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## **FTC Shuts Down Notorious Rogue Internet Service Provider, 3FN Service Specializes in Hosting Spam-Spewing Botnets, Phishing Web sites, Child Pornography, and Other Illegal, Malicious Web Content**

A rogue Internet Service Provider that recruits, knowingly hosts, and actively participates in the distribution of spam, child pornography, and other harmful electronic content has been shut down by a district court judge at the request of the Federal Trade Commission. The ISP's upstream providers and data centers have disconnected its servers from the Internet.

According to the FTC, the defendant, Pricewert LLC, which does business under a variety of names including 3FN and APS Telecom, actively recruits and colludes with criminals seeking to distribute illegal, malicious, and harmful electronic content including child pornography, spyware, viruses, trojan horses, phishing, botnet command and control servers, and pornography featuring violence, bestiality, and incest. The FTC alleges that the defendant advertised its services in the darkest corners of the Internet, including a forum established to facilitate communication between criminals.

The complaint alleges that Pricewert actively shielded its criminal clientele by either ignoring take-down requests issued by the online security community, or shifting its criminal elements to other Internet protocol addresses it controlled to evade detection.

The FTC also alleges that the defendant engaged in the deployment and operation of botnets – large networks of computers that have been compromised and enslaved by the originator of the botnet, known as a “bot herder.” Botnets can be used for a variety of illicit purposes, including sending spam and launching denial of service attacks. According to the FTC, the defendant recruited bot herders and hosted the command-and-control servers – the computers that relay commands from the bot herders to the compromised computers known as “zombie drones.” Transcripts of instant-message logs filed with the district court show the defendants’ senior employees discussing the configuration of botnets with bot herders. And, in filings with the district court, the FTC alleges that more than 4,500 malicious software programs are controlled by command-and-control servers hosted by 3FN. This malware includes programs capable of keystroke logging, password stealing, and data stealing, programs with hidden backdoor remote control activity, and programs involved in spam distribution.

The FTC charged that the defendants’ distribution of illegal, malicious, and harmful content and deployment of botnets that compromised thousands of computers caused substantial consumer injury and was an unfair practice, in violation of federal law.

The court issued a temporary restraining order to prohibit Pricewert’s illegal activities and require its upstream Internet providers and data centers to cease providing services to Pricewert. The order also freezes Pricewert’s assets. The court will hold a preliminary injunction hearing on June 15, 2009.

This case was brought with the invaluable assistance of NASA's Office of Inspector General, Computer Crime Division; Gary Warner, Director of Research in Computer Forensics, University of Alabama at Birmingham; The National Center for Missing and Exploited Children; The Shadowserver Foundation; Symantec Corporation; and The Spamhaus Project.

The Commission vote to authorize staff to file the complaint was 4-0. The complaint was filed in the U.S. District Court for the Northern District of California, San Jose Division.

**NOTE:** The Commission files a complaint when it has "reason to believe" that the law has been or is being violated, and it appears to the Commission that a proceeding is in the public interest. The complaint is not a finding or ruling that the defendant has actually violated the law. The case will be decided by the court.

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 1,500 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's Web site provides free information on a variety of consumer topics.

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