

## PECON Press Conference

October 3, 2012

>> I'M CECELIA PREWETT, THE DIRECTOR OF PUBLIC AFFAIRS.

THANK YOU FOR COMING TODAY.

IF YOU HAVE A CELL PHONE, PLEASE LOOK AT IT AND MAKE SURE IT'S ON VIBRATE, DOES NOT RING.

AND WITH THAT, I'M GOING TO INTRODUCE OUR CHAIRMAN, JOHN LIEBOWITZ.

>> OKAY, ANDREW, WHY DON'T YOU COME UP HERE?

I'M JOINED BY ANDREA ROSEN, THE CHIEF COMPLIANCE AND ENFORCEMENT OFFICER OF THE CANADIAN RADIO AND TELEVISION TELECOMMUNICATIONS COMMISSION, AND SHE HAS BEEN A LONG-TIME FRIEND OF THIS AGENCY ON ANTITRUST AND CONSUMER PROTECTION MATTERS.

AND FRANK TORRES, THE DIRECTOR OF CONSUMER AFFAIRS AND SENIOR POLICY COUNSEL FROM MICROSOFT, WHO HAS BEEN VERY, VERY HELPFUL.

AND, OF COURSE, CHRIS CHAPMAN, FROM THE AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY.

HE IS THE CHAIRMAN, AND HE IS INDEFATIGABLE BECAUSE I BELIEVE IT IS ABOUT 2:05 A.M. IN AUSTRALIA, AND WE RECOGNIZE THAT DEDICATION.

THANK YOU.

TODAY, WE ARE PLEASED TO ANNOUNCE SIX FTC LAW ENFORCEMENT ACTIONS TO DISRUPT THE RECENT RASH OF SO-CALLED TECH SUPPORT SCAMS.

IN THESE OUTRAGEOUS AND DISTURBING CONS, YOU GET A CALL FROM SOMEONE CLAIMING TO BE FROM A MAJOR COMPUTER SECURITY COMPANY, LIKE MICROSOFT OR SYMANTEC, WHO DUPES YOU INTO BELIEVING YOU HAVE VIRUSES OR MALWARE ON YOUR COMPUTER EVEN, OF COURSE, WHEN YOU DON'T.

AFTER EXTRACTING A FEE OF BETWEEN \$49 AND \$450, THE PERSON THEN ACCESSES YOUR COMPUTER REMOTELY TO "TAKE THE PHANTOM BADWARE... REMOVE THE PHANTOM BADWARE OUT OF YOUR MACHINE."

SOME DEFENDANTS ARE IN THE U.S., A FEW ARE IN THE U.K., BUT MOST OF THEM, AND THE CALL CENTERS THEY OPERATE FROM, ARE IN INDIA.

THESE SCAMS HAVE FLEECE ENGLISH-SPEAKING CONSUMERS WORLDWIDE LIKELY TO THE TUNE OF TENS OF MILLIONS OF DOLLARS AND RESULTED IN INNUMERABLE DO-NOT-CALL VIOLATIONS IN THE UNITED STATES.

TODAY, ALONG WITH OUR PARTNERS IN CANADA, AUSTRALIA, THE U.K., IRELAND AND NEW ZEALAND, AS WELL AS WITH THE HELP OF CORPORATIONS LIKE MICROSOFT, McAfee, SYMANTEC AND DELL,

WHOSE BRANDS AND TRADEMARKS WERE MISAPPROPRIATED BY THESE MALEFACTORS, WE TAKE A MAJOR STEP FORWARD IN STANDING UP FOR CONSUMERS AROUND THE WORLD.

AT THE FTC'S REQUEST, A FEDERAL COURT HAS IMPOSED A TEMPORARY RESTRAINING ORDER, OR TEMPORARY RESTRAINING ORDERS, AGAINST SIX TECH SUPPORT SCAMS INVOLVING 14 COMPANIES AND 17 INDIVIDUAL DEFENDANTS.

THE ORDERS FREEZE THE DEFENDANTS' ASSETS AND ESSENTIALLY SHUT DOWN THEIR OPERATIONS BY REQUIRING THEIR WEB HOSTING AND PHONE COMPANIES TO BLOCK THE DEFENDANTS FROM USING THEIR SERVICES.

HERE'S HOW THE SCAM WORKED.

DEFENDANTS COLD-CALLED PEOPLE, EVEN THOSE WHOSE NUMBERS WERE ON "DO NOT CALL" REGISTRIES.

THEY ALSO PURCHASED ADS FROM GOOGLE FOR SEARCHES LIKE McAfee, PC SUPPORT AND FIX MS OFFICE WITH ASSUMED NAMES AND A TOLL-FREE NUMBER TO CALL, PRETENDING TO BE AFFILIATED WITH A MAJOR COMPUTER COMPANY.

THE DEFENDANTS CLAIMED TO HAVE RECEIVED AN AUTOMATIC NOTIFICATION FROM THE PERSON'S COMPUTER ABOUT A PROBLEM.

THEY USED THE INTERNET... VOICE OVER INTERNET PROTOCOLS TO SEEM LIKE THEY WERE CALLING FROM NUMBERS IN THE CONSUMER'S COUNTRY, SOMETIMES IN THE SAME AREA CODE.

AND THEY TOLD THEIR POTENTIAL VICTIMS TO GO TO THEIR COMPUTER, LOOK AT A FILE THAT SHOWS WARNING MESSAGES-- QUOTE/UNQUOTE "WARNING MESSAGES."  
ACTUALLY, THESE WARNING MESSAGES ARE A STANDARD PART OF THE WINDOWS OPERATING SYSTEM.

THE MESSAGES DO NOT MEAN THAT THE COMPUTER IS INFECTED WITH VIRUSES OR WITH ANY OTHER MALWARE.

CLEARLY, THE DEFENDANTS' M.O. WAS TO EXPLOIT THESE FEARS ABOUT MALWARE HIDING IN MACHINES.

BUT DON'T TAKE MY WORD FOR IT; LISTEN TO THIS EXCERPT FROM AN UNDERCOVER BUY BETWEEN DEFENDANTS IN ONE OF THE CASES AND A HIGHLY SKILLED FTC INVESTIGATOR.

I HOPE THAT WE CAN CUE THAT UP NOW.

>> OKAY.

SO, NOW, WHAT YOU NEED TO DO, MADAM, YOU NEED TO SCROLL DOWN THAT PAGE VERY SLOWLY, VERY CAREFULLY FROM YOUR END.

AND YOU NEED TO JUST SCROLL IT DOWN AND TELL ME IF YOU CAN SEE ANYTHING ELSE OTHER THAN THE INFORMATION THAT'S THERE OR NOT.

AND IF YOU SEE ANYTHING ELSE OVER THERE, LET ME KNOW THEN AND THERE, OKAY?

>> OKAY.

HOLD ON, I'M DOING THAT.

LET ME GO THROUGH...

>> BE VERY CAREFUL, ALL RIGHT?

>> LET'S SEE.

OOH... HOLD ON.

>> UH-HUH.

>> I SEE SOMETHING THAT SAYS "WARNING" AND SOMETHING THAT SAYS "ERROR."

>> JESUS!

DID YOU SAY IT WAS A WARNING?

>> YEAH.

IT SAYS... IT...

>> HELLO?

>> YEAH, IT SAYS "WARNING."

>> MADAM, IT WILL BE MY HUMBLE REQUEST TO YOU, PLEASE DO NOT TRY TO CLICK ON ANY OF THEM, OKAY?

>> OKAY.

>> AND IT WOULD BE MY REQUEST TO YOU, MADAM, IF YOU KEEP YOUR MOUSE POINTED AWAY FROM THEM BECAUSE THAT'S ONE OF THE MALICIOUS ONLINE INFECTIONS I WAS SPEAKING ABOUT, OKAY?

