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Inside a Fake News Sausage Factory: 'This Is All About Income'

By ANDREW HIGGINS, MIKE McINTIRE and GABRIEL J.X. DANCE NOV. 25, 2016

TBILISI, Georgia — Jobless and with graduation looming, a computer science student at the premier university in the nation of Georgia decided early this year that money could be made from America's voracious appetite for passionately partisan political news. He set up a website, posted gushing stories about Hillary Clinton and waited for ad sales to soar.

"I don't know why, but it did not work," said the student, Beqa Latsabidze, 22, who was savvy enough to change course when he realized what did drive traffic: laudatory stories about Donald J. Trump that mixed real — and completely fake — news in a stew of anti-Clinton fervor.

More than 6,000 miles away in Vancouver, a Canadian who runs a satirical website, John Egan, had made a similar observation. Mr. Egan's site, *The Burrard Street Journal*, offers sendups of the news, not fake news, and he is not trying to fool anyone. But he, too, discovered that writing about Mr. Trump was a "gold mine." His traffic soared and his work, notably a story that President Obama would move to Canada if Mr. Trump won, was plundered by Mr. Latsabidze and other internet entrepreneurs for their own websites.

"It's all Trump," Mr. Egan said by telephone. "People go nuts for it."

With Mr. Obama now warning of the corrosive threat from fake political news circulated on Facebook and other social media, the pressing question is who produces these stories, and how does this overheated, often fabricated news ecosystem work?

Some analysts worry that foreign intelligence agencies are meddling in American politics and using fake news to influence elections. But one window into how the meat in fake sausages gets ground can be found in the buccaneering internet economy, where satire produced in Canada can be taken by a recent college graduate in the former Soviet republic of Georgia and presented as real news to attract clicks from credulous readers in the United States. Mr. Latsabidze said his only incentive was to make money from Google ads by luring people off Facebook pages and onto his websites.

To gin up material, Mr. Latsabidze often simply cut and pasted, sometimes massaging headlines but mostly just copying material from elsewhere, including Mr. Egan's prank story on Mr. Obama. Mr. Egan was not amused to see his satirical work on Mr. Latsabidze's website and filed a copyright infringement notice to defend his intellectual property.

Yet Mr. Egan conceded a certain professional glee that Mr. Trump is here to stay. "Now that we've got him for four years," he said, "I can't believe it."

By some estimates, bogus news stories appearing online and on social media had an even greater reach in the final months of the presidential campaign than articles by mainstream news organizations.

Soul Searching

Since then, internet giants like Facebook and Google have engaged in soul searching over their roles in disseminating false news. Google announced that it would ban websites that host fake news from using its online advertising service, while Facebook's chief executive, Mark Zuckerberg, outlined some of the options his company was considering, including simpler ways for users to flag suspicious content.

In Tbilisi, the two-room rented apartment Mr. Latsabidze shares with his younger brother is an unlikely offshore outpost of America's fake news industry. The two brothers, both computer experts, get help from a third young Georgian, an architect.

They say they have no keen interest in politics themselves and initially placed bets across the American political spectrum and experimented with show business news, too. They set up a pro-Clinton website, walkwithher.com, a Facebook page cheering Bernie Sanders and a web digest of straightforward political news plagiarized from The New York Times and other mainstream news media.

But those sites, among the more than a dozen registered by Mr. Latsabidze, were busts. Then he shifted all his energy to Mr. Trump. His flagship pro-Trump website, departed.co, gained remarkable traction in a crowded field in the prelude to the Nov. 8 election thanks to steady menu of relentlessly pro-Trump and anti-Clinton stories. (On Wednesday, a few hours after The New York Times met with Mr. Latsabidze to ask him about his activities, the site vanished along with his Facebook page.)

"My audience likes Trump," he said. "I don't want to write bad things about Trump. If I write fake stories about Trump, I lose my audience."

Some of his Trump stories are true, some are highly slanted and others are totally false, like one this summer reporting that "the Mexican government announced they will close their borders to Americans in the event that Donald Trump is elected President of the United States." Data compiled by BuzzFeed showed that the story was the third most-trafficked fake story on Facebook from May to July.

So successful was the formula that others in Georgia and other faraway lands joined in, too, including Nika Kurdadze, a college acquaintance of Mr. Latsabidze's who set up his own pro-Trump site, newsbreakshere.com. Its recent offerings included a fake report headlined: "Stop it Liberals...Hillary Lost the Popular Vote by Several Million. Here's Why." That story, like most of Mr. Latsabidze's work, was pilfered from the web.

Mr. Latsabidze initially ran into no problems from all his cutting and pasting of other people's stories, and he even got ripped off himself when a rival in India hijacked a pro-Trump Facebook page he had set up to drive traffic to his websites. (He said that the Indian rival had offered \$10,000 to buy the page, but that he had reneged on payment after being provided with access rights and commandeered it for himself.)

Then the notice arrived from Mr. Egan in Canada, which prompted the company that hosts Mr. Latsabidze's websites, including departed.co, to shut them down for two days until he removed the offending story.

"It was really bad for me," Mr. Latsabidze recalled. "Traffic dropped and I had to start everything all over again."

Mr. Egan, for his part, said he did not like others making money unfairly off his labor. And he estimated that "probably half" the readers of his stories believe they are true because of the widespread theft by other websites.

