

UNDERSTANDING INTERNET SPAM, ABUSE AND CRIME - SIMPLIFIED



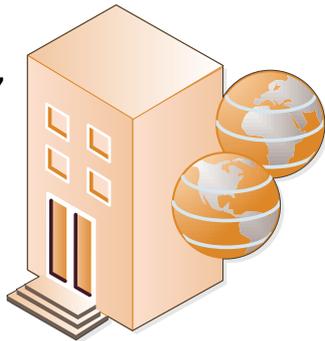
The Following Graphic Overview is intended to help explain why cybercrime, specifically the illicit traffic in counterfeit and adulterated pharmaceuticals by rogue websites, is so pervasive and appears unstoppable. The sad truth is that policies and procedures exist today which were designed tackle this problem but are being blocked from use. This overview is intended to be a companion piece of [this document](#) posted on the ICANN website. These issues have a direct impact on your Internet experience.

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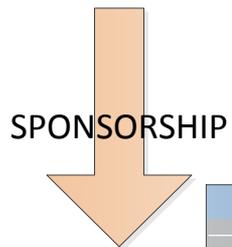


1. HOW THE INTERNET WORKS: ICANN, REGISTRARS AND DOMAIN OWNERS

Internet Corporation of Assigned Names and Numbers (ICANN)



ICANN and Registrars: For various fees **ICANN accredits** companies called **Registrars** who are authorized to sell **domain names** to the public. The registrar enters into a complex contract which compels them to follow the law and comply with various standards.



REGISTRAR



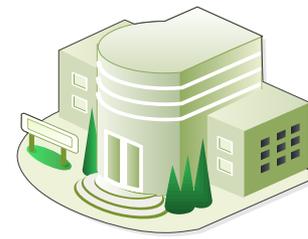
Registrars and websites: Registrars **sponsor domain** names for customers which means the registrar is authorized by **ICANN** to place the **domain name** on **the Internet**, at which point it becomes a "website". End users can only make domains web accessible through a registrar and under **contractual conditions**.



DOMAIN NAMES ("WEBSITES")

2. HOW THE ILLICIT DOMAIN MONEY FLOWS:
BULK DOMAIN PURCHASES FOR ILLICIT
PURPOSES PASS MONEY TO REGISTRARS AND
THEN ICANN.

Registrars may charge any amount for **domain names**, anywhere from \$1 - \$20. Regardless of how much a **registrar** charges, **ICANN** gets a standard portion of the sale. For example, if a **spammer** were to buy **ten thousand domain names** from a **registrar** for a spam campaign, which is common, **ICANN** receives **\$1800.00**. Registrars will often offer **discount prices** when **spammers buy domains in bulk**, but ICANN still gets the same amount of money.



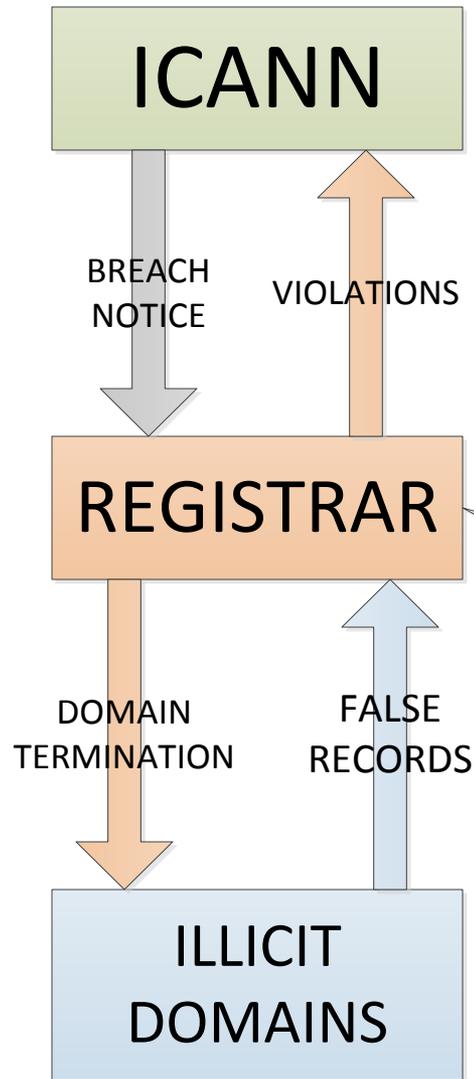
ICANN



REGISTRAR



10,000 SPAM DOMAINS



3. WHAT IS SUPPOSED TO HAPPEN: ILLICIT DOMAINS ARE ACTUALLY EASY TO SHUTDOWN. CONTRACTS AND POLICIES MAKE THE ISSUE QUITE CLEAR.