>> OKAY.

>> AND ONCE YOU CLICK ON ANY OF THEM, YOUR COMPUTER MIGHT EVEN STOP RESPONDING AT ANY POINT OF TIME.

SO BE VERY CAREFUL, OKAY?

>> OKAY.

I'M NOT TOUCHING THE MOUSE.

AND WHAT?

>> YES, I AM HERE.

AS YOU HAVE ALREADY SEEN, THEN, THIS MEANS THAT YOUR COMPUTER IS ALSO ONE OF THOSE COMPUTERS WHICH HAS BEEN BADLY INFECTED WITH THOSE ONLINE INFECTIONS, OKAY?

>> OKAY, SO, ON ONE LEVEL, THAT'S LIKE A BAD BOLLYWOOD MOVIE, BUT, ON ANOTHER LEVEL, IT'S A VERY SERIOUS RIP-OFF OF CONSUMERS, AND ONE THAT ALL OF US ARE WORKING TOGETHER TO TRY TO STOP.

OTHER CONSUMERS, BY THE WAY, WERE TOLD THAT THE WARNING MESSAGES MEANT HACKERS WERE IN THEIR COMPUTER OR EVEN THAT THEIR COMPUTER-- AND THIS IS A QUOTE FROM A DEPOSITION OR... THIS IS A QUOTE WE GOT FROM A CONSUMER, THAT THEIR COMPUTER "MIGHT BLOW UP" UNLESS ACTION WAS TAKEN IMMEDIATELY.

THESE SO-CALLED TECH SUPPORT SCAMS ARE THE LATEST VARIATION OF SCAREWARE, SCHEMES THAT TRICK PEOPLE INTO PAYING FOR BOGUS ANTIVIRUS PROTECTION, AND WE HAVE BEEN BRINGING THESE CASES REALLY SINCE I CAME TO THE COMMISSION IN 2004.

AND WE'VE ALSO BEEN VERY AGGRESSIVE IN THIS SPACE AND SUCCESSFUL IN PURSUIT OF THESE SCAMS.

IN FACT, JUST LAST WEEK, A COURT ORDERED A \$163 MILLION JUDGMENT IN AN FTC CASE INVOLVING PHONY VIRUS SCAN COMPUTER POP-UPS.

BUT THE TECH SCAM ARTISTS THAT WE'RE TALKING ABOUT TODAY HAVE TAKEN SCAREWARE TO A NEW LEVEL OF VIRTUAL MAYHEM.

SHUTTING DOWN THESE MISCREANTS IS PART OF THE WAY YOU CAN BE EFFECTIVE, BUT MORE IMPORTANT IS THIS: TODAY'S ANNOUNCEMENT IS A WAKE-UP CALL TO COMPUTER USERS AROUND THE GLOBE THAT THERE ARE SOME USEFUL STRATEGIES TO RECOGNIZE TECH SUPPORT SCAMS AND STOP THEM BEFORE THEY HAPPEN.

FOR EXAMPLE, IF YOU GET A CALL OUT OF THE BLUE FROM SOMEONE TELLING YOU YOUR COMPUTER HAS A PROBLEM, YOU SHOULD HANG UP.

AND THEN YOU SHOULD REPORT THE SCAM TO THE FTC AND TO WHOMEVER IS PROVIDING YOUR SECURITY SERVICE.

NOW, AS ALL OF US KNOW, CONSUMER AWARENESS IS OFTEN THE FIRST LINE OF DEFENSE, AND THAT'S WHY TODAY WE'RE RELEASING A NEW PIECE ON TECH SUPPORT SCAMS AS WELL AS A VIDEO DEALING WITH MALWARE IN GENERAL.

YOU CAN FIND THESE MATERIALS AT

OUR ONE-STOP SHOP FOR KEEPING  
SAFE ONLINE: ONGUARDONLINE.GOV.

THIS IS A WORLDWIDE SCAM WITH MANY DEFENDANTS FROM INDIA,  
AND YOU WILL HEAR FROM OUR  
PARTNERS SHORTLY.

AN FTC COMMISSIONER WILL BE LEADING A FTC DELEGATION TO DELHI AT THE END OF NOVEMBER TO  
IMPROVE RELATIONS WITH CONSUMER PROTECTION AND CRIMINAL  
AUTHORITIES THERE.

FINALLY, AS INTERNATIONAL SCAMS  
INCREASINGLY TAKE ADVANTAGE OF  
CHEAP COMMUNICATION TOOLS  
LIKE VOIP-- AGAIN, THEY  
BENEFIT CONSUMERS ENORMOUSLY BUT CAN BE USED FOR SCAMS--  
WE NEED ENFORCEMENT TOOLS TO KEEP UP WITH THE BAD GUYS.

OUR SAFE ACT AUTHORITY, WHICH COORDINATES AND SHARES INFORMATION WITH FOREIGN  
COUNTERPARTS, GIVES US THE TOOLS TO DO OUR JOB, INCLUDING THIS ONE IN THIS INSTANCE.

WE ARE GRATEFUL TO SENATOR  
JAY ROCKEFELLER AND CONGRESSWOMAN MARY BONO MACK, WHO, ALONG WITH CHAIRMAN FRED  
UPTON OF THE HOUSE ENERGY AND COMMERCE COMMITTEE, CONGRESSMAN HENRY WAXMAN, JOHN  
DINGLE, G.K. BUTTERFIELD, CHARLIE BASS AND SENATOR MARK PRYOR HAVE REALLY BEEN BIPARTISAN  
CHAMPIONS OF THE RENEWAL OF OUR SAFE WEB ACT AUTHORITY.

THE HOUSE HAS PASSED THE LEGISLATION, AND WE'RE HOPING THE SENATE WILL PASS IT IN A LAME  
DUCK SESSION, BECAUSE OTHERWISE OUR AUTHORITY TO EXCHANGE THIS TYPE OF INFORMATION  
CRITICAL TO DEVELOPING THIS CASE WILL EXPIRE NEXT YEAR, AND THAT WOULD BE MORE THAN  
UNFORTUNATE.

NOW, LET ME INTRODUCE SOME OF OUR PARTNERS IN THIS INITIATIVE.

AND NEXT WE HAVE THE PREVIOUSLY MENTIONED CHRIS CHAPMAN, THE HEAD OF THE AUSTRALIAN  
COMMUNICATION AND MEDIA AUTHORITY.

HE'S DEVELOPED REALLY AN  
INTERNATIONAL REPUTATION FOR HIS EXTRAORDINARY ENFORCEMENT WORK AND REGULATORY  
WORK, AND,  
AGAIN, WE THANK HIM FOR ALL  
HIS EFFORTS HERE AND FOR HIS WILLINGNESS TO ANTICIPATE AT WHAT COULD POSSIBLY BE THE  
WORST TIME FOR ANY PRESS CONFERENCE IN HIS HOME COUNTRY.

SO, WITH THAT, I WILL TURN IT OVER TO CHRIS, AND THANK YOU SO MUCH, MR. CHAIRMAN.

>> CHAIRMAN LIEBOWITZ, THANK YOU VERY MUCH.

IT'S A.M. IN BOTH... IN YOUR CITY AND SYDNEY, SO WE'RE ON THE SAME PLAYING FIELD.

THANK YOU FOR THOSE VERY KIND REMARKS, AND I COULD I ALSO ACKNOWLEDGE ANDREA ROSEN AND FRANK TORRES.

WE HAVE, CHAIRMAN, BUILT UP A VERY GOOD RELATIONSHIP WITH THE FTC AND THE CRTC, AND WE'VE RECEIVED TERRIFIC SUPPORT FROM MICROSOFT.