"A lot of that was conservative readers who see it picked up on other sites and believe it," Mr. Egan said. "In many cases, they haven't actually read it, they're just reacting to a headline."

Form of Infotainment

Mr. Latsabidze said he was amazed that anyone could mistake many of the articles he posts for real news, insisting they are simply a form of infotainment that should not be taken too seriously.

"I don't call it fake news; I call it satire," he said. He avoids sex and violence because they violate Facebook rules, he said, but he sees nothing wrong otherwise with providing readers with what they want.

"Nobody really believes that Mexico is going to close its border," he said, sipping coffee this week in a McDonald's in downtown Tbilisi. "This is crazy."

All the same, the Mexico-closing-its-border story proved so popular after it appeared on his site that he hunted around on the web for other articles on the same

theme. He found a tall tale about Mexico planning to call back its citizens from the United States if Mr. Trump won. This, too, generated huge traffic, though not quite as much as the first one, which Mr. Latsabidze described as “a really great story.”

He insisted he has nothing against Mexicans or Muslims, whose exclusion from the United States is requested by an online petition that often appears on his websites and who are invariably presented in a negative light in the stories he posts.

“I am not against Muslims,” he said. “I just saw that there was interest. They are in the news.” Nor, he added, is he particularly against Mrs. Clinton, though he personally prefers Mr. Trump.

If his pro-Clinton site had taken off, he said, he would have pressed on with that, but “people did not engage,” so he focused on serving pro-Trump supporters instead. They, he quickly realized, were a far more receptive audience “because they are angry” and eager to read outrageous tales.

“For me, this is all about income, nothing more,” he added.

The income comes mostly from Google, which pays a few cents each time a reader sees or clicks on advertisements embedded in one of Mr. Latsabidze’s websites. His best month, which coincided with the hit bogus story about Mexico closing the border, brought in around \$6,000, though monthly revenue is usually much lower.

Mr. Obama, speaking in Berlin last week, assailed the spread of phony news on Facebook and other platforms, warning that “if we are not serious about facts and what’s true and what’s not” and “if we can’t discriminate between serious arguments and propaganda, then we have problems.”

While Facebook does not directly provide Mr. Latsabidze any revenue, it plays a central role in driving traffic to his websites. He initially established several fake Facebook pages intended to steer traffic to his websites, including one supposedly set up by a beautiful woman named Valkiara Beka. This woman, he acknowledged, does not really exist. “She is me,” he said.

He discovered, however, that such pages were ineffective compared with legitimate Facebook pages from real people, particularly Trump supporters, because they have so much energy and love promoting stories they like.

Departed.co — named after Mr. Latsabidze's favorite movie, "The Departed," and recently redirected to usatodaycom.com — published dozens of stories daily, many of them similar to one posted on Nov. 17 with the headline, "This Is Huuge! International Arrest Warrant Issued By Putin For George Soros!" The story was not true and had already been published on scores of other fake news sites around the web.

Then there are the stories that have a grain of truth, along with big dollops of exaggeration and extrapolation, like "Dying Hillary Says She Just Wants To Curl Up And Never Leave Her House Again After Defeat." Mrs. Clinton did say the day after her election defeat that she just wanted to curl up with a book. But she was not, as far as anyone knows, dying.

Kremlin Suspicions

In the prelude to the election, bogus reports about Mrs. Clinton's health and highly favorable ones about Mr. Trump were promoted with gusto by Russian state-controlled news media outlets and legions of pro-Russian internet agitators. This has stirred suspicions that the Kremlin has had a hand in the fake news industry, prompting American researchers to assert in recent studies that the online blurring of the boundary between truth and falsehood is in part the result of Russian manipulation.

But Mr. Latsabidze and others here say they serve only their bank balances, not Russia or anything else.

He insisted that his team operated entirely on its own and that it did not want or need outside help. He said that it took him just two hours to set up a basic website and that anyone with a modicum of computer savvy could quickly start hawking news — real or fake — online.

"I did not invent anything," he said. "It has all been done before."

Mr. Latsabidze, who apparently has broken no laws, said that any crackdown on fake news might work in the short term but that “something else will come along to replace it.”

“If they want to, they can control everything,” he said, “but this will stop freedom of speech.”

For now, the postelection period has been bad for business, with a sharp fall in the appetite for incendiary political news favoring Mr. Trump. Traffic to departed.co and affiliated websites has plunged in recent weeks by at least 50 percent, Mr. Latsabidze said.

“If Hillary had won, it would be better for us,” he said. “I could write about the bad things she was going to do,” he said. “I did not write to make Trump win. I just wanted to get viewers and make some money.”

In the months since he got into the fake news business, Mr. Latsabidze has landed a day job as a programmer with a software company, which he sees as a better future. “This is more stable work,” he said.

But he seemed reluctant to quit altogether.

“Are there any elections coming up in the U.K.?” Mr. Latsabidze asked.

He was disappointed to hear that none were scheduled soon. But, advised that France will hold a hotly contested presidential election next April featuring a Trump-like candidate in the form of Marine Le Pen, a far-right populist, he perked up.

“Maybe I should learn some French,” he said.

Andrew Higgins reported from Tbilisi, Georgia, and Mike McIntire and Gabriel J.X. Dance from New York.

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