PROTECTING YOUR MEDIA INVESTMENT FROM AD FRAUD

IAB AU AdOps 2022

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Agenda

1 What's The Law?

2 Why Care?

3 What Is Fraud?

4 Show Me How It Works!

5 Fraud In CTV…. It Can't Be So!

6 Best Practices

In Other Industries, Fraud is Not Only Unacceptable, It's Unlawful.
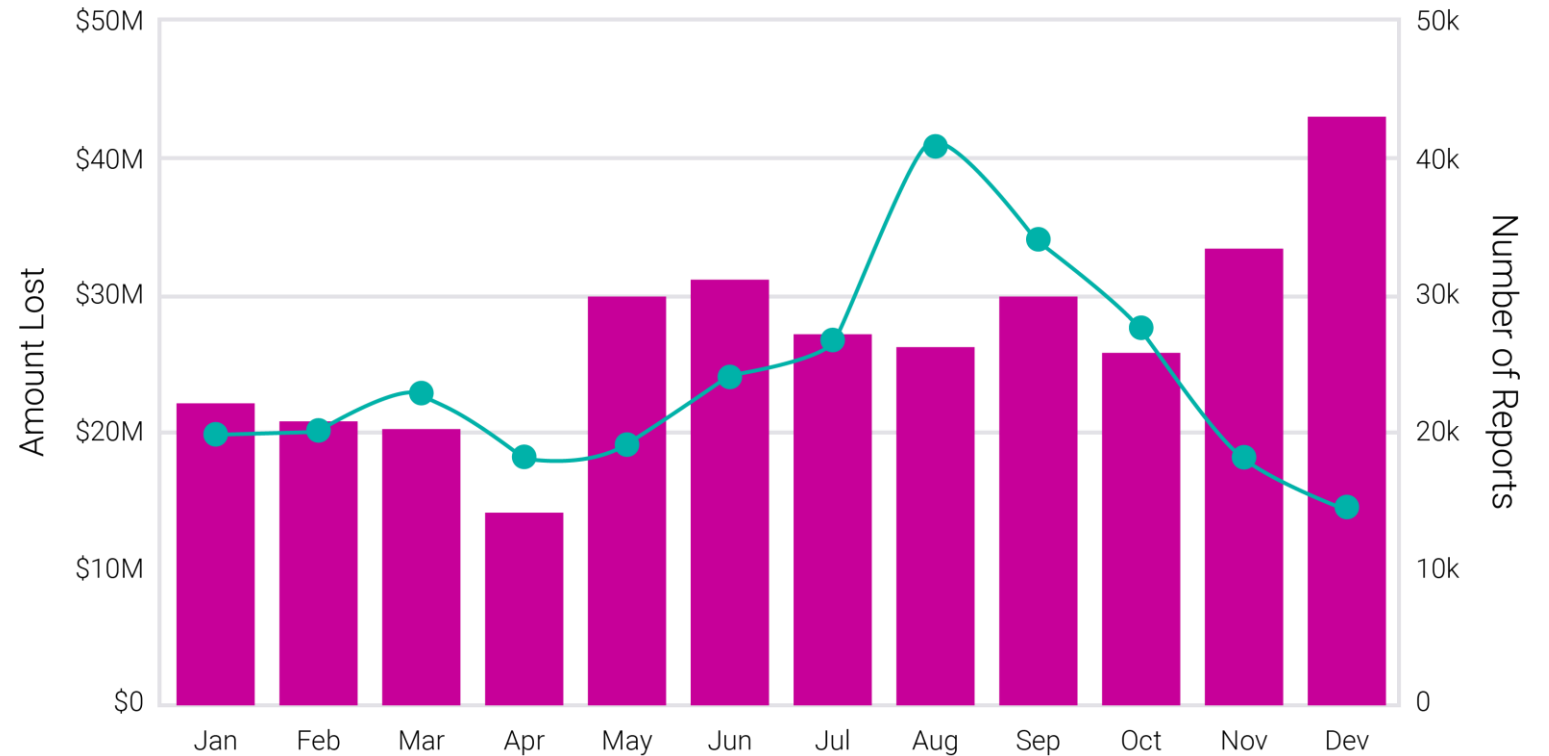
Financial Fraud is Illegal!