THE AUSTRALIAN COMMUNICATIONS AND MEDIA IS THE REGULATOR FOR MEDIA AND COMMUNICATIONS IN AUSTRALIA, BUT, IN THIS PARTICULAR AREA, WE HAVE A VERY BROAD AGREEMENT FOR REGULATING, OVERSEEING THE SCAMS.

THE IMPACT ON CONSUMERS AND BUSINESS IS PHENOMENAL.

IT'S INCREASING, IT'S VERY DETRIMENTAL, AND WE REALIZED A COUPLE OF YEARS AGO THAT WE NEEDED TO HAVE A STATE CHANGE IN OUR APPROACH.

WE NEEDED TO BE FAR MORE SOPHISTICATED.

WE NEEDED TO REACH OUT TO OUR COLLEAGUES INTERNATIONALLY.

AND WE'RE VERY PROUD THAT WE WERE, ALONG WITH THE FTC AND CRTC, FOUNDATION MEMBERS OF THE FORUM.

AND THAT'S REALLY TAKEN OUR INFORMATION GATHERING, OUR INTELLIGENCE GATHERING, AND OUR ABILITY TO SHARE INFORMATION AND WORK WITH OUR COLLEAGUES OVERSEAS TO NEW LEVELS.

IN AUSTRALIA, IT'S VERY INTERESTING.

SINCE ABOUT 2010, WE'VE RECEIVED JUST ON 10,000 COMPLAINTS, WHICH, IN AUSTRALIAN CONTEXT, IS A LOT.

WE... AT ONE STAGE, ABOUT HALF OF THE COMPLAINTS WITH RESPECT TO THE DO NOT CALL REGISTER WERE WITH RESPECT TO THIS PARTICULAR SCAM, AND WE CONCLUDED THAT AUSTRALIA WAS PROBABLY BACK THEN THE TESTING GROUND FOR THESE TECH SUPPORT SCAMS.

AND SO WE'RE VERY PLEASED AND DELIGHTED TO HAVE BEEN ABLE TO PROVIDE GREAT SUPPORT TO THE FTC IN INFORMATION GATHERING AND THE ABILITY TO ASSIST WITH THE LITIGATION WITH THE FORMAL DECLARATIONS WE LODGED.

AND THAT'S RESULTED IN THE VERY SUCCESSFUL FTC LITIGATION THAT THE CHAIRMAN ANNOUNCED TODAY.

AND THAT'S MY VERY FERVENT HOPE, THAT WE WILL BE ABLE TO TAKE THIS VERY SUCCESSFUL PARTNERSHIP, THIS CONFIDENCE BOOSTING THAT WE'VE EXPERIENCED OVER THE LAST SEVERAL YEARS TO MANY OTHER JURISDICTIONS AROUND THE WORLD.

THE MESSAGE TO THE SCAMMERS, AS THE CHAIRMAN SAID VERY CLEARLY, IS THAT THE SCAMMERS CANNOT BE ALLOWED TO USE THE GLOBAL, BORDERLESS COMMUNICATIONS WORLD TO AVOID THE CONSUMER PROTECTIONS THAT WE'VE SO TRADITIONALLY USED AND CHERISHED.

THE REALITY IS THAT THE FREQUENCY OF THESE SCAMS IS GOING TO INCREASE, AND THE VIGILANCE OF CONSUMERS AND CITIZENS IN OUR COUNTRY NEEDS TO SIMILARLY INCREASE.

WE ARE PUTTING AN ENORMOUS AMOUNT INTO EDUCATION AND AWARENESS PROGRAMS, AND THE CHAIRMAN TOUCHED ON SOME OF THESE THINGS.

WE, TOO, IN AUSTRALIA, ARE RELEASING TODAY AN INFO GRAPHIC, IF YOU LIKE, CALLED "OUTSMART THE SCAMMERS."  
IT CONTAINS ALL VERY SENSIBLE TIPS TO SPOT THE SCAMMERS AND STOP THE SCAMMERS.

CHAIRMAN, I'VE SAID ENOUGH.

THANK YOU VERY MUCH FOR THE INVITATION AND THE OPPORTUNITY TO PARTICIPATE.

I JUST WANT TO REITERATE THE WONDERFUL COOPERATION THAT HAS DEVELOPED BETWEEN YOUR STAFF AND MINE, AND THE CRTC.

IT'S ALL VERY WELL FOR OUR FUTURE, AS I SAY, STATE CHANGE OPERATIONS IN THIS SPACE, AND, AGAIN, THANK YOU FOR THE OPPORTUNITY TO PARTICIPATE.

>> THANK YOU, MR. CHAIRMAN,  
AND, YES, IT IS A WONDERFUL AND GROWING RELATIONSHIP TO PROTECT CONSUMERS.

AND NOW LET ME JUST TURN IT OVER TO ANDREA ROSEN, CHIEF COMPLIANCE AND ENFORCEMENT OFFICER OF THE CANADIAN RADIO AND TELECOMMUNICATIONS COMMISSION, WITH WHOM WE HAVE WORKED ON COMPETITION AND CONSUMER PROTECTION ISSUES FOR QUITE SOME TIME.

ANDREA.

>> THANK YOU, JOHN.

THANK YOU, EVERYBODY.

GOOD MORNING.

GOOD MORNING, CHRIS.

AND GLAD TO BE HERE WITH EVERYBODY TODAY.

AND I THANK THE FTC FOR THEIR KIND INVITATION, AND FOR EVERYONE WHO HAS BEEN INVOLVED IN THE CASE FOR THE HELP THAT WE HAVE RECEIVED.

WE ARE THE CANADIAN AGENCY RESPONSIBLE FOR THE UNSOLICITED TELECOMMUNICATIONS RULES AND OUR NATIONAL DO NOT CALL REGISTRY, WHICH HELPS CANADIANS PROTECT THEMSELVES AND THEIR PRIVACY.

THE NATIONAL DO NOT CALL LIST IS VERY SIMILAR TO THE REGISTRY THAT WAS CREATED AND MANAGED BY THE FTC HERE IN THE U.S., AND BY ACMA IN AUSTRALIA.

AND SO THEREFORE WE'RE THE COUNTERPART AGENCY IN THIS REGARD WITH THEM... TO THEM.

AND TODAY I'M PLEASED TO  
STAND SHOULDER TO SHOULDER  
WITH THE FTC TO ANNOUNCE THE RESULTS TO DATE OF OUR COORDINATED ENFORCEMENT  
EFFORTS.

THE CRTC, THE FTC AND THE ACMA WORKED IN CLOSE COLLABORATION OVER THE COURSE OF OUR  
RESPECTIVE INVESTIGATIONS.

EARLIER THIS YEAR, IN FACT, TWO REPRESENTATIVES OF THE CRTC WERE DEPLOYED TO WASHINGTON  
AS PART OF THE FTC'S INTERNATIONAL FELLOWS PROGRAM, AND DURING THAT FELLOWSHIP THEY  
WORKED WITH THE FTC INVESTIGATORS.

AS A RESULT OF THIS PARTNERSHIP, THE CRTC HAS TAKEN ITS OWN ENFORCEMENT ACTIONS AGAINST  
TWO COMPANIES LOCATED IN INDIA: PECON SOFTWARE LIMITED AND AVANEESH SOFTWARE PRIVATE  
LIMITED.

IN THE COURSE OF THESE ONGOING INVESTIGATIONS, INSPECTIONS ARE BEING CONDUCTED IN  
CANADA.

TO DATE, OUR INVESTIGATIONS HAVE FOUND THAT PECON SOFTWARE AND AVANEESH SOFTWARE  
WERE MAKING  
UNSOLICITED TELEMARKETING CALLS TO CANADIANS WHO WERE REGISTERED ON THE DO NOT CALL  
LIST.

