

FTC shuts allegedly rogue Internet provider

June 5 2009, By JORDAN ROBERTSON, AP Technology Writer

(AP) -- The federal government has severed the Internet connection of a company accused of helping criminals serve up a "witches' brew" of nasty content online, from computer viruses to child pornography.

It's likely to be just a short-lived victory in the fight against cybercrime, though, since bad guys are very good at getting back online quickly.

The <u>Federal Trade Commission</u> said Thursday that it has ordered the shutdown of a company called Pricewert LLC, described in a complaint filed in San Jose, Calif., federal court as an Oregon-based shell company run by "overseas criminals", operating out of Belize and running many its illegal operations out of servers in <u>Silicon Valley</u>.

Pricewert, which operated the "Triple Fiber Network" or "3FN," wasn't the type of Internet service that average consumers would see or sign up for. Instead, the service was advertised "in the darkest corners of the Internet" and was targeted at criminals who want to put malicious Web sites online, but need the servers and bandwidth to do it, according to the complaint.

Technicians working for 3FN even helped criminals maintain the armies of personal computers that they had infected with viruses, according to the complaint. Those armies are known as "botnets," and they require some sophistication to manage.

The FTC says the case marks the first time the agency has ordered the shuttering of an Internet provider. The agency has usually focused on



taking out harmful Web sites individually. Companies that host malicious Web sites are usually forced offline under pressure from the FBI or computer security researchers, but without a formal government order - which is what makes Thursday's announcement significant.

FTC Chairman Jon Leibowitz said the agency decided to move on 3FN after getting information about the company's behavior that made it "so clear this was a rogue (<u>Internet service provider</u>)" that the agency had a strong case against it.

"This is very, very important because rather than go after the individual spammers, in one action we can shut down a host of bad actors," Leibowitz said in an interview. "There's always a whack-a-mole problem in cases like this, but at the very least we've put a meaningful wrench in their gears."

The FTC's complaint draws a link between 3FN and a notorious Internet provider called McColo Corp., which was also operating out of a data center in Silicon Valley.

McColo was believed responsible for half of the world's spam before it was shut down in November. Spam dropped precipitously after McColo's Internet providers pulled the plug on McColo, but it has since rebounded.

When investigators from NASA looked into intrusions into some of its computers, they traced them back to McColo's servers. A search warrant later revealed those servers were also routing instant message conversations between 3FN employees and customers that formed the basis of some of the FTC's allegations.

A man who picked up the phone at one of 3FN's offices Thursday night said the company wasn't commenting and hung up.



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