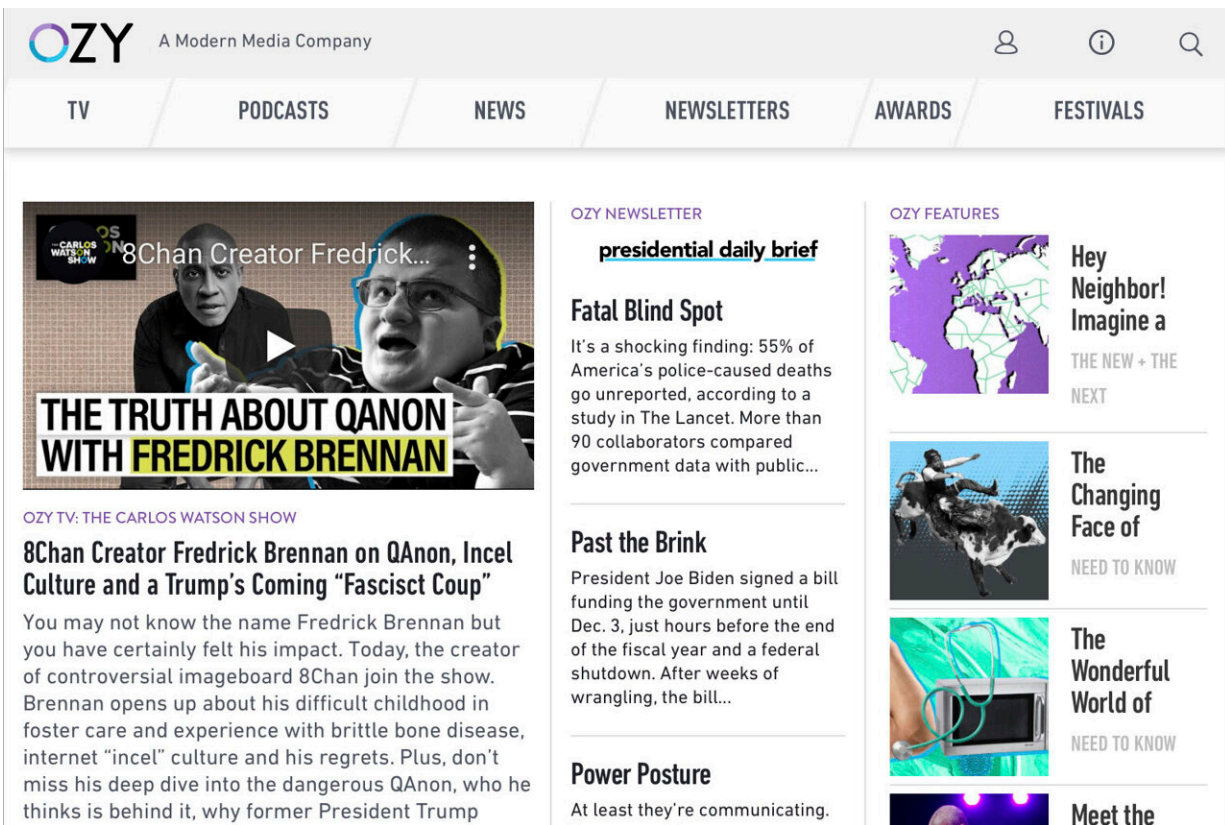


Ozy CEO: 'premature' to shut down after week of scandal

October 4 2021, by Tali Arbel



This Monday, Oct. 4, 2021 image shows part of the OZY.com website. On Monday, Carlos Watson, the CEO of Ozy Media, said it had been "premature" to shut down and that he wants to keep operating, despite a scandal-ridden week that exposed Ozy as a media company without much of an audience. Credit: AP Photo

The CEO of Ozy Media on Monday said it had been "premature" to shut down the company and that he wants to keep operating, despite a scandal-ridden week that exposed Ozy as an outlet without much of an audience.

Carlos Watson, a former former cable-news commentator and host who founded Ozy in 2013, told CNBC that he met with advertisers and investors over the weekend and that he wants Ozy to continue.

In an emailed statement Monday, the company characterized the troubles of the past week as "a bump in the road" that it is "committed to getting past," saying "we are excited to reopen and expect to start resuming operations over the next few days." Ozy is trying to get employees to come back and said newsletters would resume this week and video production at the end of the month.

Ozy's board of directors said Friday that the company was ceasing operations. The shutdown came less than a week after a [New York Times column](#) raised questions about the media organization's claims of millions of viewers and readers, while also pointing out a potential case of securities fraud.

The story triggered canceled shows, an internal investigation, investor concern and high-level departures at the company before it shut down Friday.

The Times story also said Ozy's chief operating officer and co-founder, Samir Rao, impersonated a YouTube executive on a call with Goldman Sachs while attempting to raise money from the investment bank. Regarding that call, Watson said: "I don't know. I wasn't there." He then went on to say that they eventually "figured out what happened," but did not explain further. "Look—it's heartbreaking, it's wrong, it's not good, it's not OK," Watson said. "I love Goldman, I worked there, I've got a lot of friends there."

Mountain View, California-based Ozy, which had raised more than \$70 million from investors as of late 2019, according to the website Crunchbase, has long been suspected of inflating its audience size. Watson claimed last week that Ozy had 25 million subscribers to its newsletter and 30 million YouTube views. The New York Times, with a much bigger brand presence, says it has 15 million newsletter readers. The newspaper reported that fewer than 500,000 people went to Ozy's website in June and July, according to Comscore data. Ozy [was seemingly](#) paying for much of its audience rather than building a real base of readers and viewers.

To restart, the company would have to reestablish trust with employees, advertisers and investors. It shut down abruptly, distressing workers. It has been caught in several dishonest situations apart from traffic. It [reportedly told people](#) who worked on its interview series, "The Carlos Watson Show," that it would be on cable TV, but then episodes were just uploaded to YouTube. Watson interviewed celebrities like Bill Gates and Matthew McConaughey for the online show. On CNBC Monday, Watson said "We originally conceived the show with A&E," and then "shifted to YouTube," and there was "lots of miscommunication in that."

On Thursday, Marc Lasry, the hedge-fund billionaire and Milwaukee Bucks co-owner who had been named Ozy's chairman in September, resigned, citing Ozy's need for someone experienced in crisis management and investigations. He remained an investor. A high-profile employee, former BBC anchor Katty Kay, had resigned earlier in the week, and an early investor, a venture capital firm, gave up its Ozy shares. The board had reportedly hired a law firm to review Ozy's business activities.

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