NOW, TODAY, WE ARE ANNOUNCING THAT WE SERVED THESE COMPANIES WITH NOTICES OF  
VIOLATION  
REQUIRING THEM TO COMPLY WITH OUR RULES WHEN CALLING CANADIANS.

AND WE HAVE ALSO IMPOSED MONETARY PENALTIES IN THE AMOUNT OF \$495,000 TO PECON  
SOFTWARE, AND OF \$12,000 TO AVANEESH SOFTWARE, FOR A TOTAL OF \$507,000.

WHILE THIS IS A STEP IN THE RIGHT DIRECTION, IT IS NOT A PANACEA.

AS WE ALL KNOW, IT'S EASY FOR TELEMARKETERS TO LOCATE IN ONE COUNTRY AND TARGET  
CONSUMERS IN OTHER.

ALL ENFORCEMENT AGENCIES FACE THIS CHALLENGE OF TRANSPORTER ENFORCEMENT.

THE ACTIONS TAKEN TODAY BY THE FTC AND CRTC, AND THE EFFORTS BY ACMA, PUT OFFSHORE  
TELEMARKETERS ON NOTICE THAT MULTIPLE AGENCIES ARE ACTIVELY MONITORING THEIR ACTIVITIES.

WE CAN MAKE A DIFFERENCE BY  
WORKING TOGETHER.

AND WITH THE HELP OF THE MEMBERS OF THE INTERNATIONAL DO NOT CALL  
NETWORK, WHICH CANADA CO-CHAIRS ALONG WITH THE ACMA, AND FOR WHICH THE FTC HOSTS AS  
SECRETARIAT, WE ARE DOING EVERYTHING WE CAN WITH THE TOOLS AT OUR DISPOSAL.



WE ARE COVERING THE WATERFRONT, AND, WHERE APPROPRIATE, WE ARE TRYING TO MAKE BORDERS DISAPPEAR SO THAT PERPETRATORS CANNOT HIDE FROM AUTHORITIES IN ANY COUNTRY.

IN CLOSING, LET ME REITERATE THAT WE APPLAUD THE FTC'S EFFORTS TO REIN IN UNSOLICITED TELEMARKETING CALLS FROM OFFSHORE TELEMARKETERS AND THE EFFORTS TO DATE.

AND WE ARE PLEASED THAT OUR PARTNERSHIP HAS ENABLED THE FRUITFUL INVESTIGATIONS THAT WE HAVE CONCLUDED TO DATE.

MOST IMPORTANTLY, WE ARE COMMITTED TO WORKING TOGETHER IN THE FUTURE TO COMBAT THIS GLOBAL PROBLEM.

NOW I'D LIKE TO COMMEND BOTH THE FTC AND THE ACMA FOR THEIR EFFORTS BOTH FROM THE ENFORCEMENT AND FROM THE EDUCATION INITIATIVES, AND ALSO INDICATE THAT TODAY WE ARE ALSO PUMPING UP OUR CONSUMER PROTECTION INITIATIVES BY ISSUING NEW GUIDELINES TO HELP CONSUMERS DETECT AND PROTECT THEMSELVES AGAINST THESE TYPES OF SCAMS.

AND AGAIN, I THANK YOU FOR YOUR HOSPITALITY AND TURN THIS OVER.

>> THANK YOU, ANDREA, AND YOU GUYS HAVE DONE JUST ABSOLUTELY WONDERFUL WORK, AS HAS THE ACMA.

AND NOW I'M GOING TO TURN IT OVER TO FRANK TORRES FROM MICROSOFT.

MICROSOFT HAS BEEN EXTRAORDINARILY HELPFUL IN THESE INVESTIGATIONS.

THEY ARE COMPLICATED, AND THEY INVOLVE LOTS OF FORENSICS.

AND WE CAN'T WORK EFFECTIVELY WITHOUT THE HELP OF OUR PARTNERS IN THE PRIVATE SECTORS.

SO, WITH THAT, I TURN IT OVER TO YOU, FRANK.

>> THANK YOU, MR. CHAIRMAN.

IT'S GREAT TO BE HERE WITH YOU AND WITH ANDREA AND WITH CHRIS, AND WE APPRECIATE YOU BEING HERE SO EARLY IN THE MORNING IN AUSTRALIA.

SO, THE GOOD NEWS THROUGH THE YEARS IS THAT THERE'S BEEN REALLY GREAT ADVANCEMENTS IN SECURITY UPDATES IN ANTIVIRUS SOFTWARE.

THE BAD NEWS IS, LIKE PLAYING A GAME OF WHACK-A-MOLE, IT'S FORCED CYBER CRIMINALS TO FIND NEW AND CREATIVE WAYS TO DECEIVE PEOPLE.

BUT THE GOOD NEWS IS, AS TODAY'S ANNOUNCEMENTS AROUND THE WORLD CLEARLY SHOW, IS THAT THERE ARE MANY PEOPLE WORKING TO COMBAT CYBER CRIME.

IN THE TECH COMMUNITY, RESEARCHERS IN ACADEMIA, AND GOVERNMENT, LAW ENFORCEMENT AND REGULATORY AGENCIES THAT YOU SEE HERE TODAY AND THE OTHERS THAT WORK ON THESE ISSUES.

SO MICROSOFT REALLY WANTS TO COMMEND THE FTC AND THEIR COLLEAGUES FROM CANADA AND AUSTRALIA FOR THEIR GLOBAL LEADERSHIP AND ACTIONS TO FIGHT THESE SORTS OF PHONE SCAMS AND TO PROTECT CONSUMERS.

MICROSOFT WAS VERY PLEASED TO PARTNER WITH THE FTC AND OTHERS IN THIS EFFORT, AND WE WILL CONTINUE TO DO SO AS OTHER SCAMS EMERGE AND TO MAKE SURE THAT WE CLEAN UP THIS ONE.

SO, JOHN HAS ALREADY TALKED ABOUT THE SORT OF SCAMS THAT CYBER CRIMINALS HAVE USED TO EXPLOIT THE VULNERABILITIES OF PEOPLE BY TRICKING THESE INNOCENT VICTIMS INTO BELIEVING THAT THEY HAD A COMPUTER PROBLEM, AND THAT THE SCAMMER COULD HELP RESOLVE THEM AND GET IT DONE OVER THE PHONE.

THESE CYBER CRIMINALS OFTEN INVOKE A TRUSTED BRAND LIKE MICROSOFT OR ONE OF OUR PARTNERS OR OTHER COMPANIES TO GAIN THE VICTIM'S TRUST.

WHAT'S WORSE IS THAT THESE SCAMS NOT ONLY COST VICTIMS MONEY, IN TERMS OF MAKING CONSUMERS PAY FOR SOMETHING THAT THEY DON'T REALLY NEED OR THAT JUST DOESN'T HAPPEN, BUT IT COULD ALSO COMPROMISE THE SECURITY OF THEIR COMPUTERS AND LEAVING THEM VULNERABLE TO MALICIOUS SOFTWARE AND POTENTIALLY OTHER ATTACKS.

SO, LIKE THESE REGULATORS, MICROSOFT REMAINS COMMITTED TO PROTECTING ITS CUSTOMERS AND SERVICES FROM THESE CYBER CRIMINALS.

WE WILL CONTINUE TO FIGHT CYBER CRIME.

ONE THING IS CLEAR, THAT THESE THREATS CANNOT BE TACKLED ALONE, THAT IT TAKES THE COOPERATION OF INDUSTRY, GOVERNMENT AND REGULATORS.

