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This Is How Easy It Is to Buy ICO Ratings — An Investigation

Newcomers and inexperienced investors are especially trusting ICO rating platforms when looking for information for their investment decisions. However, many rating platforms long ago earned a dubious reputation amongst industry experts. There is constant suspicion that the expert ratings they provide are in no way independent, but can rather be purchased by ICOs. However, is it really so simple to buy ICO ratings and, in so doing, deceive investors? We went in search of clues — with frightening results.

We believe that crypto currencies can improve our economy and society. However, we also believe that current excess on the ICO market is harmful to individual investors as well as to the entire ecosystem. That was our reason for establishing Alethena.

Alethena is a one-hundred per cent objective and independent rating agency that provides investors with trustworthy information. We are currently in the process of executing our ICO. In the course of this process—like every other ICO—we took a closer look at how current ICO marketing actually functions.

We consistently encountered non-transparency, dubious practices, and scams. This not only intensified our belief in the need for transparent and independent ratings, but also our desire to uncover how dysfunctionally and deceptively the ICO ad market actually operates at present.

**Stephanos Constantinou**

Chief Executive Officer | Blockchain | ICO Expert
Rated on Jun 4, 2018

5

TEAM

5

VISION

5

PRODUCT

6%

WEIGHT

Seems that Alethena is a very legit new rating platform, containing significant potential to skyrocket with increasing demand from B2B business.

Considering the team, it turns out to be quite young. But having a really experienced board of strategic advisors from all different fields, the management team should be able to handle the challenges.

According to their website and documentation, they are aiming to make data aggregation more efficient and scalable with the use of machine learning and artificial intelligence.

My conclusion is that Alethena is a great project with a clear strategy, a business plan and not to forget, a monetization strategy.

