

EXECUTIVE SUMMARY OF TESTIMONY BY JOHN C. HORTON, LEGITSCRIPT PRESIDENT
BEFORE THE SUBCOMMITTEE ON COURTS, INTELLECTUAL PROPERTY, AND THE INTERNET
STAKEHOLDER PERSPECTIVES ON ICANN: THE .SUCKS DOMAIN AND ESSENTIAL STEPS TO
GUARANTEE TRUST AND ACCOUNTABILITY IN THE INTERNET'S OPERATION (May 13, 2015)

My testimony approaches the question of ICANN trust and accountability by looking at ICANN's compliance program, and documenting failures in the compliance process. I argue that until ICANN's compliance processes become more transparent, ICANN will continue to lack the kind of accountability and trust that Internet users as a whole deserve.

My testimony first presents data showing that cybercriminals tend to "cluster" at a relatively small number of domain name registrars. Although the majority of domain name registrars are responsible corporate citizens and voluntarily terminate domain names that are shown to be instrumentalities of crime, just about a dozen of the 800 - 900 accredited registrars provide registration services for over half of all illegal online pharmacies. Moreover, an analysis of the fifteen (15) largest registrars by total domain name market share indicates that most have a tiny percentage of the illegal online pharmacy market due to robust compliance programs. By contrast, the "top 15" registrars by illegal online pharmacy domain name market share mostly have a tiny percentage of the total domain name market.

I next look at how ICANN has applied Section 3.18 of the 2013 Registrar Accreditation Agreement, which requires domain name registrars to conduct a "reasonable and prompt investigation" and "respond appropriately" to complaints that domain names are being used for illegal activity. If a domain name registrar fails in this contractual obligation, it is within ICANN's ambit to penalize or de-accredit the registrar. This structure is supposed to be a safeguard to ensure that domain name registrars do not knowingly harbor or facilitate criminal activity.

However, I cite four examples of instances in which LegitScript and/or drug safety authorities submitted multiple, easily verifiable complaints regarding the use of domain names for illegal online pharmacies activities to an ICANN-accredited registrar. In each case, the registrar failed to take action on most (or any) of the domain names. When LegitScript and/or drug safety authorities submitted complaints to ICANN alleging a violation of Section 3.18, ICANN Compliance closed the complaints, finding that the registrars "responded appropriately" despite continuing to provide registration services to the illegal online pharmacies, which still operate.

Among these four examples is Rebel, a registrar that is part of the Momentous Group, the same company that owns .SUCKS registry Vox Populi. My testimony outlines the relationship between a leading illegal online pharmacy network known as "4rx" and an ICANN-accredited registrar, Crazy8Domains, that appears to exist for the primary purpose of providing registration services for illegal online pharmacies, and appears to employ the illegal online pharmacy owner as its compliance point of contact. I then identify the sole director of Crazy8Domains as Rob Hall, the head of Momentous.

My testimony concludes by focusing on the lack of transparency in ICANN's secret compliance process as a major obstacle to the organization's trust and accountability.

**WRITTEN STATEMENT OF JOHN C. HORTON
PRESIDENT AND CEO OF LEGITSCRIPT**

**BEFORE THE SUBCOMMITTEE ON COURTS,
INTELLECTUAL PROPERTY, AND THE INTERNET**

**STAKEHOLDER PERSPECTIVES ON ICANN: THE .SUCKS DOMAIN AND ESSENTIAL STEPS TO
GUARANTEE TRUST AND ACCOUNTABILITY IN THE INTERNET'S OPERATION (May 13, 2015)**

Chairman Issa, Ranking Member Nadler, and Members of the Subcommittee:

I am the President and founder of LegitScript, a company that monitors the online sale of healthcare products and maintains the world's largest database of Internet pharmacies and other healthcare product websites. We help a wide variety of companies, including Google, Microsoft, Visa and others, ensure that their services are not abused by illegal Internet pharmacies and other unscrupulous sellers in the healthcare space. We also work closely with regulators around the world, including the US Food and Drug Administration (FDA) and Japan's Ministry of Health, Labor and Welfare, and with INTERPOL. As part of our mission, we regularly submit complaints to domain name registrars regarding illegal online pharmacy activity.

Thank you for inviting me to testify today about the Internet Corporation for Assigned Names and Numbers (ICANN), the entity that is charged with accrediting domain name registrars and monitoring registrars' compliance with accreditation requirements. To assess any organization's trust and accountability, it is critical to understand how effective and transparent its compliance process is. In my testimony, I will address four issues that evidence the lack of ICANN accountability to enforce its own contracts and operate in the public interest:

1. The operation of a small number of "safe haven" ICANN-accredited domain name registrars that knowingly host illegal online pharmacies;
2. ICANN's contractual authority to stop criminal activity;
3. Specific failures of ICANN's Compliance Department, which has in essence given a green light to certain registrars to provide domain names to criminal networks engaged in illegal online pharmacy operations; and
4. Momentous Corp., the company that owns the .SUCKS registry, and its registrars' lack of responsiveness to complaints about illegal online pharmacies.

My testimony concludes by arguing that until ICANN's compliance processes become more transparent, and do not result in obvious failures such as those described in this testimony, ICANN will continue to lack the kind of accountability and trust that Internet users as a whole deserve.

ILLEGAL INTERNET PHARMACIES AND DOMAIN NAME REGISTRARS

LegitScript's data suggest that there are roughly 30,000 to 35,000 illegally operating Internet pharmacies active globally at any one point in time. We classify these websites according to the legality of their operations, as well as by the criminal network with which the domain names are associated, where applicable.

Unfortunately, 97% of Internet pharmacies operate illegally and unsafely, by not adhering to drug safety standards, not maintaining appropriate pharmacy licensure, and/or not requiring a prescription for the sale of prescription drugs.¹ These business practices put profits above patients, and put those patients' health and safety at risk.