SO WE'LL CONTINUE OUR PARTNERSHIPS LIKE THE ONES YOU SEE HERE TODAY, AND WORK TO MAKE SURE THAT THE INTERNET IS A SAFE AND TRUSTED ENVIRONMENT FOR EVERYONE.

BUT I DON'T WANT TO LEAVE WITHOUT GIVING CONSUMERS SOME TIPS.

I MAY REPEAT SOME THAT YOU ALREADY HEARD.

NUMBER ONE, MICROSOFT WILL NEVER-- I REPEAT-- MICROSOFT WILL NEVER COLD CALL A CONSUMER.

MICROSOFT WILL NEVER COLD CALL A CONSUMER AND ASK FOR THEIR CREDIT CARD INFORMATION TO CHARGE THEM FOR A SERVICE THAT THEY DON'T NEED.

IF A CONSUMER GETS A CALL  
LIKE THIS, IF THE CONSUMER  
GETS A CALL FROM SOMEBODY  
SAYING THEY HAVE A PROBLEM  
WITH THEIR COMPUTER, HAND OVER THEIR CREDIT CARD INFORMATION, AND THE PERSON ON THE  
PHONE WILL FIX IT REMOTELY, THE CONSUMER SHOULD HANG UP.

IF THE CONSUMER BELIEVES HE OR HER HAS A PROBLEM, THEY SHOULD GO TO A TRUSTED SITE OR A  
TRUSTED RESOURCE, OR CALL A NUMBER OF A TRUSTED COMPANY AND SORT THROUGH WHAT MAY  
OR MAY NOT BE GOING ON WITH THEIR COMPUTER.

AGAIN, I WOULD VENTURE TO SAY THAT A LEGITIMATE COMPANY-- A DELL, A SYMANTEC, A MCAFEE-- IS  
VERY UNLIKELY TO DO THESE SORTS OF COLD CALLS.

FINALLY, IF YOU'RE A CONSUMER AND THINK YOU HAVE A PROBLEM WITH YOUR COMPUTER, THERE'S  
LOTS OF RESOURCES AVAILABLE TO YOU ONLINE.

MICROSOFT PROVIDES FREE TOOLS FOR CONSUMERS TO CHECK AND SEE WHETHER OR NOT THEIR  
COMPUTER HAS BEEN INFECTED, AND THE TOOLS TO REMOVE THEM.

OTHER COMPANIES OFFER SIMILAR PRODUCTS, VERY LEGITIMATE COMPANIES THAT ARE HIGHLY  
TRUSTED AND HIGHLY WELL KNOWN.

AND THOSE ARE THE AVENUES THE CONSUMERS SHOULD TAKE.

NOT ONLY ARE THEY FROM TRUSTED SOURCES, BUT IN MANY CASES THEY'RE ALSO FREE SERVICES.

SO AGAIN, THANK YOU TO THE  
FTC, THEIR COLLEAGUES IN CANADA AND AUSTRALIA, FOR PROTECTING CONSUMERS BY BRINGING  
THESE CASES, AND ON AN ONGOING BASIS TO CONTINUE TO PROTECT CONSUMERS MOVING  
FORWARD.

THANK YOU.

>> THANK YOU, FRANK.

WE'RE GOING TO TAKE QUESTIONS FROM THE AUDIENCE.

WE'LL TAKE A FEW FROM THE  
AUDIENCE FIRST.

THEN, I KNOW PEOPLE ARE STAYING UP LATE FROM MEDIA IN AUSTRALIA.

SO WE'LL TAKE THOSE AND THEN COME BACK TO THE ROOM.

DO WE HAVE SOMEONE WITH A MIC WHO CAN GO AROUND?

AND WE'RE GOING TO BE JOINED BY DAVID VLADIC.

OUR BUREAU OF CONSUMER PROTECTION HAS DONE A WONDERFUL JOB WITH THIS INVESTIGATION, AS HAS-- AND I SEE MR. STEVENSON SITTING IN THE AUDIENCE-- AS HAS OUR OFFICE OF INTERNATIONAL AFFAIRS IN HELPING TO COORDINATE THESE ACTIVITIES.

THANK YOU SO MUCH.

WE CAN START WITH QUESTIONS NOW.

>> ALSO, THE COURT ORDER FREEZING THE ASSETS...

>> REPEAT IT BACK?

>> OKAY.

HOW MANY POTENTIAL VICTIMS  
ARE IN THE UNITED STATES?

>> CAN YOU IDENTIFY WHERE YOU'RE FROM, ALSO?

>> YES, JASON RYAN WITH ABC NEWS.

>> MM-HMM.

>> POTENTIAL VICTIMS IN THE  
UNITED STATES, AND ALSO THE  
COURT ORDER FREEZING THE  
ASSETS.

HAVE THOSE ASSETS BEEN  
IDENTIFIED, AND WHAT ARE THEY  
WORTH?

>> SOME OF THOSE ASSETS HAVE  
BEEN IDENTIFIED.

DO YOU GUYS WANT TO COME IN?

COME OVER TO THE-- IDENTIFY YOURSELF.

>> MY NAME IS COLLEEN ROBBINS.

SO FAR, WE'VE BEEN ABLE TO  
FREEZE ABOUT \$188,000 HERE IN  
THE UNITED STATES.

AND IN TERMS OF THE NUMBERS OF VICTIMS, FROM OUR CONSUMER SENTINEL COMPLAINTS THAT WE HAVE, BASED ON THESE CASES, WE HAVE ABOUT 2,400 COMPLAINTS.

>> BUT WHAT WE SUSPECT IS THAT THE NUMBER OF VICTIMS MAY BE SUBSTANTIALLY HIGHER.

I THINK WE'RE GOING TO FIND THAT OUT AS WE GO ALONG IN THIS INVESTIGATION.

>> LET ME JUST ADD, WE HAVE OVER 40,000 COMPLAINTS REGARDING THESE KINDS OF MALWARE SCAMS NOT NECESSARILY ATTRIBUTED TO THESE PARTICULAR DEFENDANTS, AND THAT'S PROBABLY A TINY FRACTION OF THE NUMBER OF COMPLAINTS WE GET.

WE GET A LOT OF DO NOT CALL COMPLAINTS-- LITERALLY OVER A MILLION DO NOT CALL COMPLAINTS A YEAR.

THEY DON'T NECESSARILY SPECIFY THE CALLER AND THE SCAM ASSOCIATED WITH THE CALL.

SO WE UNDERSTAND THAT THIS IS A VERY WIDESPREAD SCAM AFFECTING HUNDREDS OF THOUSANDS OF U.S. CONSUMERS.

>> CHRIS, DID YOU WANT TO ADD ANYTHING FROM THERE?

>> SORRY.

WE ALSO CAN'T GIVE A PRECISE NUMBER.

I INDICATED THAT WE HAD NEARLY 10,000 COMPLAINTS, AND, AGAIN, IT'S JUST THE TIP OF THE ICEBERG.

I CAN'T REALLY ADD ANYTHING DEFINITIVE ON THAT.

THANK YOU.

>> THANK YOU.

ANDREA, YOU WANT TO ADD ANYTHING ON THE NUMBER OF COMPLAINTS?

>> WE ALSO HAVE RECEIVED THOUSANDS AND THOUSANDS OF COMPLAINTS IN CANADA.

AND SOME OF THEM ALSO ARE DIFFICULT TO IDENTIFY, BUT WE DO KNOW THAT MANY CANADIAN

RECEIVE THESE CALLS.

>> ALL RIGHT, NEXT QUESTION.

WAIT UNTIL THE MIC COMES-- AND THERE IT IS.

GO AHEAD.

>> HEY, THERE.

WILL DUGAN FROM CTV.

