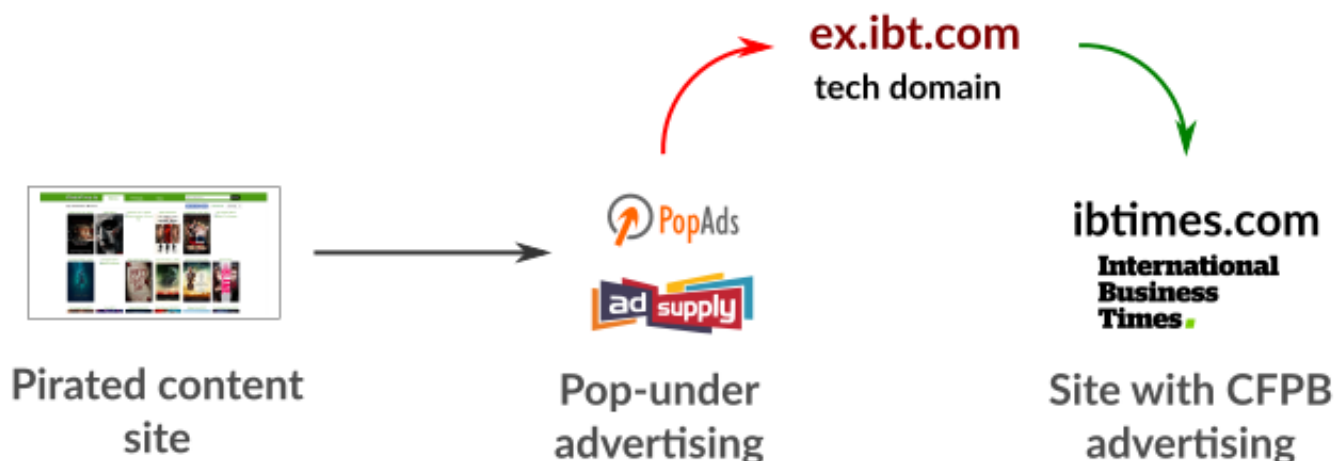
Using a technical domain that automatically redirects traffic to the recipient's site, is the simplest scheme of traffic laundering. This technique is very old and primitive, but despite this, it is still effective. Traffic verification systems still can not counteract this, since they do not identify the original source of traffic.

In September 2016, IBTimes.com began to receive pop-under traffic, from Oct. 2016 to Feb. 2017, 5-7 million monthly visits. Even in March 2017 pop-under still caused 3.5 million visits.

Since March 24, a sudden surge of referral traffic from the technical subdomain started. From April to June, it gave from 5 to 7 million visits a month, while pop-under is reduced to 0.5 - 1.5 million.

Investigating where the traffic to the technical domain comes from, it is easy to establish that it comes from pirate sites through the advertising systems Pop Ads and Ad Supply. This is the same pop under traffic, which now for web analytics as a referral.

During the campaign. Mar, 24 - May, 31, 2017 all web analytic systems tag the same visits as **referral traffic**



Top 10 initial sources of pop-under traffic to ex.ibt.com from March to May, 2017

















Investigated by
Social puncher

The main source of traffic (more than 80%) were sites with pirated content. The federal government knows about their existence and role in the shadow digital economy.

30% of the traffic received by IBTimes in this period was sent from the domains (or their clones), included in the US Trade Representative report (Nov. 2017) as the largest pirate resources, causing the economy of the U.S. multimillion-dollar damage.

The main source of income for such sites is the sale of traffic. Not only direct advertisers can buy it, but publishers serving federal government campaigns, as in this case (in addition to commercial contracts).

Among the top 10 sources of IBTimes 7 belong to anonymous owners, 6 of them are parts of clone groups which are accused of violating copyrights.

	<i>The source of pop-under traffic</i>	<i>Domain Owner</i>	<i>Clone of Big Piracy group</i>	<i>Highlighted by U.S. GOV</i>
1	Watchfree.to		Putlocker	
2	Kissanime.ru		KissCartoon	
3	Openload.co		Openload	
4	Mediafire.com		-----	-----
5	Shmoop.com		-----	-----
6	Turbobit.net		-----	-----
7	Afdah.to		Putlocker	
8	Youtube.com		-----	-----
9	Listentoyoutube.com		Youtube-mp3	
10	Gomovies.to		123movies	



Top Piracy group, according US. Trade Representative



Anonymous domain owner

Signs of simulated audience on pirate site, Afdah.to sent pop-under traffic to ex.ibt.com



Why some of the pop-under traffic was exactly artificial, can be shown in the example of one of the clones of the popular pirate group Putlocker, site Afdah.to. It ranks seventh in the top 10 traffic sources in this case.