How do illegal Internet pharmacies survive and thrive? Like any website, Internet pharmacies need a domain name registrar to sell them domain names and keep those domain names online. **But cybercriminals, in order to ensure the stability of their operations, have an additional need: a registrar who will look the other way when confronted with evidence about their customers' criminal activity.**

Most ICANN-accredited registrars voluntarily terminate, and refuse to continue providing, services to customers engaging in illegal activity, such as the sale of prescription medicines without a prescription. In discussing the problem of Internet crime, no discussion is complete without recognizing the outstanding compliance efforts of many upstanding domain name registrars. This includes Rightside *aka* eNom (US), GoDaddy (US), Blacknight (IE), Dynadot (US), Directi (IN), Gandi SAS (FR), Internet.bs (BS), NetOwl (JP) and many others. By working with these registrars, who deserve credit for effective voluntary compliance policies, LegitScript has facilitated the shut down over 65,000 illegal Internet pharmacies since 2008.

But cybercriminals are rational economic actors. Illegal Internet pharmacy operators are careful to choose a domain name registrar that they believe will turn a blind eye to the criminal activity and rebuff abuse complaints. This has resulted in the "clustering" of illegal Internet pharmacies at a relatively small number of ICANN-accredited registrars, with just **12 of the world's 800-900 domain name registrars responsible for providing registration to over half of all illegal online pharmacies.**²

For example, first consider data presented in Chart 1 (below) regarding the world's largest domain name registrars, beginning with GoDaddy and Rightside, which have roughly 35% and 9% of the domain name market share, respectively.³ One might expect that these registrars would also have the same percentage of the illegal Internet pharmacy market — that in the registrar market, illegal Internet pharmacy market share would roughly match total market share. But, in fact, these two registrars, and most other large registrars, have close to zero at

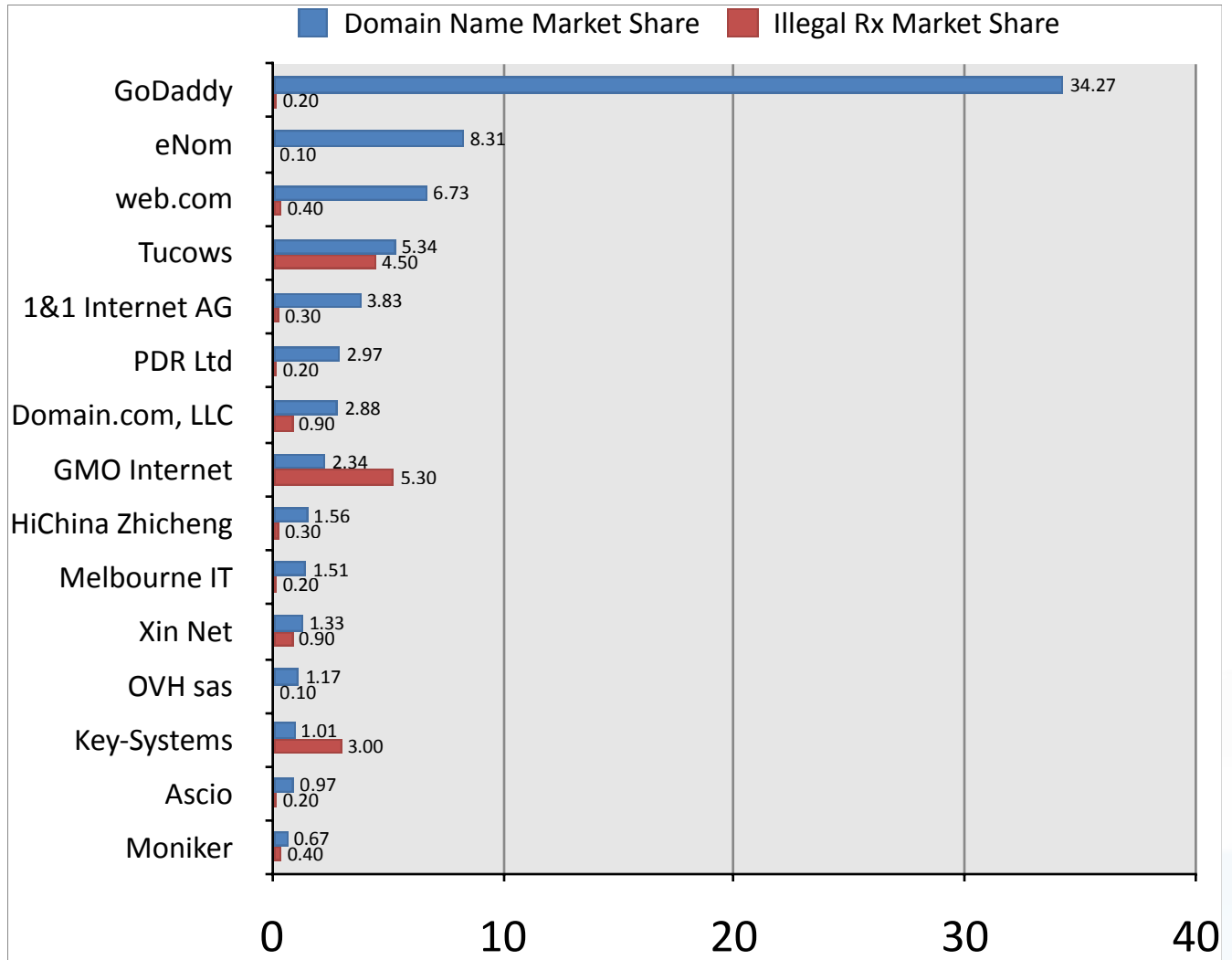
¹ See <http://www.nabp.net/programs/consumer-protection/buying-medicine-online>.

² This is based on LegitScript's analysis as of March 2015; charts displaying this data are provided later in this testimony.