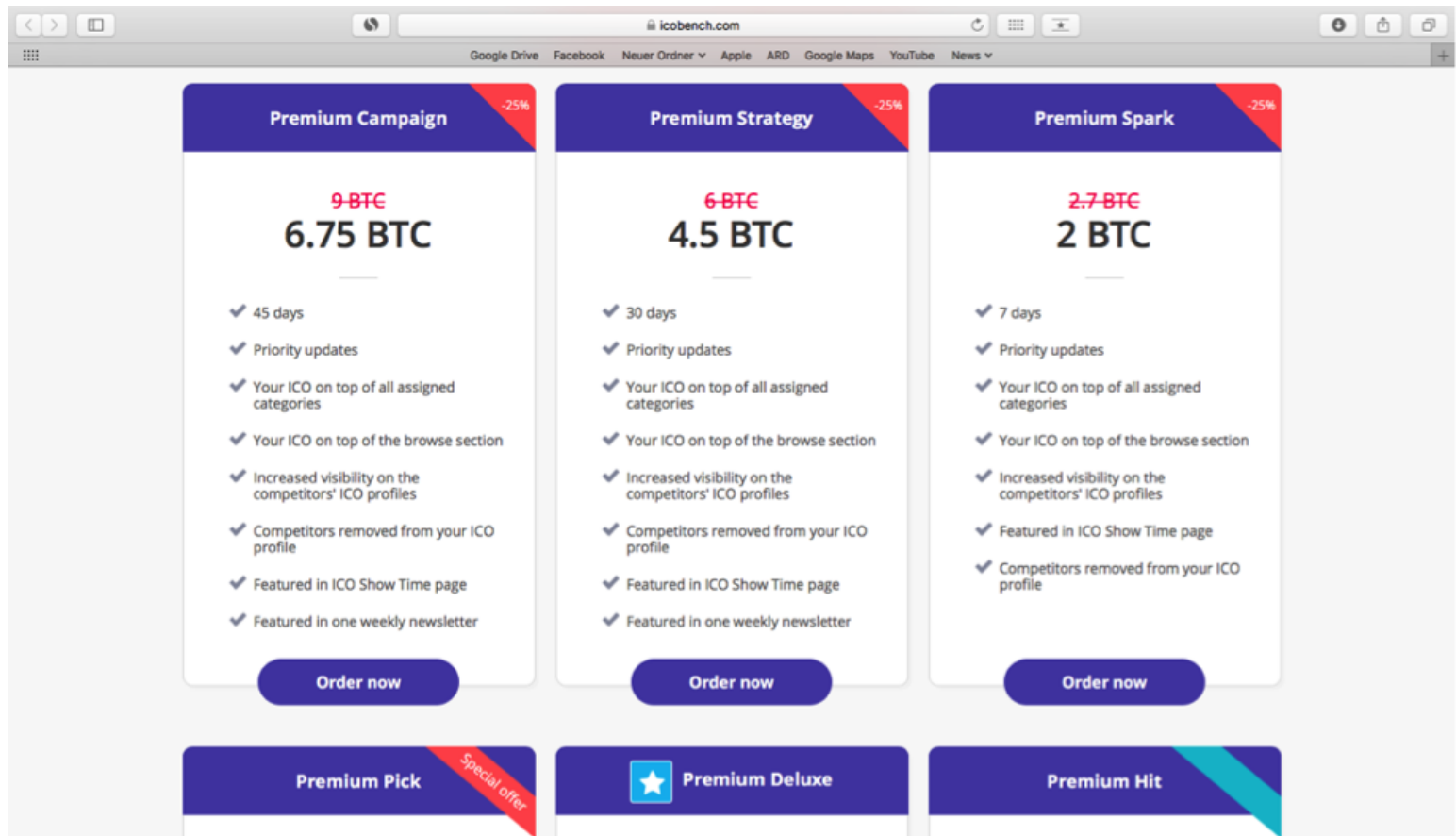
Agree

Source: icobench.com/ico/alethena

Hence, we launched an investigation.

“ICO ratings from top investors and experts”—is what ICObench, one of the most well-known ICO rating platforms, advertises on its website to gain the trust of investors looking for information. A lofty claim. But exactly how trustworthy and independent are the ratings provided on platforms such as these? A closer inspection of the websites of ICObench and similar rating providers showed that ICO rating visibility is by no means impartial. In fact, it is influenced by the wallets of the respective ICOs. ICObench offers ICOs so-called premium listing services. In exchange for some Bitcoin (depending on how long the service is provided), ICOs can purchase a top ranking in the ICO overview, be featured in the newsletter, and also be positioned on

the profile pages of their competitors. At the same time, these competitors will be blocked from appearing on the profile pages of paying ICOs.



Source: icobench.com

As such, an ICO's visibility does not depend on the quality of expert ratings, but only on how much money it was willing to pay for premium placement. Yet these paid top placements are not labelled as such. This results in a skewed image of reality for the inexperienced user looking for valid information on which to base investment decisions. No small number of users will mistakenly regard a prominently placed ICO as a recommendation from the rating platform and make investment decisions on this basis. It is evident that most rating platforms are nothing more than marketing tools hawking visibility to the highest bidders under the guise of supposedly legitimate and expert ratings. This alone is exemplary of the kind of dubious business practices that fuel non-transparency in the ICO market and deceive investors. However, it gets much worse.

This experiment is proof of how easy it is to buy expert ratings

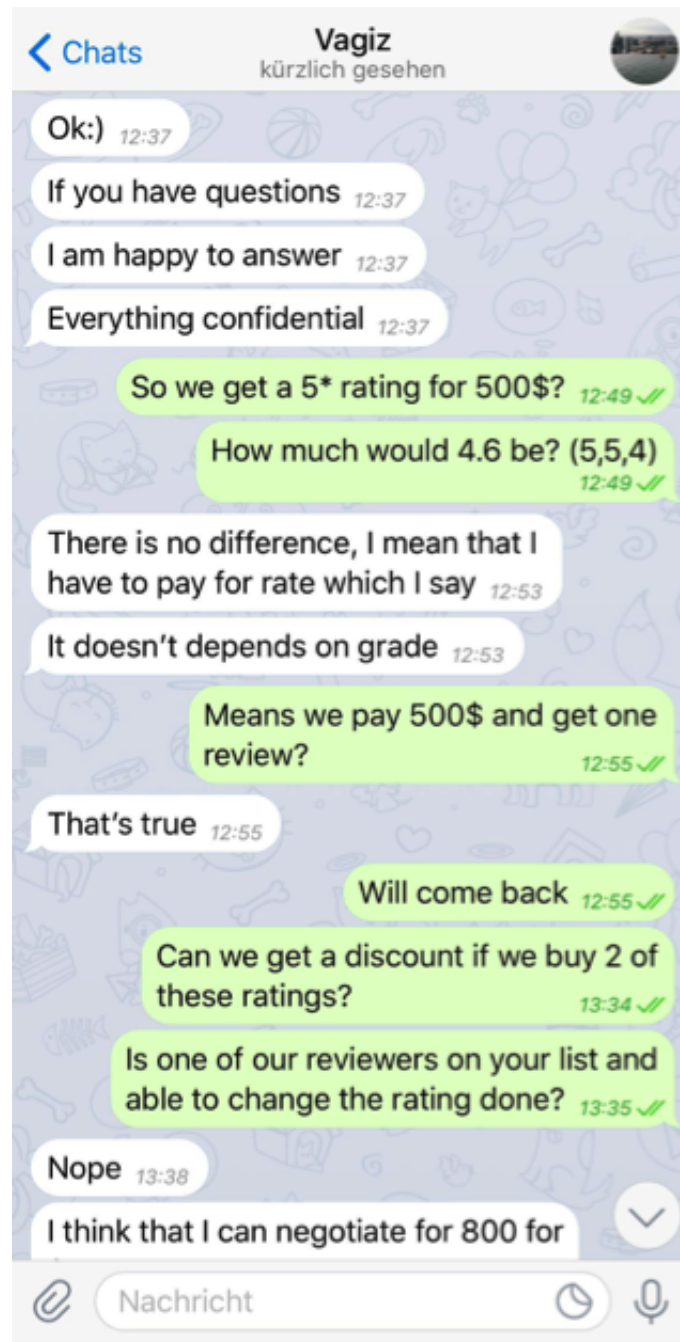
Anyone delving into the criticism of the current ICO ecosystem will encounter two terms again and again: *Wild West* and *gold rush mood*. And these descriptions are indeed accurate when one observes, on the one hand, the largely unregulated and somewhat legal vacuum in which ICOs vie for the attention of investors, and, on the other hand, the enormous multi-millions that have flowed through countless ICOs in the last few months. The lack of transparency and regulation, as well as the gigantic sums in play, are triggering excesses that not only exceed the limits of good taste but are also de facto investor fraud. The following experiment explains.