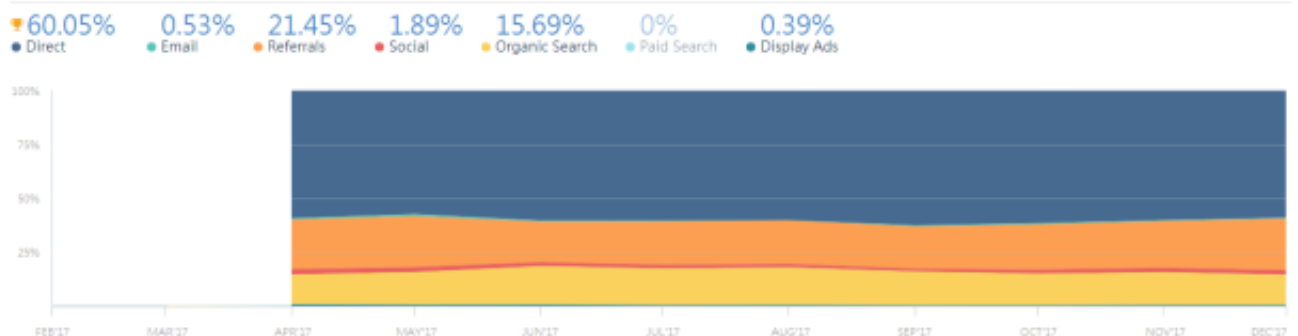
The site appeared on April 2 and immediately began to send pop under traffic, mostly to ex.ibt.com. Within a few days, it reaches an average level close to 200,000 visits a day and keeps it for the next six months. Analyzing the traffic, you can determine that the audience of the site

shows very similar statistics for a number of parameters, almost without the template specified in the first month of its activity.

The simplest and most obvious is the anomaly of the sources for the desktop traffic. Its total volume has been constant over the past 9 months (to date, January 2018), and all this time the ratio of the three main types of traffic, direct, search and referral traffic, remains unchanged, with a minimal statistical error. Obviously, there is a repetitive algorithm, which every month forms an artificial audience of this site.

Channel Analysis

afdah.to | Feb 2017 - Dec 2017 | Worldwide | Desktop Only | Traffic Share

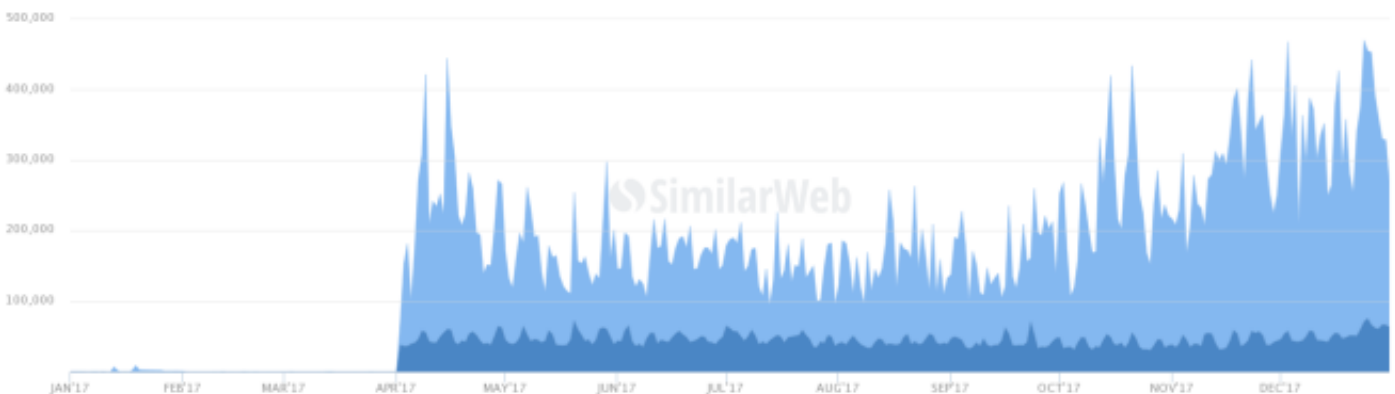


Monthly Visits

All Traffic | Worldwide

afdah.to 4.878M

Desktop Mobile Web



AD FRAUD INDUSTRY

In fact,
nobody is
responsible
for inhuman
ad views,
and anyone
isn't
interested
in disclosing
the real
schemes of
the industry

Why this scheme is ad fraud?