³ These market shares reflect only top-level domains under the ICANN umbrella, and do not account for country-code top-level domains. These market share estimates are derived from ICANN data available at <https://features.icann.org/compliance/registrars-list>.

any one time (and those that are identified are quickly disabled). Indeed, illegal Internet pharmacies studiously avoid GoDaddy and Rightside. The reason for this is simple: cybercriminals have learned that these and other registrars have Terms of Service prohibiting the use of a domain name for illegal medicine sales — and they mean it. Of the top 15 registrars by size of market share, only a few have taken steps to shield illegally operating online pharmacies.

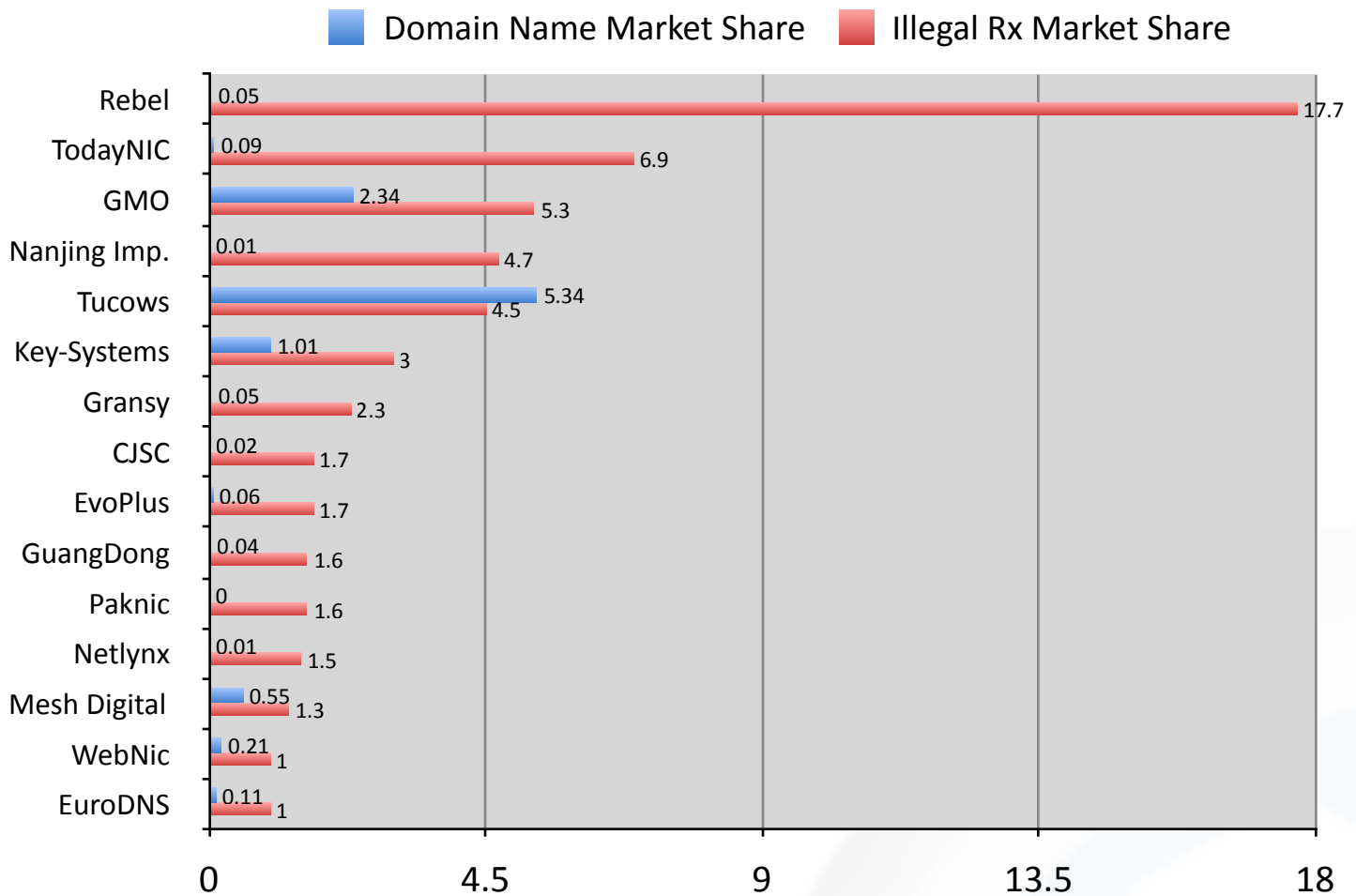
Chart 1: Comparison of Top 15 ICANN-Accredited Registrars' Total Market Share and Illegal Internet Pharmacy Market Share (Sources: ICANN (for total domain name market share); LegitScript database, March 2015)



By contrast, the data in Chart 2 (below) illustrate the phenomenon of “clustering,” and how a select group of mostly smaller domain name registrars rely — in some cases significantly — on illegal Internet pharmacy-derived revenue. In this sense, the data underscore that it is important not to impute problems with a small number of registrars to the registrar community as a whole.

For example, the leading sponsor of domain names registered by illegally operating Internet pharmacies according to LegitScript’s data is Rebel, a subsidiary of Momentous Corp., the company that owns Vox Populi (the registrar for .SUCKS). Whereas Rebel claims only about 0.05% of the total domain name market, it has an estimated 17.7% of the entire illegal online pharmacy market. This is no accident: Momentous Corp. routinely ignores or rejects evidence that domain names are used as instrumentalities of crime, and illegal Internet pharmacies have returned the favor by bringing their business to Rebel — a point I return to later in my testimony. Similarly, most of the “top 15” registrars used by illegal online pharmacies for domain name registration have a share of the illegal online pharmacy market that greatly exceeds their share of the domain name market as a whole.

Chart 2: Comparison of Top 15 ICANN-Accredited Registrars Used by Illegal Internet Pharmacies’ Total Market Share and Illegal Internet Pharmacy Market Share (Sources: ICANN (for total domain name market share); LegitScript Database, March 2015)



Several other registrars above are similarly problematic:

- Nanjing Imperiosus, a Chinese registrar with Israeli ties that has a scant 0.01% total market share, is increasingly a destination of Russian and Eastern European criminal drug networks, and is one of the fastest-growing safe havens for criminal activity.