It has long been a public secret in the crypto community that so-called expert ratings can often be purchased and are, as such, in no way independent.

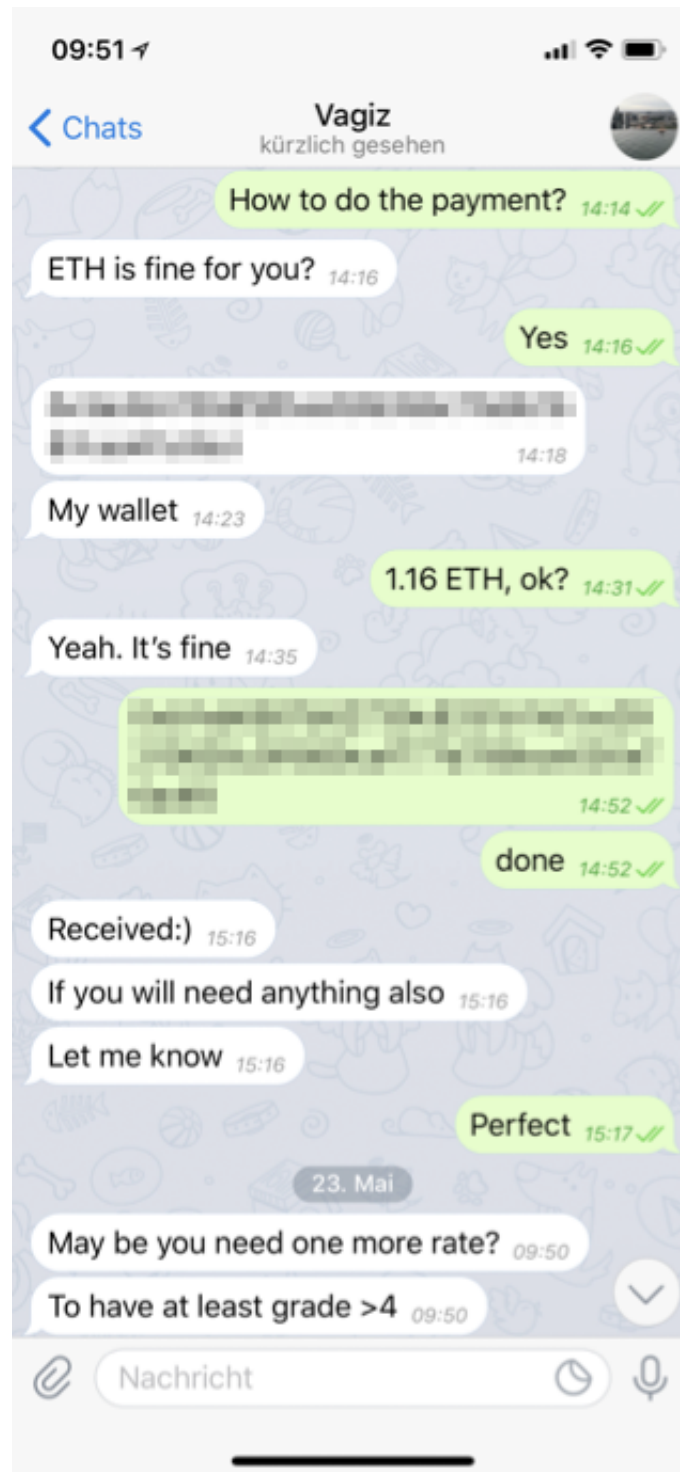
In order to determine whether it is indeed so simple to buy supposed expert ratings, we registered an ICO on ICObench. Shortly after we registered with ICObench, a certain Vagiz wrote to us via Telegram and offered to get us positive ratings in exchange for payment.