Financial Fraud in AU 2021

$323,723,459

AMOUNT LOST

286,607

NUMBER OF REPORTS
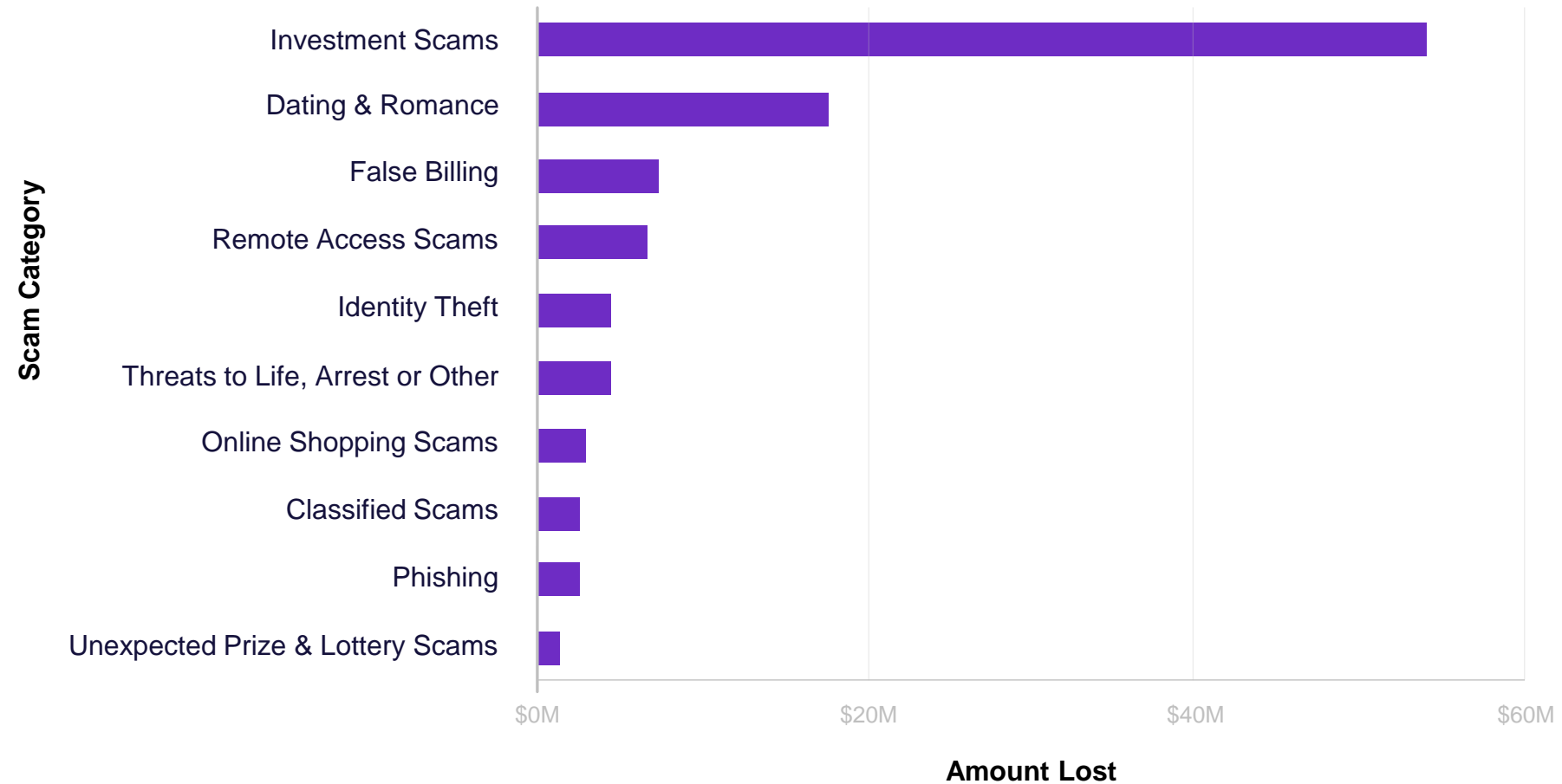
ScamWatch.Gov.Au

Legal Penalties for Financial Fraud

Maximum penalty of 2 years in prison in the local court

Maximum penalty of 10 years in the district court

But, what happens if you commit Ad Fraud?

Unfortunately, Ad Fraud is Far More Difficult to Detect, Identify, Track and Prosecute.

"

Half the money I spend on advertising is wasted; the trouble is I don't know which half.