- Tucows, a Canadian registrar, has ignored or failed to act on abuse complaints submitted on behalf of INTERPOL and various countries' drug safety authorities. Although Tucows has shut down some illegal online pharmacies, it has failed to suspend numerous illegal online pharmacies. Examples include cheapscrips.com, anabolics-online.com, and controlledpills.com (along with several others), which sell controlled substances without requiring a valid prescription, and regarding which Tucows was notified about as part of an INTERPOL operation on May 20, 2014 but which remain online to this day.
- In a recent study, LegitScript estimated that nearly one-fourth of the domain name portfolio of NetLynx, an Indian registrar, were (or were related to) illegal online pharmacies.⁴
- WebNic, a small Malaysian registrar, has ignored or failed to act on complaints involving domain names used to sell controlled substances, including black tar heroin, and told LegitScript that it could not "suspend the domains...(because) business wise, it could be millions of dollar losses [*sic*]."

These data logically lead to the question: What is ICANN Compliance doing about the registrars that provide safe haven to illegal Internet pharmacies and other types of criminal activity?

THE ICANN-REGISTRAR CONTRACTUAL STRUCTURE

To answer that question, it is first useful to review the tools that ICANN has at its disposal, and how Internet governance generally works.

Internet governance is largely predicated on two sets of contracts: 1) the Registrar Accreditation Agreement (RAA) between ICANN and the registrar, and 2) the Terms and Conditions agreement between the registrar and the domain name registrant.⁵ The first one is what enables registrars to sell domain name registrations; the second one is what enables a registrant to use the domain name.



⁴ <http://blog.legitscript.com/2015/01/story-behind-icanns-breach-notice-netlynx/>.

⁵ The current version of the RAA, called the 2013 RAA, went into effect on January 1, 2014 and is accessible at <https://www.icann.org/resources/pages/approved-with-specs-2013-09-17-en>. Most, but not all, ICANN-accredited registrars are subject to the 2013 RAA, with a few still accredited under the 2009 RAA.

Taken together, these contracts prohibit domain name registrants from using domain names for illegal activity, and require the registrar to “investigate” and “respond appropriately” to claims that the domain name is used as an instrumentality of crime (2013 Registrar Accreditation Agreement, Section 3.18.)

If the registrar fails to conduct an investigation into the claims, or fails to “respond appropriately” to the complaint that a domain name is used for illegal activity, it is within ICANN’s ambit to penalize or de-accredit the registrar.⁶ In considering what an “appropriate response” is to evidence of criminality, it is useful to note the industry standard approach implemented by GoDaddy, Rightside (eNom) and dozens of other registrars: the suspension and locking of the domain name being used for criminal activity. Indeed, it is difficult to envision any other response to credible evidence of illegality that could possibly be considered “appropriate,” assuming that one agrees that it is unreasonable for a registrar to knowingly allow its registration services to continue to be used for unlawful purposes.

By contract, it is ICANN’s responsibility to ensure that registrars “investigate” and “respond appropriately” to complaints involving illegal activity. This is central to the integrity and effectiveness of Internet governance. Specifically, how ICANN interprets and applies the terms “investigate” and “respond appropriately” dictates whether or not registrars are permitted to provide safe haven to cybercrime networks, or are held to common-sense standards. Unfortunately, LegitScript’s experience and data indicate that ICANN has given multiple registrars a free pass to continue providing services to illegal online pharmacies, finding that some registrars “respond appropriately” by doing nothing at all — as illustrated below.

FOUR EXAMPLES OF COMPLAINTS CLOSED BY ICANN, ALLOWING CRIMINAL ACTIVITY TO CONTINUE

Since the 2013 RAA went into effect, LegitScript has submitted multiple complaints to ICANN about accredited registrars that ignored or failed to terminate services to unlicensed, illegal online pharmacies about which we — and in some cases, drug safety officials — notified the registrar.

- In a small handful of cases, ICANN issued breach notices against the registrar, eventually resulting in the domain names being suspended.
- In a few other cases, the domain names were taken offline after the registrar was notified of our complaint to ICANN.
- In many other cases, however, ICANN found that the registrar “responded appropriately” by allowing the illegal Internet pharmacies to continue operating, and closed the complaint, thus giving a green light to the registrar’s continued sponsorship of the criminal activity.

This section contains only four examples (for space and brevity reasons) of complaints against registrars that were closed by ICANN, despite the registrar’s continued sponsorship of blatant

⁶ See, e.g., <https://www.icann.org/resources/pages/notices-2012-02-25-en>.

and easily verifiable criminal activity. LegitScript is happy to provide additional examples should the Committee desire.

1. Gransy (Czech Republic)

Gransy (*dba* Subreg *dba* Regtons) is an ICANN-accredited domain name registrar in the Czech Republic. The registrar has provided registration services for hundreds of illegal Internet pharmacies.

Summary: During the course of 16 months, from January 2014 to April 2015, LegitScript, US law enforcement and/or other officials contacted Gransy at least 11 times to notify the registrar of the thousands of illegal Internet pharmacies registered with the company. Gransy took no action. These same parties also contacted ICANN Compliance at least six (6) times. ICANN Compliance determined that the registrar responded appropriately and closed the complaint, despite most of the illegal online pharmacies remaining online.

- Jan. 23, 2014. LegitScript notifies Gransy about five related illegal Internet pharmacy domain names, and provides an analysis citing the laws and regulations that were violated by the illegal Internet pharmacy, including the US Food, Drug and Cosmetic Act and US state pharmacy licensure requirements. The illegal Internet pharmacy was confirmed by Canadian authorities as falsely marketing itself as a licensed Canadian pharmacy, and targets mostly US residents. Gransy refuses to act.
- Feb. 7, 2014. LegitScript submits complaint to ICANN regarding Gransy's failure to investigate and "respond appropriately" to evidence of illegal activity.