An expert rating would cost 500 US dollars. After a brief negotiation, we finally agreed on 800 US dollars for two ratings. While talking to Vagiz we were also able to determine with how many stars the experts would rate us.



After Vagiz told us that both ratings had appeared on ICObench, we paid the agreed upon 800 US dollars in Ether. Following the transaction, Vagiz tried to sell us additional expert ratings.



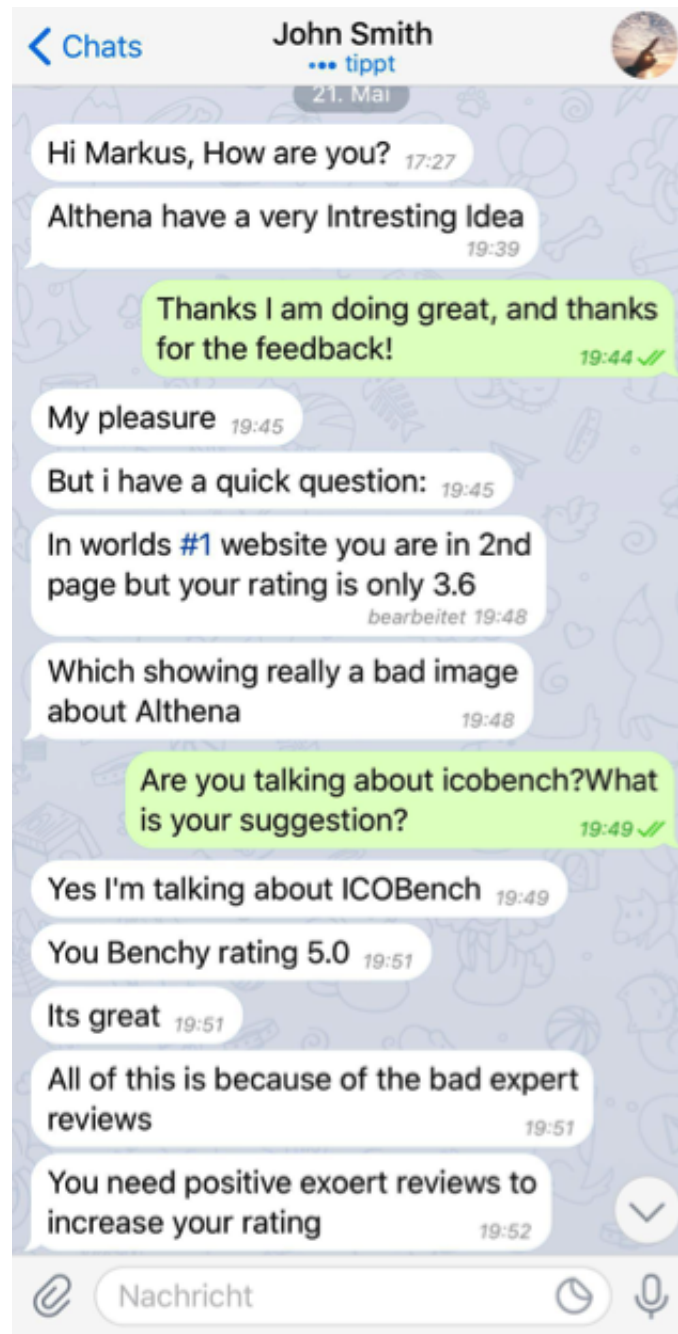
He eventually offered us six more ratings at the price of 300 US dollars a piece.