1. With direct placement, the advertiser buys a unique audience, accumulated by this publication for many years. In this case, the IBT instead of its audience simply resells (and very expensive) the audience of sites with pirated content.

2. This is a pop-up (pop-under) traffic, a window that opens against the user's desire, an unwanted effect of visits to pirated content sites. These people did not have the goal to switch from it exactly to IBT, any other site could open in a pop window.

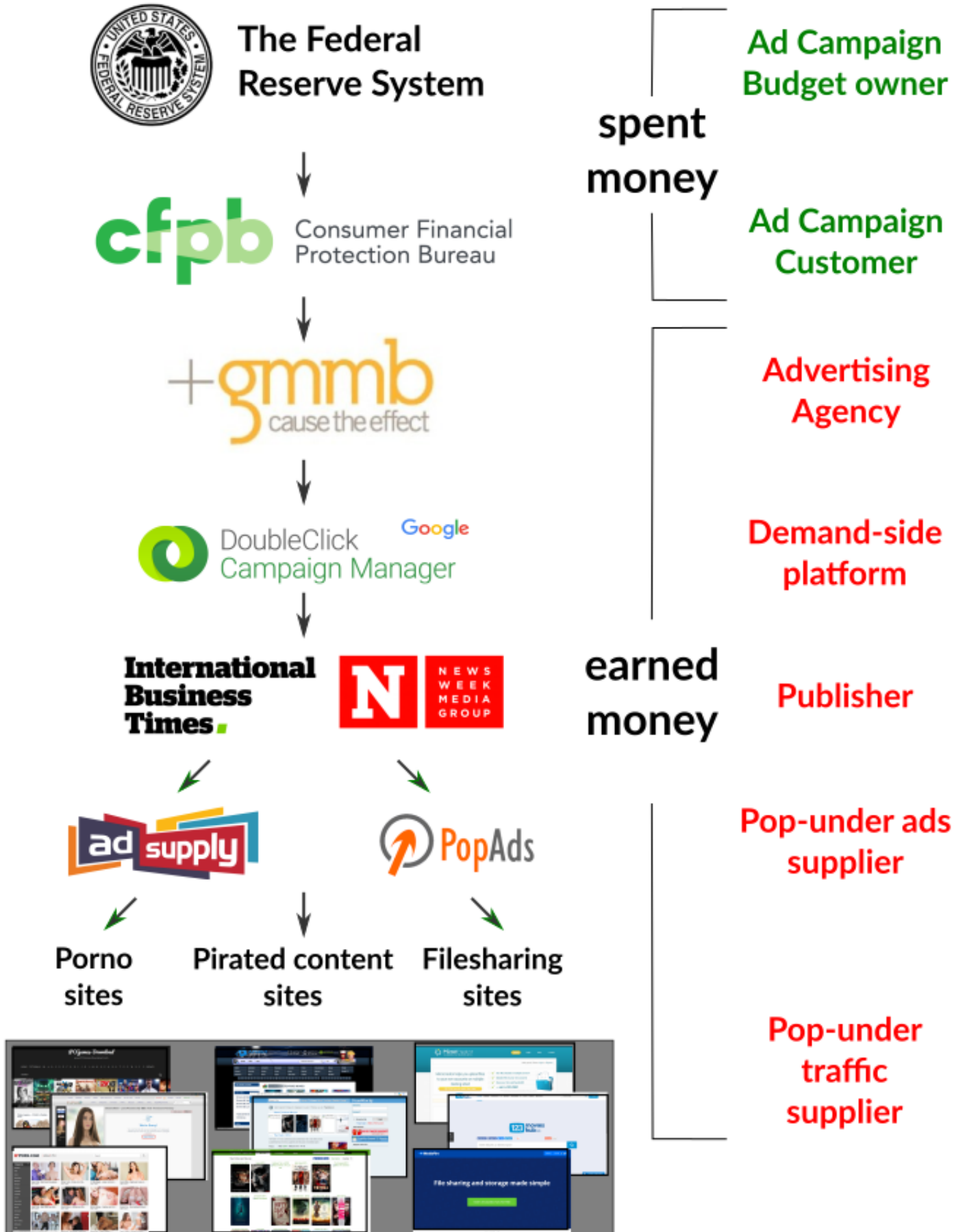
3. IBT did not just buy pop under traffic but tried to hide it. IBT has preliminarily prepared a scheme for concealing the fact of a massive purchase of traffic and tested it for 6 months. A month after the CPF B ad campaign, the system again went into stealth mode with a minimum traffic flowing through it.