I'M JUST WONDERING, OUT OF THE COMPLAINTS THAT WERE RECEIVED, WERE THESE PEOPLE THAT WERE ACTUALLY SCAMMED OR PEOPLE THAT JUST GOT SUSPICIOUS PHONE CALLS?

>> IT'S BOTH IN THE UNITED STATES.

IT'S PEOPLE WHO HAVE BEEN SCAMMED AND THEN RECOGNIZED IT AND FILED A COMPLAINT WITH US AND WITH OTHERS.

AND THEN IT'S ALSO PEOPLE WHO RECOGNIZED THAT THIS WAS A SCAM AND THEY DID WHAT THEY SHOULD DO, WHICH IS CALL THEIR LOCAL CONSUMER PROTECTION-- OR THEIR NATIONAL CONSUMER PROTECTION AGENCY.

ANDREA, DO YOU WANT TO ADD ANYTHING?

>> I WOULD JUST SAY THAT THERE PROBABLY WERE QUITE A NUMBER OF PEOPLE WHO WERE SCAMMED IN CANADA.

THE MANDATE OF THE CRTC IS TO DEAL WITH THE DO NOT CALL ISSUES.

WE DO ENCOURAGE PEOPLE TO CALL THE CANADIAN ANTI-FRAUD CENTER TO MAKE COMPLAINTS IF THEY HAVE BEEN VICTIMIZED.

>> SURE.

AND IS THERE ANY WAY PEOPLE CAN GET THEIR MONEY BACK?

>> WELL, I MEAN, I THINK PART OF IT IS, WE'VE STARTED TO FREEZE ASSETS.

TO THE EXTENT THAT WE CAN IDENTIFY VICTIMS AND FREEZE MORE ASSETS, WE MAY BE ABLE TO GIVE SOME MONEY BACK TO THOSE VICTIMS.

HAVING SAID THAT, YOU KNOW, IN SCAMS LIKE THIS, TYPICALLY, YOU DON'T GET 100% IN RESTITUTION.

YOU GET SOME AMOUNT BACK IF

YOU'RE LUCKY.

AND MOST IMPORTANTLY, YOU STOP  
THESE SCAMS GOING FORWARD.

LET'S TAKE ONE MORE QUESTION FROM THE AUDIENCE, AND WE'LL TURN IT TO FOLKS WHO ARE  
CALLING IN FROM AUSTRALIA.

ED?

>> ED WYATT, "NEW YORK  
TIMES."

OTHER THAN FILING A LAWSUIT  
SAYING THEY SHOULDN'T DO THIS  
ANYMORE, WHAT HAVE YOU DONE, THOUGH, THAT WILL ACTUALLY STOP THESE CALLS FROM BEING  
MADE?

>> WELL, WE'VE FROZEN ASSETS.

WE'VE IDENTIFIED DEFENDANTS.

WE HAVE SHUT DOWN THE DOMAIN NAMES THAT THEY REGISTERED UNDER.

AND SO, OUR SENSE IS-- AND WE HAVE DONE THIS IN A VARIETY OF  
JURISDICTIONS IN THE ENGLISH-SPEAKING WORLD.

OUR SENSE IS THAT THIS IS A  
SIGNIFICANT STEP IN DISRUPTING  
THEIR OPERATIONS, AND WE'RE  
ALSO WORKING WITH INDIAN LAW  
ENFORCEMENT AUTHORITIES.

AND SO, YOU KNOW, WE'RE NOT A CRIMINAL AGENCY.

WE DON'T YANK PEOPLE OFF THE  
STREET AND PUT THEM IN JAIL.

WE DON'T HAVE CRIMINAL  
AUTHORITY.

BUT WE DO WHAT WE CAN, AND WE THINK THIS WILL BE VERY, VERY HELPFUL.

AND THE OTHER THING, WHICH IS  
WHY IT'S SO CRITICAL THAT ALL OF US ARE HERE TODAY, IS THAT IT IS A WAKE-UP CALL, I THINK, FOR  
CONSUMERS.

AND THEY'RE GOING TO READ STORIES ABOUT THIS SCAM, AND THEY'RE GOING TO THINK THE NEXT  
TIME SOMEONE CALLS UP AND SAYS, YOU KNOW, "THERE'S A PROBLEM IN YOUR COMPUTER."  
THESE TECH SUPPORT SCAMS ARE  
VERY, VERY SERIOUS, AND THE

FIRST LINE OF DEFENSE IS  
ALWAYS THE CONSUMERS THEMSELVES.

LET ME JUST MENTION-- AND FOR THOSE OF YOU WHO HAVEN'T SEEN IT, WE HAVE SOME  
ONGUARDONLINE.GOV MATERIALS.

THEY'RE OVER IN A FOLDER AT THE TABLE, COMMISSION TABLE, THE PRESS TABLE.

AND SO, IF ANYBODY WANTS THEM, YOU'RE WELCOME TO TAKE A LOOK.

BUT THEY'RE VERY, VERY GOOD.

AND ALSO, I'M SURE THAT THE  
MATERIALS FROM THE ACMA ARE  
ALSO EQUALLY EXCELLENT AND  
TAILORED TO THE AUSTRALIAN  
CONSUMER.

SHOULD WE TAKE SOME QUESTIONS?

FROM THE PHONE?

OKAY.

>> ALL RIGHT, LADIES AND GENTLEMEN ON THE PHONE LINE, IF YOU WISH TO ASK A QUESTION, PLEASE  
PRESS STAR FOLLOWED BY 1.

YOU'LL HEAR A TONE INDICATING THAT YOU'VE BEEN PLACED IN THE QUEUE.

AND YOU MAY REMOVE YOURSELF FROM QUEUE AT ANY TIME BY PRESSING THE POUND KEY.

AS A REMINDER, WE ARE TAKING QUESTIONS FROM MEDIA ONLY TODAY.

THANK YOU.

AND WE WILL GO TO THE LINE OF DIANE BARKS WITH REUTERS.

PLEASE GO AHEAD.

>> HI, THERE.

JUST TO FOLLOW UP ON A COUPLE OF  
THINGS YOU JUST SAID.

YOU RAN THROUGH THE AUSTRALIAN  
AND THE CANADIAN AND THE U.S.

COMPLAINTS.

WHAT NUMBER FROM THE U.K.?



HOW MANY COMPLAINTS FROM THE U.K.?

>> WE DON'T HAVE THE NUMBER  
FROM THE U.K.

WE CAN SEE WHAT INFORMATION, DIANE, WE CAN GET YOU AND GET BACK TO YOU THIS AFTERNOON.

>> OKAY, GREAT.

AND IN TERMS OF WHAT YOU DID,  
OKAY, YOU FROZE THE MONEY THAT COULD FIND, IDENTIFIED DEFENDANTS, SHUT DOWN DOMAIN  
NAMES, AND YOU SAID SOMETHING ALSO ABOUT DISRUPTING PHONE SERVICE IN YOUR OPENING  
THING, AND I DIDN'T QUITE UNDERSTAND HOW THAT WORKED.

>> WELL, WE HAVE CONTACTED  
PHONE COMPANIES THAT WE KNOW THE NUMBERS BELONG TO THE DEFENDANTS THAT WE  
TARGETED, AND SO WE'VE ASKED THEM TO SHUT DOWN THE PHONE NUMBERS THAT THEY WERE  
USING TO CALL CONSUMERS.

>> AND SO THESE ARE PHONE  
COMPANIES IN INDIA?

>> NO.

THESE ARE PHONE COMPANIES THAT  
IS ARE IN THE U.S.

>> SO-- BUT I THOUGHT THAT PEOPLE WERE CALLING FROM INDIA.

>> THEY-- WELL, THEY ARE CALLING FROM INDIA, BUT THEY ARE USING U.S. CARRIERS.