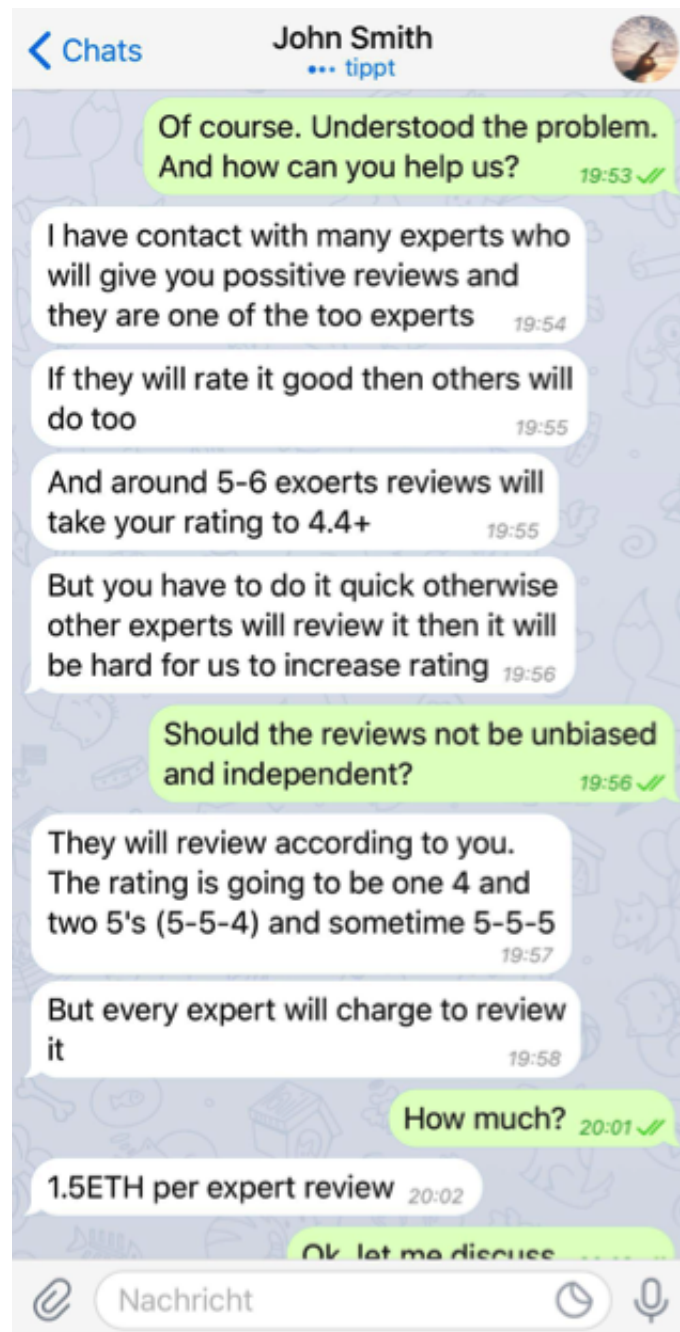
Again, we purchased one rating at 0.56 ETH. Our ICO had now received a total of three decidedly positive expert ratings, which provided users on ICObench looking for trustworthy information a completely false image. The price: a good 1000 US dollars. Nothing compared to the sums currently circulating in the crypto world.

It gets even worse

Vagiz was not the only person trying to sell us expert ratings via Telegram. Shortly after we registered with ICOBench, a certain John Smith wrote to alert us to our mediocre rating on ICOBench and offer his assistance.



John Smith's assistance would cost 1.5 Ether per expert rating. We could eventually negotiate this down to 1 Ether.



