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The flight attendants unions at JetBlue and Spirit are divided on the proposed merger of the two companies.



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Twitter was right: Text authentication is not the most secure way to protect your account.



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He was a star on the pursuit oval, but Ashton Lambie is happier exploring off-road. Even if it means losing.

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Online Fall: Ozy Founder Is Charged With Fraud

Digital start-up unraveled after its business practices came under scrutiny.

By Benjamin Mullin, Katie Robertson and Ben Protess

Carlos Watson, the founder of the troubled digital start-up Ozy Media, was arrested on Thursday and charged with multiple counts of fraud, punctuating one of the more precipitous falls in the annals of online journalism.

Mr. Watson, 53, “engaged in a scheme to defraud Ozy’s potential investors, potential acquirers, lenders and potential lenders” by misrepresenting the company’s audience numbers and financial results, prosecutors for the Eastern District of New York said in a court document dated Wednesday.

He was arrested by the F.B.I. at a hotel in Midtown Manhattan early Thursday morning and arraigned in federal court in Brooklyn on Thursday afternoon. In addition to the fraud charges, prosecutors also charged him with aggravated identity theft. He pleaded not guilty to all counts and was released after posting a \$1 million bond.

Mr. Watson’s arrest came the same month as Samir Rao, 36, Ozy’s former chief operating officer, and Suzee Han, 29, Ozy’s former chief of staff, pleaded guilty to fraud charges, according to court documents.

Shortly after Mr. Watson’s arrest and the guilty pleas, the Securities and Exchange Commission charged Ozy Media, Mr. Watson, Mr. Rao and Ms. Han with defrauding investors of about \$50 million. Mr. Rao and Ms. Han have settled the S.E.C. civil case against them.

Ozy and Mr. Watson have been under heavy scrutiny since September 2021, when The New York Times reported that someone at the start-up had apparently im-

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U.S. Funding Drives Rivals In Chip Wars

By ANA SWANSON and DON CLARK

WASHINGTON — In early January, a New York public relations firm sent an email warning about what it characterized as a threat to the federal government’s program to revitalize the U.S. semiconductor industry.

The message, received by The New York Times, accused Intel, the Silicon Valley chip titan, of angling to win subsidies under the CHIPS and Science Act for new factories in Ohio and Arizona that would sit empty. Intel had said in a recent earnings call that it would build out its facilities with the expensive machinery needed to make semiconductors when demand for its chips increased.

The question, the email said, was whether officials would give funding to companies that outfitted their factories from the jump “or if they will give the majority of CHIPS funding to companies like Intel.”

The firm declined to name its client. But it has done work in the past for Advanced Micro Devices, Intel’s longtime rival, which has raised similar concerns about whether federal funding should go to companies that plan to build empty shells. A spokesman for AMD said it had not reviewed the email or approved the public relations firm’s efforts to lobby for or against any specific company receiving funding.

“We fully support the CHIPS and Science Act and the efforts of the Biden administration to boost domestic semiconductor research and manufacturing,” the spokesman said.

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PHOTOGRAPHS BY MACIEK NABRDALIK FOR THE NEW YORK TIMES

Kormotech was able to recover from supply chain turmoil and increase revenue in part because it routinely stocked its warehouses with up to two months of ingredients for its pet food.

Thriving Through a Year of War

By PATRICIA COHEN

LVIV, UKRAINE — It was exactly a year ago, and the Ukrainian pet food maker Kormotech had concluded its annual meeting. The mood was buoyant. Business was booming, the factory was running 24/7, and sales were projected to grow by double digits. “We had a beautiful budget,” Rostyslav Vovk, the company’s chief executive and founder, recalled almost dreamily.

The next morning, air sirens sounded.

Russia had invaded. Mr. Vovk called his top managers to meet at a nearby hotel, avoiding the company’s windowed seventh-floor headquarters in Lviv. They had a plan for what had been considered a very unlikely risk — Russian aggression — but it soon proved wholly inadequate.

“We were not ready,” Mr. Vovk said. He closed the plant. Raw materials couldn’t get into the country, and deliveries headed abroad couldn’t get out. Staff from the besieged eastern part of the country needed to be evacuated. Employees were joining the military. And the company’s biggest export market, Belarus, was a close ally of Vladimir V. Putin, the Russian president.

“We would make decisions,” Mr.

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Sales are up for Kormotech, a Ukrainian pet food maker. While Russia’s invasion was disruptive, nimble decision-making and good fortune turned the tide.

Tech Leaders in Israel Consider Leaving

By DAVID SEGAL

TEL AVIV — For years, budding Israeli tech executives have asked Yanki Margalit, a veteran entrepreneur, where they should start their fledgling companies. For years, he’s offered the same advice: Here, in Israel, where software engineers are plentiful, international investors are eager and friends and family live.

But as Mr. Margalit prepares a new venture of his own, one focused on combating climate change, he has reluctantly concluded that Israel is the wrong place to launch.

“Given the atmosphere now, it’s almost irresponsible to start a company here,” the 60-year-old

Entrepreneurs eye exits ahead of a judicial overhaul.

said, “and that is heartbreaking.”

The luminaries of Start-Up Nation, as Israel has been known for decades, are eyeing the exits. Several have already announced that they are relocating or moving money out of the country, including the chief executive of Papaya Group, a payroll company valued at more than \$1 billion.

The reason is that a right-wing government, led by Prime Min-

ister Benjamin Netanyahu, recently announced plans for a sweeping overhaul to the country’s judiciary that many believe will end its 75-year run as an independent institution.

The proposed changes would severely curtail the court’s capacity to strike down laws passed by the Knesset, the country’s Parliament, and give the ruling coalition far greater say in who sits on the bench.

That has prompted so much civil unrest and mass protests that Israel’s president, Isaac Herzog, stated in a televised speech last week that the country was “on the brink of constitutional and social

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AVISHAG SHAAR-YASHUV FOR THE NEW YORK TIMES

Protests have erupted in Israel in recent weeks over plans by Prime Minister Benjamin Netanyahu’s government to overhaul the judicial system.