Fig 1: Illegal online pharmacy globalpharmacyplus.com, part of a network previously verified by Canadian authorities as falsely marketing itself as a Canadian Internet pharmacy. The drugs are not FDA-approved and the seller lacks legally required pharmacy licenses.



- May 8, 2014. LegitScript notifies Gransy about an additional 1,260 illegal Internet pharmacy domain names registered with the company. Our notification was submitted on behalf of, and cc'd, INTERPOL as part of Operation Pangea, a multinational effort to stop illegal online drug sales.⁷ The domain names were noted

⁷ See <http://www.interpol.int/Crime-areas/Pharmaceutical-crime/Operations/Operation-Pangea>.

as selling unapproved/substandard drugs, prescription drugs without a prescription, and in absence of legally required pharmacy licenses.

- May 12, 2014. Gransy responds and refuses to take action on domain names.
- May 15, 2014. US Food and Drug Administration (US FDA) emails Gransy, confirming that the domain names are used for criminal activity and requesting that the company terminate services to illegal Internet pharmacies.
- May 16, 2014. LegitScript, on behalf of INTERPOL, responds with additional legal citations and summary of law.

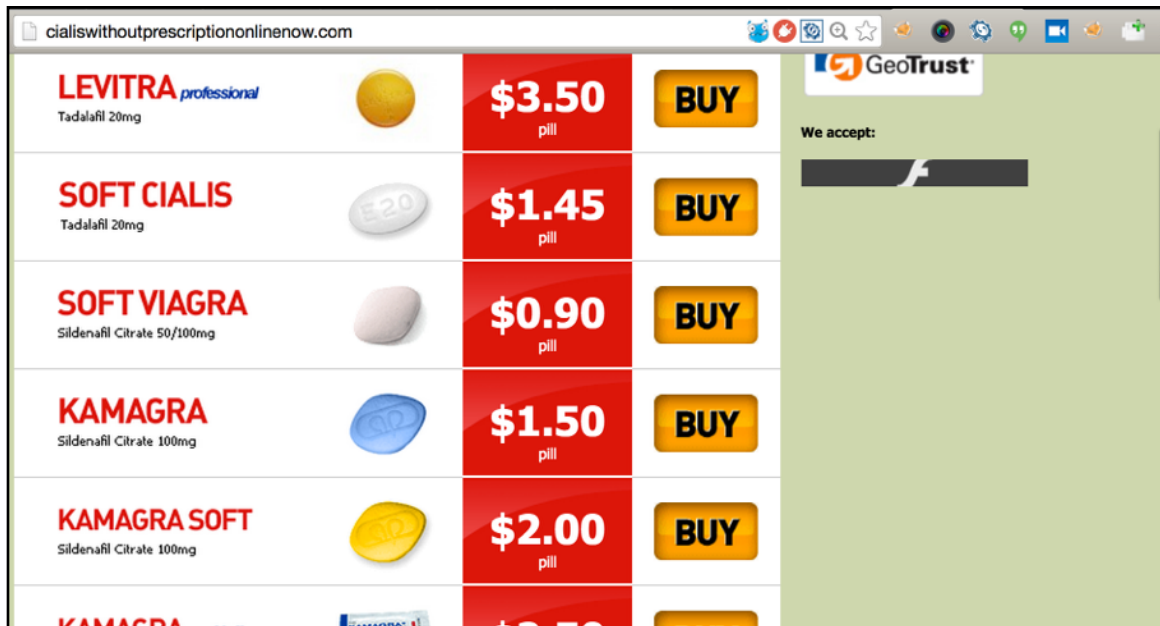
Fig 2: americanpharm.net, a fake Canadian Internet pharmacy registered with Gransy that is part of a Russian criminal network called IceRx. The drugs are counterfeit and are sold without a prescription, and usually arrive from India or another location.



- May 16, 2014. US FDA again emails Gransy.
- May 17, 2014. INTERPOL emails Gransy directly; confirms domain names are used for illegal purposes on a global scale; requests that Gransy take action.
- May 19, 2014. US FDA emails Gransy a third time, noting that the registrar has refused to respond to the emails.
- May 21, 2014. After no action by registrar, **LegitScript submits second complaint to ICANN about Gransy**, alleging that registrar has refused to investigate and “respond appropriately” to evidence of criminality. All emails from LegitScript, FDA, and INTERPOL to Gransy are forwarded to ICANN Compliance.

- **June 3, 2014.** ICANN closes complaint against Gransy, finding that “(t)he registrar demonstrated that it took reasonable and prompt steps to investigate and respond appropriately to the report of abuse.” Yet nearly all of the domain names remain online and are actively illegally selling substandard medicines and prescription drugs without a prescription. When asked to disclose what the registrar did that constituted an “appropriate response,” ICANN refuses to disclose any information.

Fig 3: cialiswithoutprescriptiononlinenow.com, an illegal Internet pharmacy registered with Gransy that is part of a Russian / Indian criminal network called Rx-Partners that sells counterfeit drugs without a prescription. ICANN determined that Gransy “responded appropriately” to our complaint of criminal activity by leaving the website online.



- **June 10, 2014.** US FDA contacts ICANN to express concerns about lack of transparency as to what constitutes an “appropriate response” to evidence that domain names are used for criminal activity, in light of continued criminal activity.
- **June 16, 2014.** The US Drug Enforcement Administration (DEA), US FDA, National Association of Boards of Pharmacy (NABP) and LegitScript have a conference call with ICANN Compliance staff to discuss Gransy and express concerns that registrars are told by ICANN that they are “responding appropriately” by allowing criminal activity to continue. **The DEA, FDA, NABP and LegitScript ask what Gransy and other registrars have done that constitutes an “appropriate response” in light of the fact that the illegal online pharmacies continue to operate, such as ask for a pharmacy license. ICANN Compliance refuses to disclose the information and says that it is confidential.**
- **June 25, 2014.** I, John Horton, meet with Gransy President Jan Horak and a member of his staff in London. I outline the reasons that the online pharmacies are illegal and unsafe. They still refuse to take action.

