

Mahalo vouches for criminal hacker in its midst

March 6 2009, by Glenn Chapman



The founder of young Internet search engine Mahalo explained how a convicted hacker wound up a cherished member of their team.

The founder of young Internet search engine Mahalo explained on Thursday how a convicted hacker wound up a cherished member of their team.

Mahalo hired John Schiefer without being aware of his cyber crimes, and regretted seeing him sentenced on Wednesday to four years in prison, founder Jason Calacanis said in a message posted online.

Schiefer used "botnets," armies of computers hijacked by using malicious software, to steal people's identities and snoop on electronic communications, according to Los Angeles US attorney's office spokesman Thom Mrozek.

Schiefer, 27, pleaded guilty in US federal court last year to breaking into computers to commit fraud and steal information sent during online financial transactions, prosecutors said.

Using the online name "acidstorm," Schiefer admitted that he illegally got into hundreds of thousands of computers and remotely controlled the compromised "zombie" machines, according to Mrozek.

In an unprecedented turn, the hacker was convicted of wiretapping charges for mining online financial account and password information from infected machines and then making unauthorized transactions.

Schiefer is accused of also giving stolen usernames and passwords to cohorts.

Part of the criminal case involved Schiefer duping a Dutch Internet advertising company into paying more than 19,000 dollars to install its software on people's computers, supposedly with their consent.

Instead, Schiefer and accomplices secretly slipped the Dutch firm's software onto approximately 150,000 "zombie" computers, according to Mrozek.

US district judge Howard Matz sentenced Schiefer to four years in prison and a 2,500-dollar fine. Schiefer reportedly agreed when he entered his guilty pleas to pay back the Dutch firm.

Schiefer will start his prison sentence June 1 and his stint behind bars

could be shortened if he behaves well, wrote Calacanis, who attended the sentencing hearing.

"I wish in my heart of hearts that judge had given John a sentence from home, where we could have supervised him," Calacanis wrote.

"Almost all talented developers push the envelope when they're young. Anyone in technology knows this dark, dirty little secret."

Calacanis said that Mahalo's vice president of operations didn't know about the hacker case when he hired Schiefer, and that by the time executives found out he was convinced that Schiefer had shed the "angry, stupid" ways of his youth.

"I'm hoping that the time he's spent being a productive member of the Mahalo team inspires him to keep his head down in jail," Calacanis wrote.

"When he comes out, I hope to be able to offer him a job ... Life is short, we all make mistakes and I'm glad we've been given the opportunity to work with someone who needs the help and guidance."

Calacanis added a note assuring Mahalo users that Schiefer's work was well supervised and that the website does not store sensitive data, so little harm could be done "even if one of our employees did go off the deep end."

The 38-year-old Internet entrepreneur started Mahalo in May of 2007. Mahalo is in a beta test phase and distinguishes itself from other Internet search engines by having editors review websites and create results pages.

The search engine's name is derived from a Hawaiian word with a

variety of meanings along the lines of thanks and regards.

(c) 2009 AFP

Citation: Mahalo vouches for criminal hacker in its midst (2009, March 6) retrieved 24 April 2024 from <https://phys.org/news/2009-03-mahalo-vouches-criminal-hacker-midst.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.