This is not the only case of concealment of traffic buying on the assets of the IBT Media. A completely similar scheme was used at the same time on the IBTimes.co.uk.

4. Among the traffic sources of the IBT, there are sites that have obvious repetitive anomalies of audience behavior, claiming that most of their traffic is artificial. They are a simulation of pirated sites created solely for the sale of popunder traffic.

The money flow for CFPB ad campaign from March to May, 2017

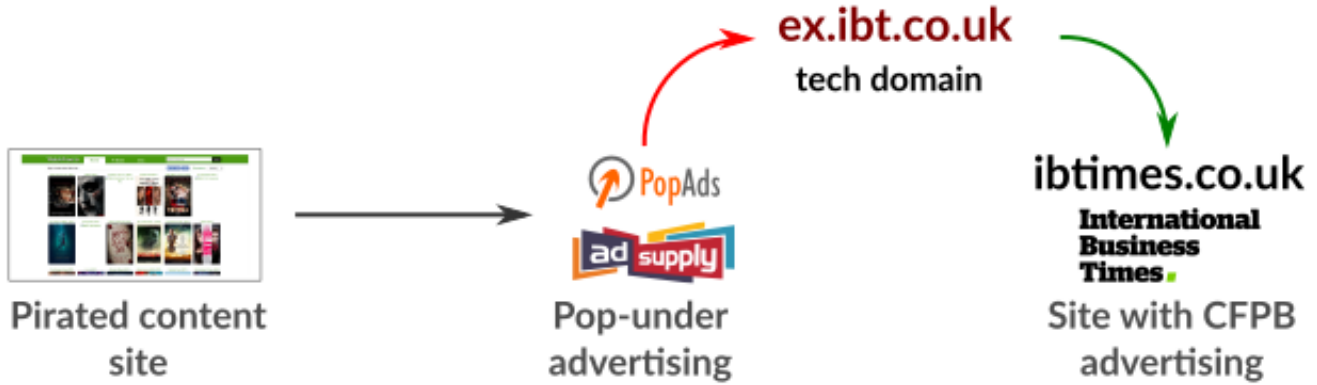
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Other facts about IBT Media business in the same period



IBT Media concealed pop-under traffic on another site too



IBTimes.com was not the only domain of IBT Media, for which such a scheme was used. Identical traffic laundering at the same time was used for the British domain IBTimes.co.uk. The testing of ex.ibt.com and ex.ibt.uk domains were launched simultaneously in September 2016.

From March to August 2017, IBTimes.co.uk received 15 million disguised pop-under visits and more than 20 million visits through Ad Supply and Pop Ads without an intermediary. This traffic had a very high ROI, the average user who came through the technical domain spent almost 20 minutes

on the site and viewed more than 8 pages, which significantly increased the number of ad impressions for a single visit.

Buying pop under traffic has long been a typical solution for increasing the audience of IBT Media. In total, over 3 years (2015-2017), the 3 main domains of IBT Media (IBTimes.com, IBTimes.co.uk, IBTimes.co.in) received about 240 million visits via the pop-under, during which more than 1.2 billion pages were viewed.

The sale of this traffic to advertisers and advertising systems, both and direct buying and programmatic, could bring tens of millions of dollars to the media group.

Rebranding of IBT Media to Newsweek group



Other government advertisers on IBTimes.com (2017)



U.S. Department
of Housing and Urban
Development



Department
of Health



U.S. Department
of the Treasury



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UNITED STATES MINT

Even beyond fintech, diverse blockchain innovators are also hopping on the Singapore train. Jan Isakovic, co-founder of a Swedish networking startup for the blockchain community called [Colound.it](#), told International Business Times his team worked for almost a year before deciding to launch an initial coin offering next week in Singapore.

ABOUT

Social Puncher is an independent company that serves as a sheriff in the digital ad market.

In addition to the traditionally used technical means, we use a comprehensive approach to detect fraud, focused on recognizing sophisticated methods of audience simulation. Our investigations allow you to understand how the digital ad ecosystem is actually arranged.

Social Puncher does not provide services for verification of digital audience for advertising systems and publishers.

Social puncher

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