"

- John Wanamaker

The Impact of Ad Fraud is Felt Across the Industry

$34B

Estimated amount lost to ad fraud in 2021.

$87B

Estimated amount that will be lost to ad fraud by 2022

$56B

Estimates loss in APAC region in 2022

"The WFA predicts ad fraud will become the biggest market for organised crime by 2025, worth $50 billion"

Source: Juniper

Statista

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Fraud Follows The Money

Digital Ad Spending

Australia, 2020-2024

Year	Value
2020	$6.61
2021	$7.12
2022	$7.51
2023	$7.84
2024	$8.12

● Billions

eMarkerter, March 2021

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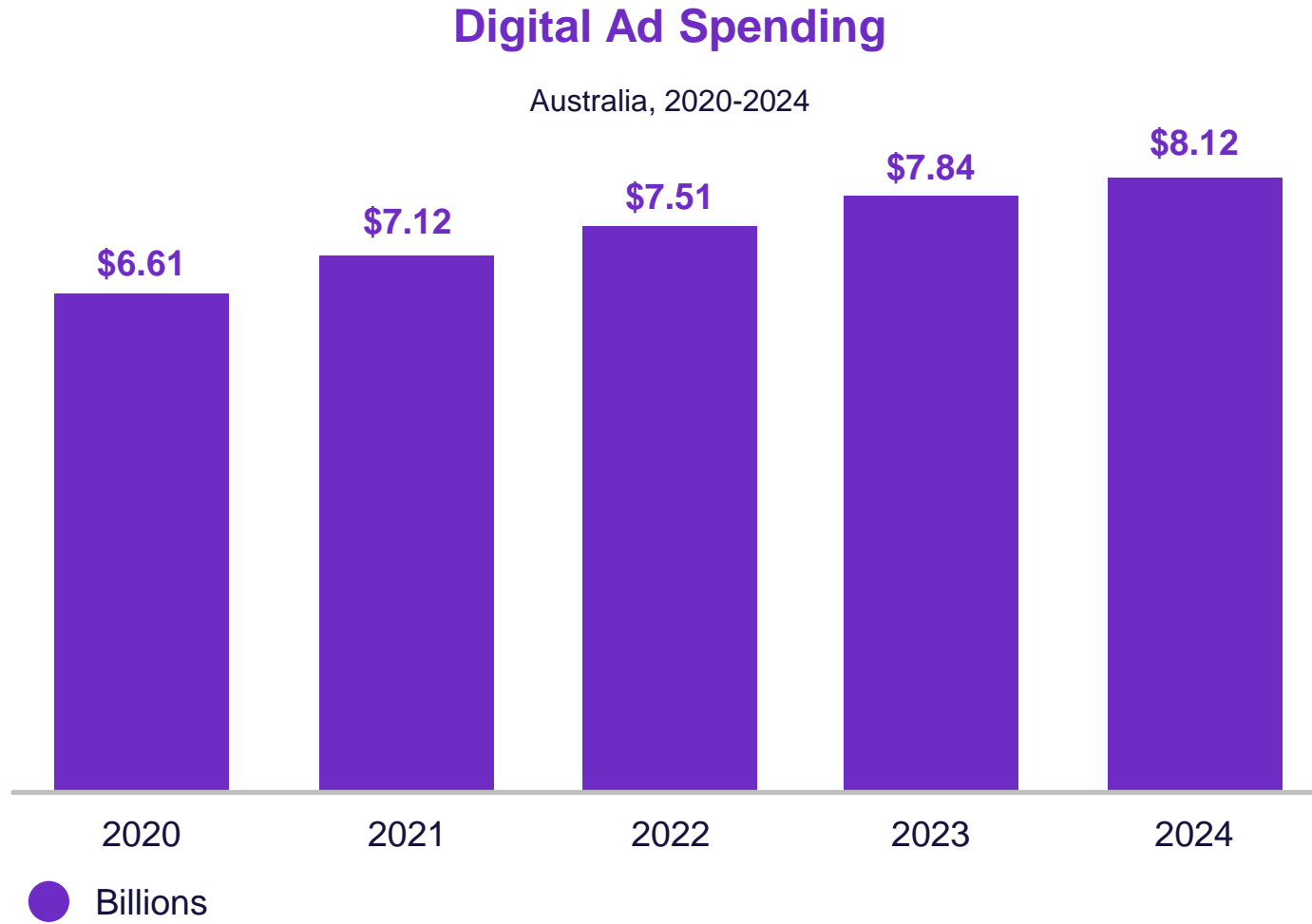
WHY SHOULD WE CARE ABOUT FRAUD?