Criminals frequently use false information to **forge domain registrations** when dealing with **registrars**. Reports of forged records are sent to **ICANN** and the **registrars** and are grounds for **domain termination**. If a **registrar** does not comply with this policy **ICANN** will issue a **breach notice** to the **registrar**. If a breach is not cured, the **registrar** may lose their ability to sell **domain names**.

ICANN

REGISTRAR **NOT BREACHED**

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REGISTRAR

DOMAINS **NOT TERMINATED**

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ILLICIT DOMAINS

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ORGANIZED CRIME



VICTIMS

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The money made by **illicit domainers** all comes from **Internet victims** of various types: **spammed** users, junk product customers, **identity-theft** victims, **malware** infected networks, **phishing**, etc.

4. WHAT IS ACTUALLY HAPPENING:
BECAUSE THERE IS NO ENFORCEMENT, THE ILLICIT MONEY KEEPS FLOWING AND THE DOMAINS REMAIN ONLINE

For unknown reasons **ICANN** is refusing to enforce the contract against **certain registrars**. A comprehensive **audit** of **ICANN**'s compliance process shows **unexplained gaps in procedure**. So far **ICANN** has **refused to answer questions** about their decision-making process all while continuing to **accept fees from domain owners** who are in violation as well as fees from **registrars** who did not enforce their contracts.

In thoroughly documented cases **registrars** have been caught not enforcing policy against **illicit domains** and allowing them to continue **selling dangerous products** and **deceiving the public** all while receiving fees from **known criminal domain operators**.

Portions of the money funneled through **illicit domains** goes right to **organized crime** in various ways who in turn continue to fund the use of **illicit domains**.

5. DOMAIN ADDICTION: ILLICIT PHARMACY NETWORKS DEPEND ON ACCESS TO LARGE NUMBERS OF DOMAIN NAMES

Spam domains are run by **affiliates** of the pharmacy networks who drive and calculate the **Internet traffic** to **rogue pharmacy shop** websites

Illicit Online or "Rogue" Pharmacy operations are **domain-intensive** and **domain-dependent**. Various layers of the **underground business** cannot exist without **access to domain names** and or **registrar** services. Each domain equals **profit** for the **registrar** and **ICANN**. There is **little incentive** for the obligated policy enforcers to stop this **threat to public health**.