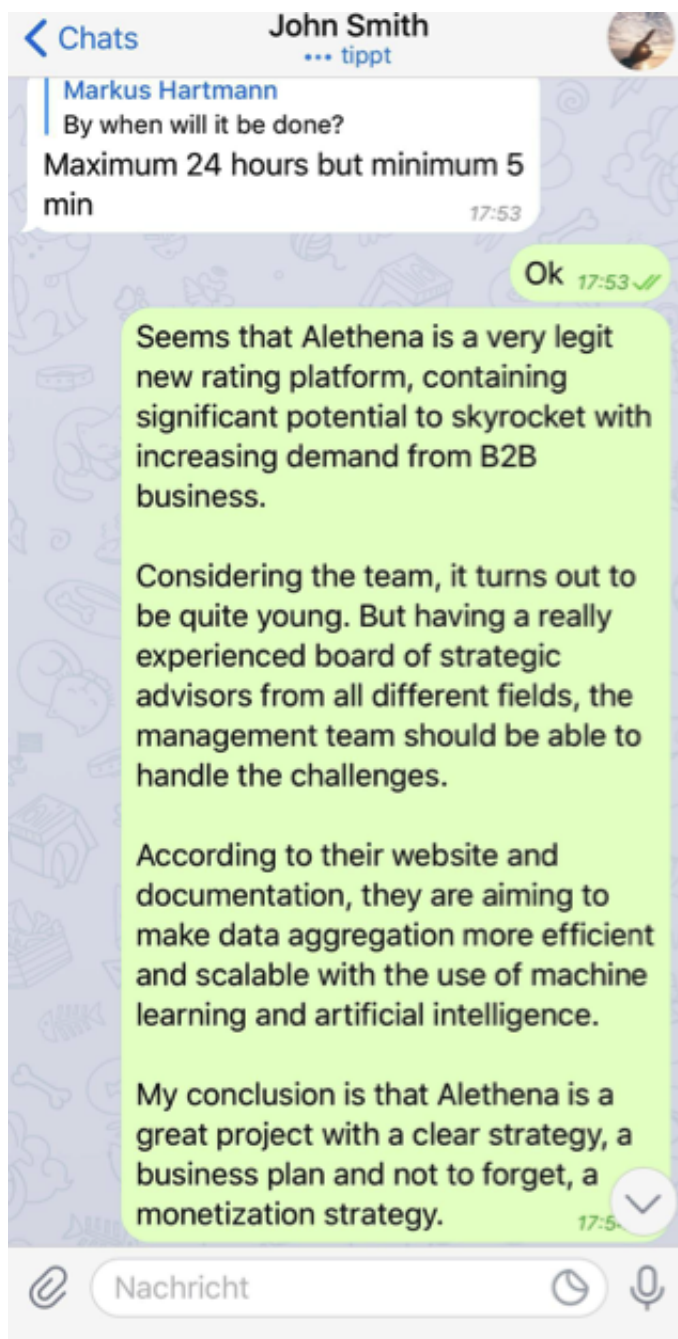
In our Telegram chat with John Smith, we wanted to determine whether we could have even more influence on the fake ratings by specifying the rating text for experts to publish.



John Smith answered in the affirmative, and we sent him an extremely positive rating text, one which we very much wanted to read about ourselves.

The fact that the first letters of the four total paragraphs spelled out S-C-A-M went unnoticed by

John Smith.



Shortly thereafter, a certain Stephanos Constantinou published a rating with the exact text we had provided.



Stephanos Constantinou

Chief Executive Officer | Blockchain | ICO Expert
Rated on Jun 4, 2018

5	5	5	6%
TEAM	VISION	PRODUCT	WEIGHT

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👍 Agree

Source: icobench.com/ico/alethena

Conclusion

It is frightening how easy it is to buy ICO ratings from supposed experts. We could not ascertain whether and to what extent Vagiz and John Smith were connected to ICObench—the platform where the ratings appeared. As such, ICObench cannot be deemed fraudulent from a legal perspective. However, what has become very clear in light of this experiment, is that ICObench and other rating platforms at least approve of or tolerate these dubious practices on their platforms. And this can have serious consequences for inexperienced investors who place their trust in this non-transparent and fraudulent behaviour. In a worst case scenario, they run the risk of losing all their deposits should they fall victim to a scam ICO as a result of fake ratings. One thing is clear: anyone looking to ICO rating platforms like ICObench will be left in the lurch.

That said, this blend of non-transparency and fraud is not just limited to rating platforms. It is also a common practice in many other areas of the ICO market. For example, **bounty campaigns, used by nearly all ICOs, have mutated into an excessive marketing machine that floods social media with countless unlabelled ads** leading inexperienced

investors to believe there is supposed community interest in an ICO project when in fact there is none. There are also crypto media outlets, who pass off sponsored content financed by the ICOs as editorially independent contributions, thus deceiving their readers. The list of deceptive practices can go on and on—unfortunately.

Each one of them damages the crypto ecosystem in the long-term by undermining trust in the entire industry. However, in order to ensure long-term success, we as the crypto community need the trust of large portions of society. An initial step for building this necessary trust is creating transparency for investors.

That is why we will need independent and transparent ICO rating agencies like Alethena, which can provide investors with trustworthy information instead of shamefully deceiving them.

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Alethena is the first Swiss Blockchain-Asset Rating Agency that is 100% independent, transparent, and neutral. Visit www.alethena.com for more information.