Negative Brand Association

Wasted Advertiser Media Spend

Skewed Performance Metrics

Decrease in Advertisers' Bottom Line

7 Known Types of Fraud Known Globally

Fraud/SIVT

Fraud	Data Center Traffic	Adware/Malware	Emulators

Fraud:
- App Fraud
- Site Fraud
- Bot Fraud

Adware/Malware:
- Injected Ads
- Hijacked Devices

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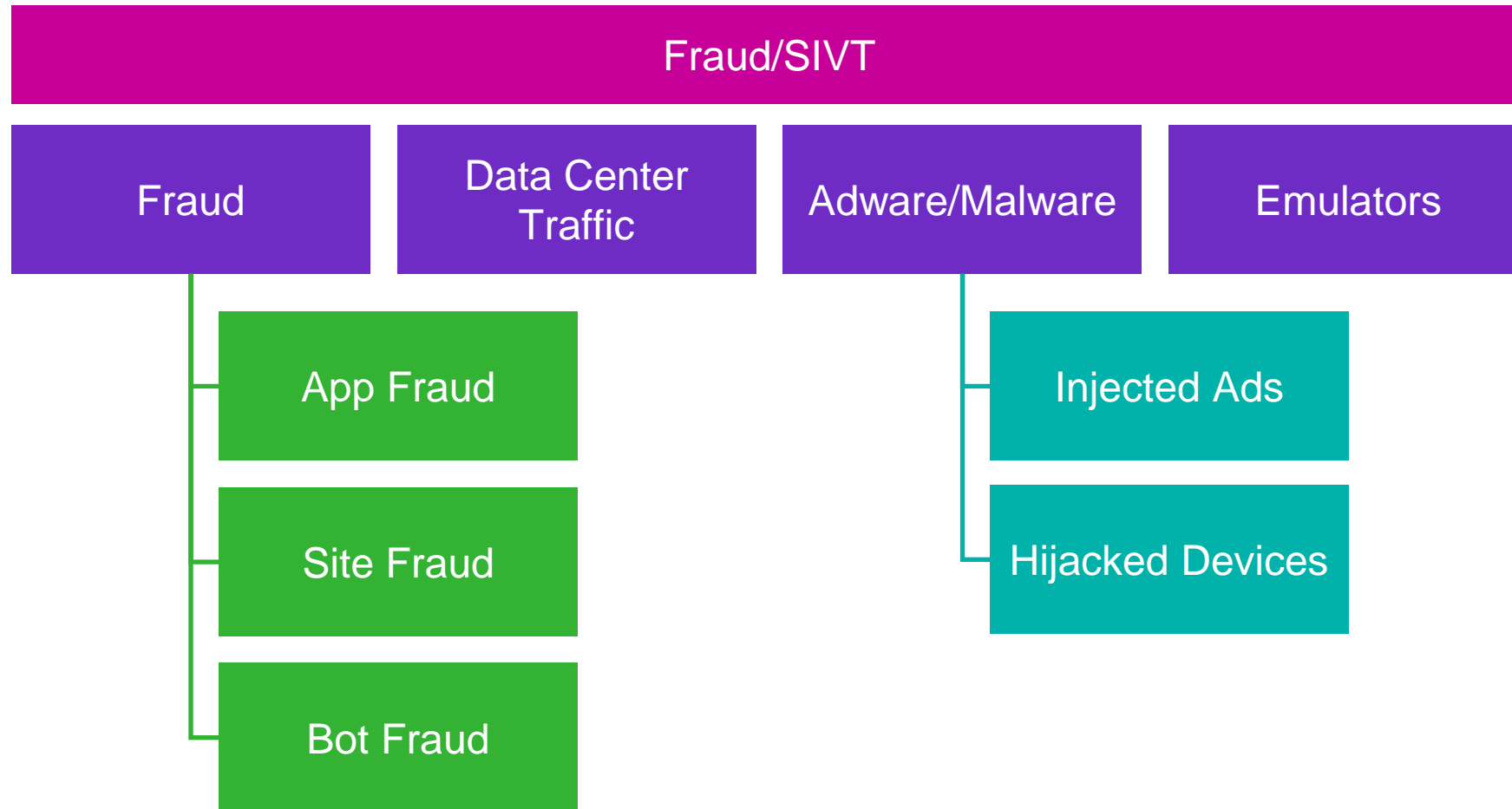
FRAUD IN ACTION

What is Sophisticated Invalid Traffic?