SPAMMED
DOMAINS

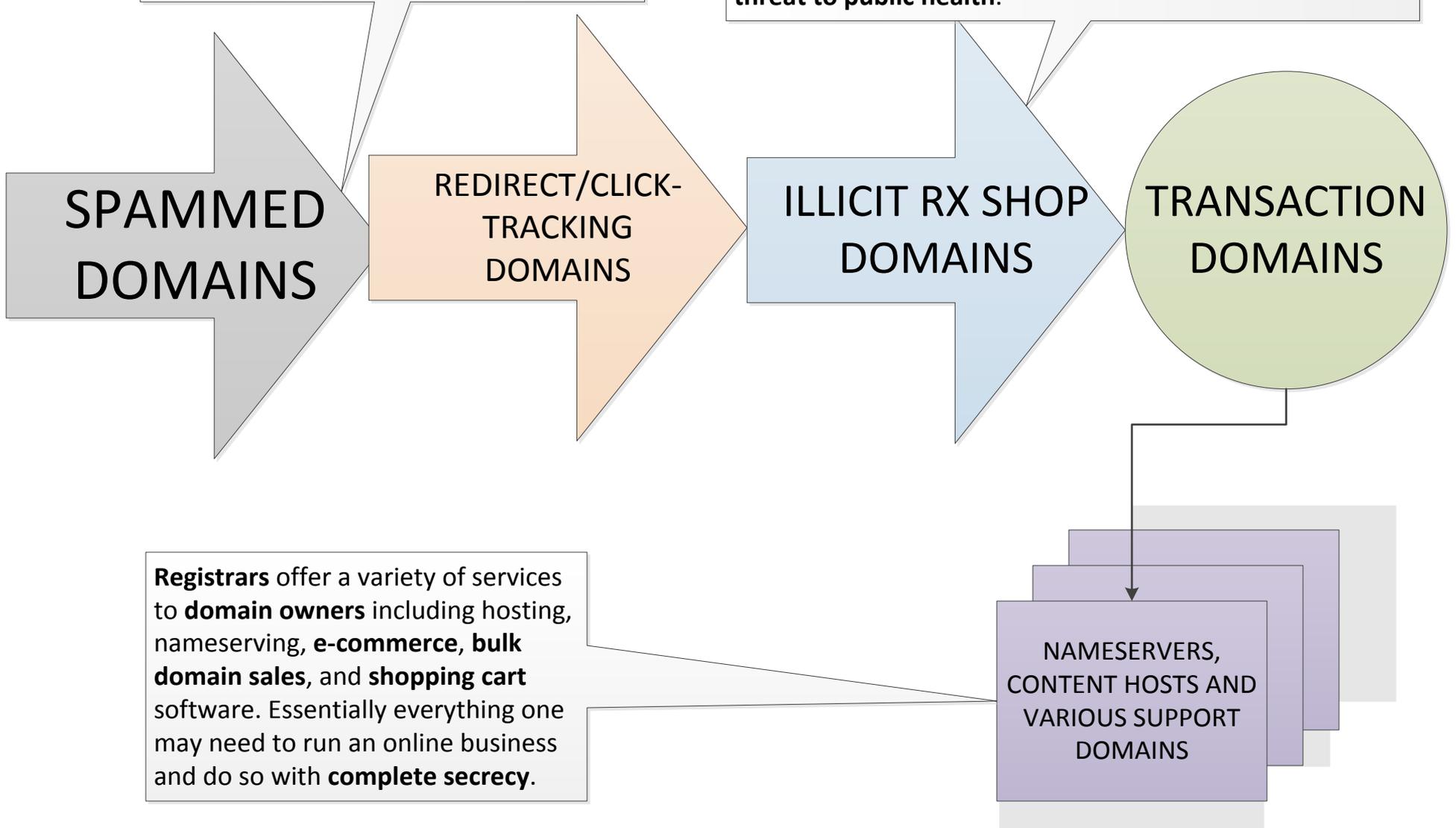
REDIRECT/CLICK-
TRACKING
DOMAINS

ILLICIT RX SHOP
DOMAINS

TRANSACTION
DOMAINS

Registrars offer a variety of services to **domain owners** including hosting, nameserving, **e-commerce**, **bulk domain sales**, and **shopping cart** software. Essentially everything one may need to run an online business and do so with **complete secrecy**.

NAMESERVERS,
CONTENT HOSTS AND
VARIOUS SUPPORT
DOMAINS



6. WHERE IS ICANN? THE ISSUE HAS BEEN REPORTED REPEATEDLY TO ICANN. THERE HAS BEEN NO REAL RESPONSE, ACTION, OR LEADERSHIP (blurbs are hyper-linked to sources)

2008 – 2012: **ICANN registrars** sponsoring **illicit pharmacy domains** found to have false business addresses, CEO's with criminal records, and other issues

2012: an independent **audit of ICANN's compliance** process shows a number of critical apparent **failures to enforce the registrar contract** against companies **sponsoring illicit pharmacies** and doing so in violation of their agreement with ICANN. They have **yet to explain why.**

2010: **ICANN** was invited by the **White House** to participate with **registrars** in a discussion of how to address rogue online pharmacies. The registrars appeared but ICANN declined.



2012: Letters from the **National Association of Boards of Pharmacy (NABP)** sent to **ICANN** concerning **registrars ignoring enforcement notices.** **ICANN has yet to answer or publish this letter.**

2012: **Undercover investigations** of certain **ICANN registrars** show them actively cooperating with **illicit pharmacy networks.**

2013: **UPS** settles with the US DOJ for **\$40 Million** for **delivering drugs** ordered from **illicit pharmacy domains.**

2011: **Google** settled with the US DOJ for **\$500 Million** for accepting **advertising for illicit pharmacy domains.**