- Sept. 17, 2014. LegitScript submits a third notification to Gransy regarding another 561 domain names used to illegally sell unapproved prescription drugs without a prescription and valid pharmacy licenses.

Fig 4: steroid-pharmacy.org, an illegal Internet pharmacy registered with Gransy that sells controlled substances and substandard drugs without a prescription. ICANN determined that the registrar “responded appropriately” by permitting the website to remain online and actively sell illegal drugs.



- Sept. 24, 2014. Gransy had not responded to our September 17 letter. We contact them again.
- Oct. 21, 2014. Our analysis indicates that 16 of the 561 websites illegally selling drugs went offline (for unknown reasons); all the rest (545) remain online, illegally selling unsafe medicines.
- Oct. 24, 2014. LegitScript submits a third complaint to ICANN regarding Gransy, alleging that Gransy has not responded appropriately to evidence pertaining to criminal activity.
- **Nov. 26, 2014. ICANN closes complaint against Gransy, again finding that “(t)he registrar demonstrated that it took reasonable and prompt steps to investigate and respond appropriately to the report of abuse.” Yet most of the Internet pharmacies remain online, illegally selling prescription drugs without a valid prescription.**
- April 28, 2015. LegitScript files another complaint with Gransy regarding five related domain names (ironcialis.com, zozcialis.com, cialisonlineaerr.com, xoxcialis.com, wowcialis.com) that are part of a multinational criminal network called “Rx-Partners,” with an extensive written analysis showing that the domain names are used to sell prescription drugs without requiring a prescription and sell drugs that are unapproved for sale, and that the online pharmacy is unlicensed. The memorandum shows that the activity is not considered lawful in any country, anywhere. As of this writing, the domain names remain online.

It should be noted that a few of the domain names are by now offline, although it is unclear whether this is due to any action by the registrar or ICANN. Gransy, however, continues to provide paid registration services for hundreds of illegal online pharmacies, including those referenced in the complaints from LegitScript, the FDA and INTERPOL, comforted in the knowledge that ICANN will find that an “appropriate response” to evidence that a domain name is used to sell prescription drugs without a prescription or valid pharmacy license, and/or is selling unapproved/substandard drugs, may include allowing the illegal online pharmacy to continue using the registrar’s services.

2. WebNic.cc (Malaysia)

Our second example is WebNic.cc, an ICANN-accredited domain name registrar in Malaysia. The registrar has consistently taken little or no action in response to complaints that domain names are used as illegal online pharmacies, explaining on one occasion that to do so would have too serious of an impact on its business revenue.

Summary: During the course of 15 months, from December 2013 to March 2015, LegitScript, US law enforcement and/or other officials contacted WebNic at least six (6) times to notify the registrar of the thousands of illegal Internet pharmacies registered with the company. WebNic took no action. These same parties also contacted ICANN Compliance at least three (3) times. ICANN Compliance took no action to effectuate the termination of thousands of illegal Internet pharmacies, instead closing the case and refusing to disclose their rationale.

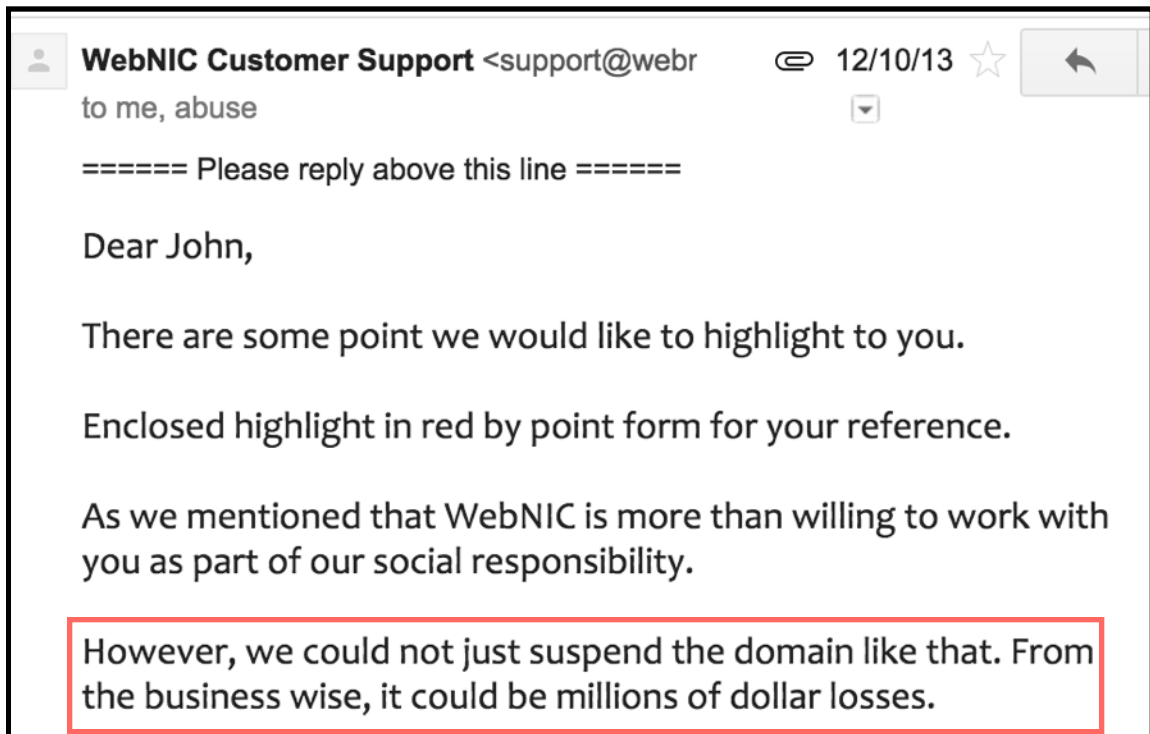
- Dec. 9, 2013. LegitScript sends WebNic.cc a list of 560 illegal online pharmacies, and a summary of applicable laws and regulations, following a US FDA notice to the registrar.