Fraud/SIVT

Fraud | Data Center Traffic | Adware/Malware | Emulators

App Fraud

Site Fraud

Bot Fraud

Injected Ads

Hijacked Devices
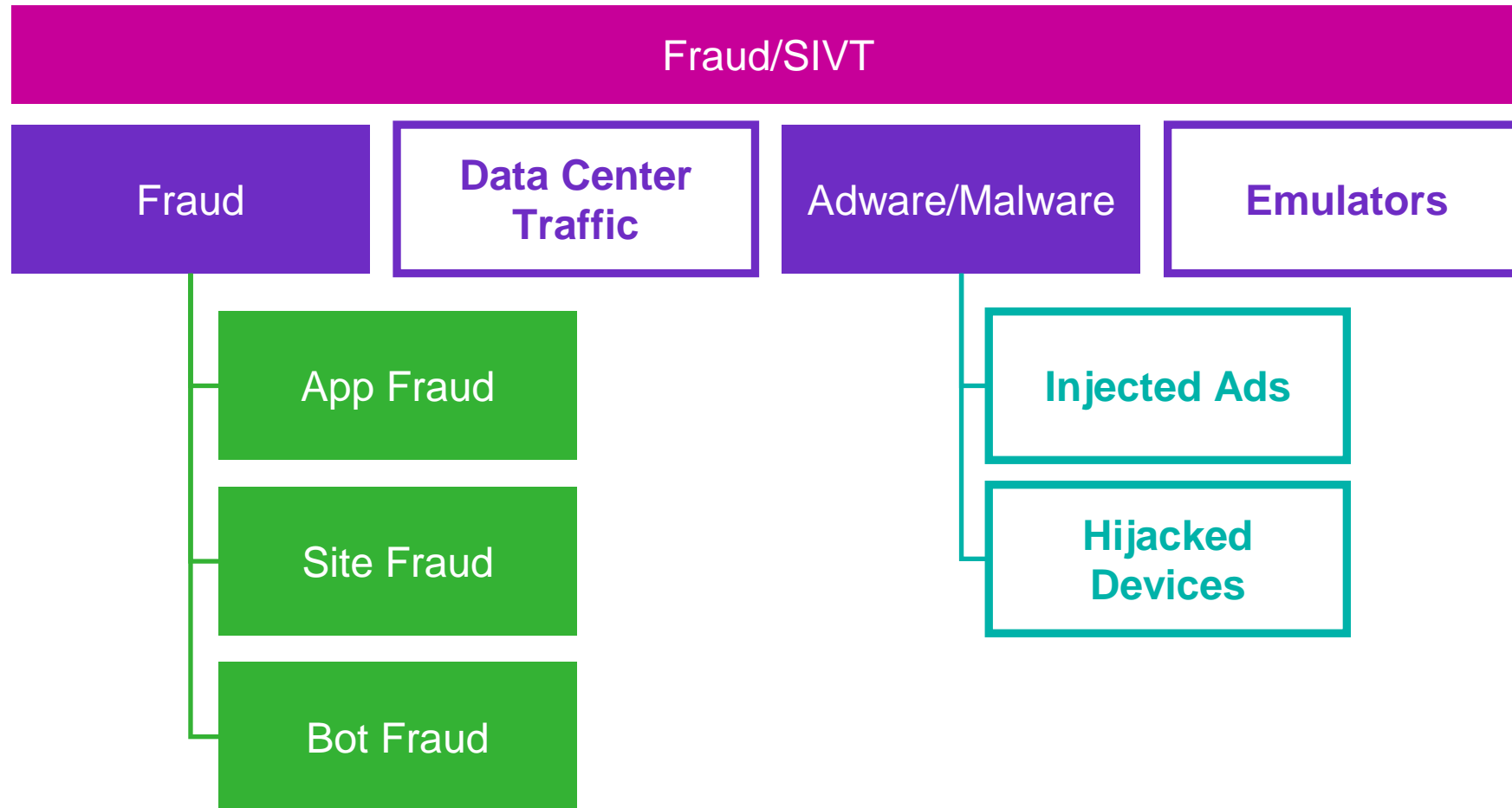
Non-Human Data Center Traffic

Impressions that originate from facilities (e.g., Amazon Web Services) used to house computer/server systems.