>> OH, OKAY.

SO PEOPLE-- SO HOW-- EXPLAIN  
TO ME HOW THESE U.S. CARRIERS  
STOP PHONE CALLS COMING FROM  
PLACES IN INDIA?

>> WELL, WHAT WE'VE ASKED THEM  
TO DO IS TO SHUT DOWN THOSE  
PARTICULAR PHONE NUMBERS THAT  
ARE BEING USED BY THE  
DEFENDANTS.

SO THOSE NUMBERS WILL NOT BE  
ABLE TO BE UTILIZED BY THE  
DEFENDANTS.

>> SO, U.S. CARRIERS ARE GOING TO

BLOCK CERTAIN PHONE NUMBERS IN  
INDIA FROM CALLING INTO THE U.S.

>> THEY'RE BLOCKING THE USE--  
I'M NOT SURE TECHNICALLY HOW  
IT WORKS, BUT I KNOW THEY'RE BLOCKING THE USE OF THE PHONE NUMBER THAT THEY ARE THE  
SUBSCRIBER OF.

>> ALL RIGHT.

CAN I CALL YOU LATER?

[LAUGHTER]

>> SURE.

>> WE WON'T BLOCK HER NUMBER!

[LAUGHTER]

>> YES, HER NUMBER IS ALWAYS OPEN.

>> ALL RIGHTY, I'LL CALL YOU.

>> NEXT ON THE LINE: ASHLEY BROWN, REPRESENTING RADIO MELBOURNE.

PLEASE GO AHEAD.

>> HI.

THIS IS ASHLEY FROM 3AW.

JUST TO CHRIS CHAPMAN-- I GUESS, CAN YOU TELL ME IF THERE'S  
ENOUGH INFORMATION OUT THERE  
FOR PEOPLE NOT TO GET SCAMMED?

WE GET SO MANY WARNINGS, I  
GUESS.

WHY DO YOU THINK IT'S NOT  
SINKING IN?

>> LOOK, I THINK THAT THE EDUCATION PROGRAM IS A LONG ONE.

IT'S A LONG-RUNNING PROGRAM, AND I THINK IT'S HUMAN NATURE TO EXTEND GOODWILL AND TO BE  
TAKEN IN, AND YOU LEARN THE HARD WAY OFTEN.

BUT I THINK THERE HAVE BEEN SO MANY EXAMPLES ONLINE AND IN THE CYBER SAFETY WORLD, NOT  
ONLY IN

AUSTRALIA BUT IN OTHER JURISDICTIONS OVER THE LAST COUPLE OF YEARS, THAT PEOPLE ARE STARTING TO WAKE UP.

AND THE ACMA IS BEING PARTICULARLY ACTIVE OVER THE LAST YEAR OR TWO IN PUTTING OUT TIPS THAT ARE EASY TO UNDERSTAND, DIGESTIBLE, THAT GIVE PEOPLE COMFORT, THAT GIVES THEM OPTIONS AS TO WHERE TO GO TO.

AND I THINK THE MESSAGE IS STARTING TO GET THROUGH, BUT IT'S A LONG AND SLOW ONE.

AND THERE'S-- YOU KNOW, THERE ARE DIFFERENT GENERATIONS WITHIN OUR AUDIENCE.

THERE'S MY GENERATION, WHO ARE, YOU KNOW, COMING TO BE MORE TECH SAVVY.

THERE'S MY PARENTS' GENERATION, WHO ARE AT THE OTHER END OF THE SPECTRUM.

AND, OF COURSE, THERE IS OUR CHILDREN'S GENERATION.

THIS IS NOT A "ONE SIZE FITS ALL," AND WE NEED TO HAVE OUR MESSAGING APPEALING TO DIFFERENT AUDIENCES AT DIFFERENT TIMES.

AND THAT TAKES A VERY CONSIDERABLE AND CONSISTENT RESOURCE INVESTMENT, AND THAT'S WHAT WE'RE DOING.

>> I GUESS, GIVEN THAT THIS IS AFFECTING SO MANY DIFFERENT COUNTRIES, HOW IMPORTANT IS IT TO WORK TOGETHER TO KIND OF GET A GLOBAL SOLUTION TO THIS?

>> WELL, LOOK, IT'S BEEN VITAL IN THIS PARTICULAR CASE.

CHAIRMAN LIEBOWITZ HAS ALREADY INDICATED THE COOPERATION AND THE STORE THAT THEY'VE PLACED ON THE INTELLIGENCE GATHERING AND THE INFORMATION PROVIDED BY THE ACMA.

AND WE ARE SEEING IN THE ONLINE WORLD SO MANY EXAMPLES WHERE INTERNATIONAL COOPERATION AND COLLABORATION BETWEEN LIKE-MINDED REGULATORS IS MAKING A MASSIVE DIFFERENCE.

THE REALITY IS THAT YOUR ABILITY TO RESPOND QUICKLY AND APPROPRIATELY WITHIN YOUR OWN BORDERS IS DIMINISHING DAILY.

AS I SAID IN MY REMARKS A LITTLE WHILE AGO, WE REALIZED A COUPLE OF YEARS AGO THAT WE NEEDED A FUNDAMENTAL STATE CHANGE.

AND THROUGH OUR ASSOCIATION WITH THE FTC AND THE CRTA, WE HAVE LEARNED NEW SKILLS, WE HAVE DEVELOPED RELATIONSHIPS WITH

STAFF ON BOTH OF THOSE REGULATORS, AND IT IS AMAZING HOW EFFECTIVE THE COOPERATION BRINGS IN-- BRINGING TO COURT AND GETTING THE RESULTS THAT HAS BEEN INDICATED TODAY.

INVESTING IN PEOPLE, INVESTING IN RELATIONSHIPS, TRUST BETWEEN REGULATORS IS PROVIDING GREATER DIVIDENDS THAN WE COULD HAVE EVER DONE ON OUR OWN.

>> IT'S REALLY-- IF I COULD ADD, IT IS REALLY TRUE THAT WE ARE MUCH MORE EFFECTIVE WORKING TOGETHER THAN WE WOULD BE INDIVIDUALLY.

THESE ARE ALREADY POTENTIALLY WHACK-A-MOLE PROBLEMS, AND IF WE DON'T SORT OF UNITE, WORK TOGETHER, SHARE INFORMATION.

AND THAT'S WHY THE LEGISLATION THAT WE'RE HOPING TO GET THROUGH CONGRESS IS ENORMOUSLY IMPORTANT, THE SAFE WEB ACT.

THEN WE JUST CAN'T DO THE WORK ON BEHALF OF CONSUMERS THAT WE'RE SUPPOSED TO.

WE HAVE ALSO BEEN VERY INVOLVED IN ORGANIZING INTERNATIONAL NETWORKS.

ICEPEN, THE INTERNATIONAL-- AND YOU'LL CORRECT ME IF I'M WRONG HERE, BUT THE INTERNATIONAL CONSUMER PROTECTION ENFORCEMENT NETWORK.

THERE'S THE LONDON ACTION PLAN ON SPAM.

AGAIN, YOU KNOW, COMMERCE IS GLOBAL, WHICH IS GREAT FOR CONSUMERS, BUT IT ALSO-- IT'S A DOUBLE-EDGED SWORD, AND SO IT ALLOWS SCAMMERS TO GO WHERE THE MONEY IS, WHERE IT'S MADE MOST EASILY, AND TO ENGAGE IN GLOBAL SCAMS.

WORKING TOGETHER, WE DO A BETTER JOB FOR CONSUMERS WE ALL REPRESENT.

>> AND JUST ONE LAST ONE FROM ME.

SORRY.