Fig 5: smackjunkshot.com, a website selling heroin online that we notified the registrar about, along with 237 other illegal drug websites. The registrar took no action.



- **Dec. 10, 2013.** Registrar responds that it cannot suspend the domain names because of the potential loss in business revenue.
- **Dec. 17, 2013.** LegitScript informs WebNic that an illegal Internet pharmacy, napsgear.net (which maintains several websites with WebNic), is illegally selling drugs and cannot produce a pharmacy license. The website remains online to this day.

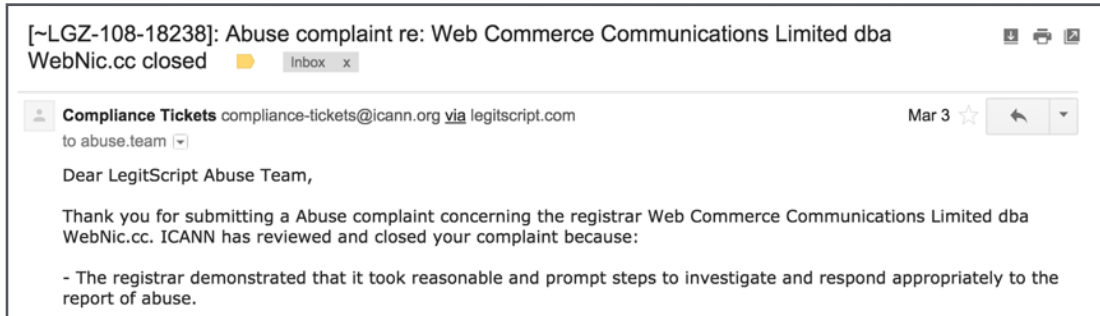
Fig 6: This email from WebNic.cc, a “safe haven” ICANN-accredited domain name registrar, highlights the reason that some registrars refuse to terminate services to cybercriminals utilizing their services: the money.



- **April 4, 2014.** LegitScript notifies WebNic that another 276 domain names are being used as illegal online pharmacies, and provides a summary of how each domain name is used illegally, including the sale of prescription drugs without a prescription requirement.
- **April 21, 2014.** LegitScript submits complaint to ICANN, alleging that WebNic has not “responded appropriately” to complaints involving illegal activity by leaving illegal Internet pharmacies online.
- **April 29, 2014.** US FDA submits a complaint to WebNic regarding 24hoursppc.org and pro-heaven.biz, both of which sell controlled substances and prescription medicines illegally. Neither are acted on; both are online and illegally selling drugs as of this writing.

- July 10, 2014. ICANN closes complaint, finding that WebNic responded appropriately even though nearly all of the websites remain online and active.

Fig 7: ICANN Compliance’s email stating that it was closing a complaint against WebNic, finding that the registrar “took reasonable and prompt steps to investigate and respond appropriately to the complaint of illegal activity” despite the registrar leaving all or nearly all of the websites online and engaged in illegal drug sales.



- Nov. 18, 2014. LegitScript sends another list of 238 illegal online pharmacies to WebNic, including an explanation of how each of the domain names is used as an illegal Internet pharmacy.
- Nov. 26, 2014. After not receiving a response, LegitScript contacts WebNic, which states that it “handled” the case. Yet nearly all domain names continue to illegally sell drugs online.
- Dec. 1, 2014. LegitScript submits a complaint to ICANN regarding WebNic, alleging that the company failed to “respond appropriately” under the RAA.
- March 3, 2015. ICANN closes the complaint, finding that WebNic “responded appropriately” even though it allowed most of the illegal online pharmacies, including the website selling heroin, to remain online.
- March 11, 2015. LegitScript submits a complaint to ICANN regarding WebNic’s failure to act on drugpillstore.com, illegally selling medicines without a valid pharmacy license, prescription or FDA drug approval.
- March 20, 2015. ICANN Compliance closes the complaint against WebNic, finding that the registrar “responded appropriately” by requiring the registrant to redirect drugpillstore.com to an equally illegal Internet pharmacy, drugpillstore.net.

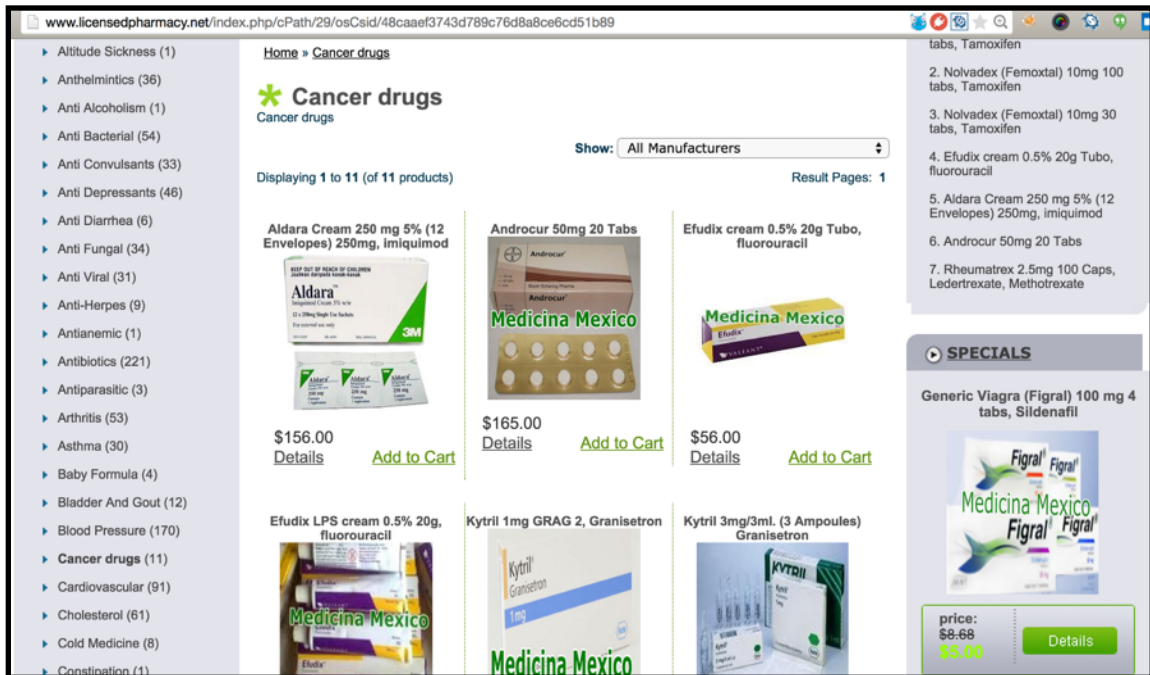
3. Mesh Digital (United Kingdom)