Not necessarily bad, but not human.

Injected Ads

Injected Ad Example

Impressions that do not originate from the publisher's web page, mobile application, or via their inventory monetization partners.

Hijacked Devices

This happens when malicious code is downloaded onto your phone or other device.

Emulators

Emulators are impressions that occur on non-mobile devices (such as desktop computers), but with identifiers indicating the ad is running on a mobile device

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FRAUD IN CTV

Defining CTV & OTT
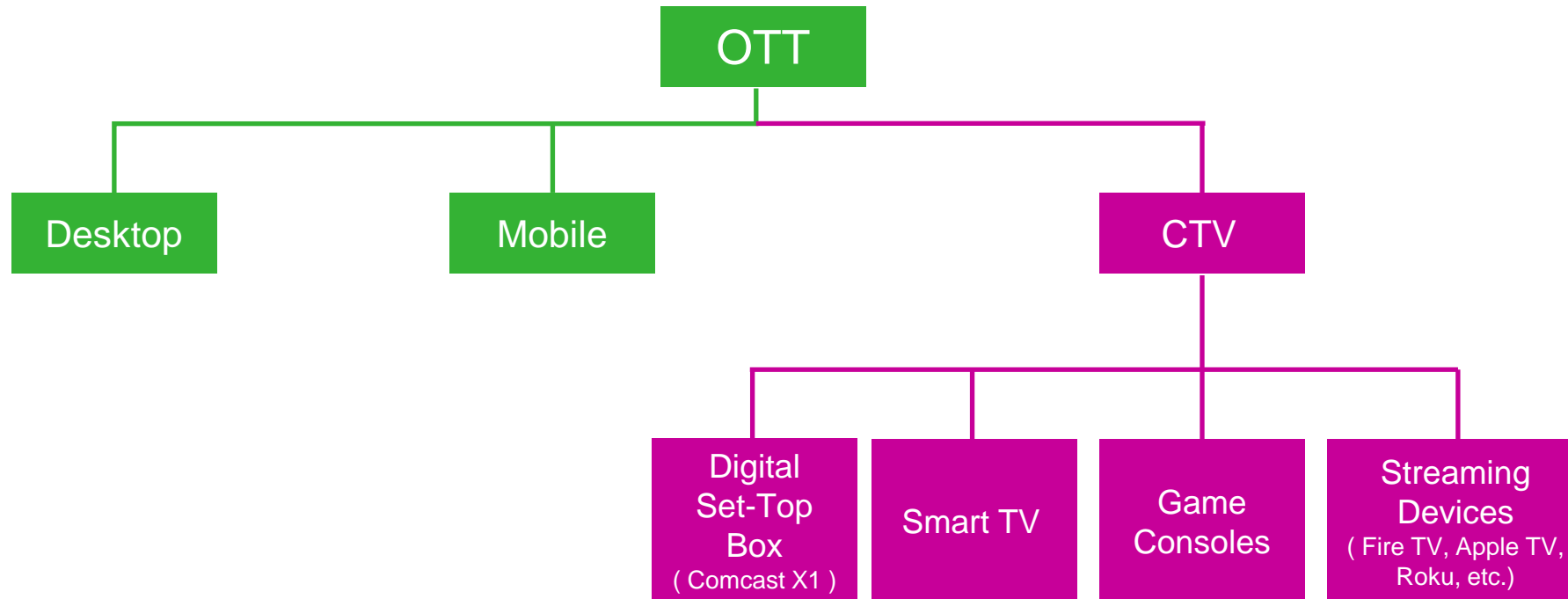
While OTT is a general term used mostly for video inventory delivered over the internet, CTV is a subset of that inventory delivered via connected TVs and dedicated devices hooked into the big screen.