I GUESS, GOING ALONG THAT ROAD, THEN, IF-- DO INDIAN AUTHORITIES, I GUESS, HAVE A ROLE TO PLAY IN THIS?

AND DO THEY HAVE THE RESOURCES TO HELP TACKLE THIS?

>> THE ANSWER IS, WE DO BELIEVE THEY HAVE A ROLE TO PLAY.

WE ARE WORKING WITH THEM.

I CAN'T SAY MUCH MORE ABOUT THAT BECAUSE OF THE CONFIDENTIAL NATURE OF THESE INVESTIGATIONS.

BUT YES, OF COURSE.

>> THANK YOU.

>> OUR NEXT QUESTION COMES FROM THE LINE OF JOHN BRODKIN WITH ARS TECH.

PLEASE GO AHEAD.

>> OH, YEAH, HI.

I SAW THE PICTURE OF THE WINDOWS FILE THAT THE SCAMMERS USE TO TRICK PEOPLE.

I WAS WONDERING, CAN YOU SORT OF DESCRIBE WHAT EXACTLY IS THAT FILE, AND HOW DO YOU GO THROUGH THE WINDOWS INTERFACE TO GET TO THAT?

>> WE WILL BRING YOU OUR WINDOWS EXPERT RIGHT HERE.

FRANK, GO AHEAD.

[LAUGHTER]

>> WELL, I'LL JUST GIVE YOU THE BASIC DESCRIPTION.

I MEAN, THAT'S MORE OF THE TECHNICAL ERRORS THAT COULD OCCUR AS PEOPLE USE THE WINDOWS PROGRAM.

THAT CERTAINLY DOES NOT INDICATE THAT YOU'VE GOTTEN MALWARE ON YOUR MACHINE, YOU KNOW.

SO, FOR A CONSUMER TO SEE THAT, AGAIN, THAT'S MORE OF THE TECHNICAL THINGS THAT MIGHT BE GOING ON.

>> NO, I KNOW THAT.

WHAT I'M SAYING IS, HOW DO YOU  
ACTUALLY GET TO THAT FILE?

LIKE, I UNDERSTAND HOW THE SCAMMERS USED IT, BUT WHAT I WANT TO KNOW IS HOW-LIKE, IF I  
WAS LOOKING AT MY WINDOWS COMPUTER AND I WANTED TO RECREATE THIS PROCESS, HOW  
WOULD I GO ABOUT DOING THAT?

>> OKAY.

CLICK START, CLICK RUN,  
CLICK EVENT VIEWER AND THEN  
APPLICATIONS, AND YOU WILL SEE  
IT COME UP.

YOU'LL SEE EXACTLY WHAT WE  
HAVE ON THE SCREEN.

AND, YOU KNOW, AGAIN, IF YOU'RE NOT TECH SAVVY, YOU KNOW, IT LOOKS LIKE THERE'S A PROBLEM.

SO, YOU CAN UNDERSTAND HOW SOME PEOPLE WERE TAKEN ADVANTAGE OF.

ANY OTHER-- DO WE HAVE ANY OTHER QUESTIONS?

>> LADIES AND GENTLEMEN, ONCE AGAIN, FOR QUESTIONS, PLEASE PRESS STAR FOLLOWED BY THE 1.

AND AS A REMINDER, WE ARE TAKING QUESTIONS FROM MEDIA ONLY TODAY.

ONCE AGAIN, STAR-1 FOR QUESTIONS.

AND WE'LL GO TO THE LINE OF LARUSA BURKA WITH THE WEST NEWSPAPER.

YOUR LINE IS OPEN.

>> OH, SORRY.

IT'S LARAISA WITH THE WEST AUSTRALIAN NEWSPAPER.

I JUST WONDERED IF I COULD GET SOME SPECIFICS ON HOW MANY PEOPLE OR COMPANIES YOU  
ACTUALLY HAVE TAKEN ACTION AGAINST?

IT'S ALL SORT OF A LITTLE BIT UP IN THE AIR FROM WHAT WAS SAID SO FAR.

>> SO I CAN SAY THAT WE TOOK  
ACTION, I BELIEVE, AGAINST SIX  
TECH SUPPORT SCAMS.

THEY'RE MOSTLY AFFILIATED, 14 COMPANIES AND 17 INDIVIDUALS.

A FEW OF THEM IN THE UNITED  
STATES, MANY OF THEM IN INDIA.

>> THANK YOU.

>> NOW WE HAVE A QUESTION FROM  
THE LINE OF DARREN HOLLY WITH  
SECURITY COMPUTING.

PLEASE GO AHEAD.

>> HI, GUYS.

SORRY.

MY LINE IS JUST A LITTLE BIT BAD.

MY QUESTION IS FOR CHRIS.

AGAIN, I'M WONDERING IF YOU  
CAN QUALIFY OR QUANTIFY THE  
FINANCIAL DAMAGE.

JUST GIVE ME AN ESTIMATE HOW  
MUCH THE SCAMS WOULD HAVE COST  
THE AUSTRALIAN CONSUMERS, IF  
YOU HAD A ROUGH FIGURE?

>> IT'S VERY HARD.

I CAN'T GIVE YOU A HARD  
NUMBER.

FROM SOME OF OUR PRELIMINARY  
WORK, IT WAS ROUGHLY ABOUT  
\$85 PER AUSTRALIAN CONSUMER,  
AS AN AVERAGE NUMBER.

IT'S VERY HARD TO GIVE YOU A  
HARD NUMBER AS TO THE EXACT  
NUMBER OF AUSTRALIAN CITIZENS  
WHO WERE AFFECTED.

BUT SOME OF THE WORK SUGGESTED  
THAT AN AVERAGE FIGURE OF \$85  
PER SUCCESSFUL SCAM.

>> PER SUCCESSFUL SCAM, OKAY.

AGAIN, AND I'M SORRY.

YOU MENTIONED-- I MIGHT BE WRONG-- ABOUT 10,000 COMPLAINTS.

SO WOULD THAT BE \$85-- WOULD YOU BE ABLE TO CORRELATE?

>> I UNDERSTAND.

INDICATIVELY, TO EXTRAPOLATE THAT ALL OUT, IT WAS IN THE ORDER OF \$85 MILLION IN SCAMS.

THAT'S A BALLPARK NUMBER IN AUSTRALIA OVER THE LAST SEVERAL YEARS.

THEY'RE NOT PRECISE NUMBERS  
BUT INDICATIVE AND THEY SHOW YOU THE DIMENSION OF THE  
FINANCIAL INFLUX AND ALSO THE  
GREAT RISK THAT AUSTRALIA  
CONSUMERS ARE PUT TO, IF THEIR COMPUTERS ARE BEING INFECTED-- THE BROAD USE AND MISUSE  
OF CREDIT CARDS AND THE FACT THAT THEIR COMPUTERS COULD BE USED IN OTHER ATTACKS.

SO IT'S NOT ONLY THE  
FINANCIAL-- IT'S THE  
DISRUPTION TO THEIR LIVES AND  
ONLINE WORLD, AND TO THEIR  
POTENTIAL THEFT OF A LOT PRIVATE INFORMATION WHICH IS  
VERY DISRUPTIVE AND VERY UPSETTING.

>> RIGHT, THANKS VERY MUCH.

>> IF THERE ARE NO OTHER  
QUESTIONS IN THE CUE AT THIS  
TIME.

>> ANY OTHER QUESTIONS FROM  
THE ROOM?

WITH THAT, I THINK WE WILL  
CLOSE, FINISH UP THE MEETING,  
AND THANK YOU ALL FOR COMING.

WE APPRECIATE YOUR INTEREST.

>> CHRIS, THANK YOU.

GET SOME SLEEP.

>> THANK YOU AGAIN, JOHN.

MUCH APPRECIATED.