In 2021 in APAC, DV saw CTV ads roughly double in volume compare with 2020 (+97%)

From 2020-2021 in APAC, DV saw:

↑ **110%**
INCREASE
in CTV video
Fraud/SIVT rate

↑ **20%**
INCREASE
in Fraud/SIVT rate for video
across other devices

CTV Spotlight - Fraud Follows The Money, But DV Has You Covered

150%

Fraudulent CTV impressions growth in 2021

2,424

Fraudulent CTV apps detected since 2020

580K+

Fraudulent devices detected/day

DoubleVerify / iab. australia

26

Types of Fraud in CTV

Fake Traffic

Fraudsters easily create servers, generate fake traffic and pass it on as premium impressions

Fraudulent Apps

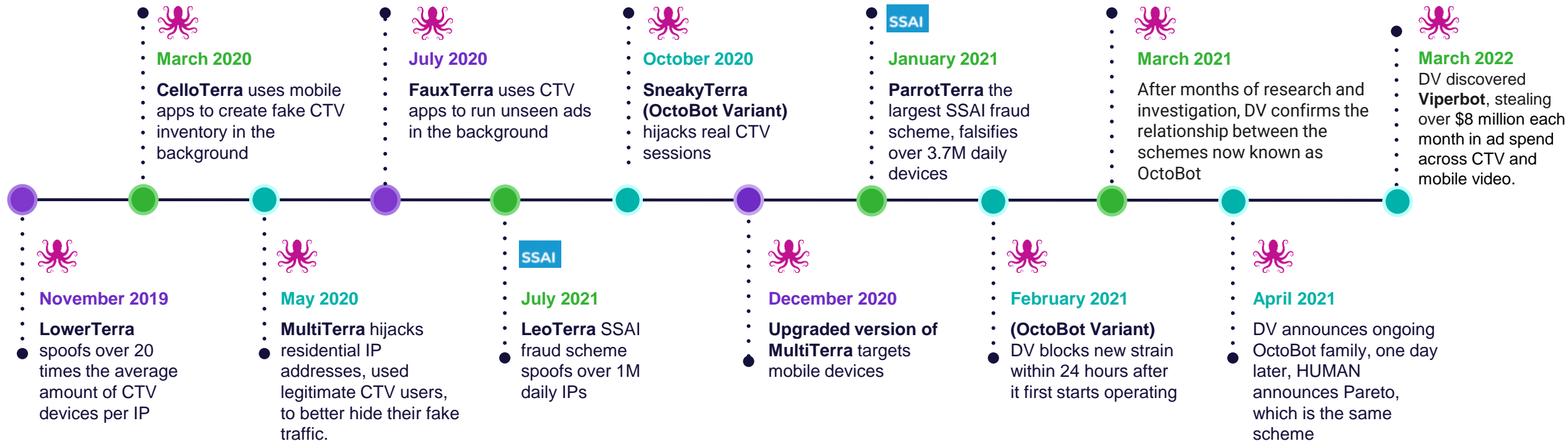Hundreds of apps exists today with a few downloads generating millions of impressions

Spoofing

Fraudsters buy low-price inventory and resell it as premium CTV video inventory at high CPMs

Recent Timeline of CTV Schemes

Uncovering a series of CTV schemes and shutting them down with pre-bid fraud detection

March 2020
CelloTerra uses mobile apps to create fake CTV inventory in the background

July 2020
FauxTerra uses CTV apps to run unseen ads in the background

October 2020
SneakyTerra (OctoBot Variant) hijacks real CTV sessions

January 2021
ParrotTerra the largest SSAI fraud scheme, falsifies over 3.7M daily devices

March 2021
After months of research and investigation, DV confirms the relationship between the schemes now known as OctoBot

March 2022
DV discovered **Viperbot**, stealing over $8 million each month in ad spend across CTV and mobile video.

November 2019
LowerTerra spoofs over 20 times the average amount of CTV devices per IP

May 2020
MultiTerra hijacks residential IP addresses, used legitimate CTV users, to better hide their fake traffic.

July 2021
LeoTerra SSAI fraud scheme spoofs over 1M daily IPs

December 2020
Upgraded version of MultiTerra targets mobile devices

February 2021
(OctoBot Variant) DV blocks new strain within 24 hours after it first starts operating

April 2021
DV announces ongoing OctoBot family, one day later, HUMAN announces Pareto, which is the same scheme

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28

Checklist on Fighting Fraud

✓ **Understanding ad fraud** and its techniques

✓ Work with a **third-party verification** provider to measure and protect your campaigns

✓ Work **with fraud-certified platforms**, especially on CTV

✓ Ensure the publishers you're working with have **adopted ads.txt**

✓ Check out which companies have been **verified by TAG**

✓ Do a **sniff test** - if it seems too good to be true, it probably is

✓ **Ask questions** - your DSP, SSP and verification providers are trying to protect advertisers from fraud and can help you better address any concerns you might have