Mesh Digital (aka DomainMonster.com and DomainBox.com) is an ICANN-accredited registrar in the United Kingdom. The registrar continues to provide registration services

to hundreds of illegal Internet pharmacies, including the “Medicina Mexico” network, run by notorious cybercriminal and convicted felon Stephen Michael Cohen.⁸

Summary: During the course of three (3) months, from March 2014 to May 2014, LegitScript, US law enforcement and/or other officials contacted Mesh Digital at least twice to notify the registrar of the thousands of illegal Internet pharmacies registered with the company. Mesh Digital took no action. These same parties also contacted ICANN Compliance at least twice. ICANN Compliance likewise took no action to effectuate the termination of thousands of illegal Internet pharmacies, instead closing the case and refusing to disclose their rationale.

Fig 8: [licensedpharmacy.net](http://www.licensedpharmacy.net), an illegal Internet pharmacy operated by notorious con man Stephen Michael Cohen, a convicted felon who regularly impersonates attorneys, and has reportedly gone to prison for it. Other registrars shut down Cohen’s fake online pharmacies until he found ICANN-accredited Mesh Digital, which provides safe haven for the criminal network. ICANN found that the registrar responded appropriately even though it took no action, despite complaints from LegitScript and the FDA.



- **March 12, 2014.** LegitScript notifies Mesh Digital about nearly 200 illegal Internet pharmacies. The company refuses to investigate or take action against any of them.
- **March 25, 2014.** LegitScript submits complaint to ICANN, alleging that the registrar failed to investigate and respond appropriately to a complaint that domain names are used for illegal purposes.

⁸ More information about Cohen is available at <http://articles.latimes.com/2001/mar/26/business/fi-42825>.

- April 7, 2014. The US FDA submits a complaint to Mesh Digital. The registrar responds and indicates that it will not investigate or take action.
- April 30, 2014. The US FDA submits a complaint to ICANN.
- May 19, 2014. ICANN closes both complaints, finding that the domain name registrar “responded appropriately” even though it had not taken any action. The illegal online pharmacies continue to operate.

4. Momentous Group of Registrars: Rebel, NameScout, DomainsAtCost

The Momentous group of registrars and registries (which includes Vox Populi, the registry for .SUCKS) boasts the world’s largest share of illegal online pharmacy domain name registrations. As noted above, the company’s flagship domain name registrar, Rebel.com, has only about 0.05% of the ICANN domain name market, but an estimated 17%+ of the illegal online pharmacy market.

- March 12, 2014. LegitScript submits a complaint to Rebel.com about some of the illegal online pharmacies (113 domain names), explaining how they are used to sell prescription drugs without a prescription, sell unapproved drugs, and sell drugs without legally required pharmacy licenses. The registrar writes back the same day, stating that it will not take any action.
- March 25, 2014. LegitScript files a complaint with ICANN.
- June 25, 2014. I, John Horton, meet with Rob Villeneuve, CEO of Momentous Corp.’s Registrar Group, in London. The FDA is present for part of the conversation and voices their concerns about Rebel’s business dealings with illegal online pharmacies. We discuss the dangers and problems of illegal online pharmacies.
- July 24, 2014. ICANN closes the complaint, finding that Rebel “responded appropriately” despite the fact that most of the illegal online pharmacies continued to operate.
- Jan. 20, 2015. LegitScript submits a complaint to Rebel regarding another

Fig 9: To eliminate any doubt that an online pharmacy we notified Momentous Corp. about — and that they failed to act on — is operating illegally, we notified them yet again with a photo of the prescription drugs that were sold by one of the online pharmacies without a prescription a few weeks ago. Rebel has still not acted.



328 domain names used as illegal online pharmacies. The CEO of the registrar group responds, stating that he'll look into it. I follow up with a phone call and email. As far as we can tell, no action was taken.

- April 21, 2015. LegitScript submits an additional analysis to Rebel about nine of the illegal online pharmacies, including a photo of the prescription drugs that we were able to purchase without a prescription from one of the illegal online pharmacy networks we had previously notified Rebel about. No action was taken as of this writing.
- May 1, 2015. LegitScript submits another complaint to ICANN about Rebel. The complaint is pending.

To illustrate the degree to which Momentous has become a safe haven for illegal Internet pharmacies, it is instructive to note that several illegal Internet pharmacy networks — groupings of multiple Internet pharmacies under common control — exclusively or primarily use Momentous for domain name registrations. Below are five examples of networks that primarily or exclusively use Momentous Group registrars, each with three sample illegal online pharmacies in the network.

Illegal Online Pharmacy Network:
Sample Illegal Online Pharmacies:

MedsIndia
confidencemedicine.com
freemarketpharmacy.com
freemarketdrugstore.com

Illegal Online Pharmacy Network:
Sample Illegal Online Pharmacies:

Gold-Rx
gold-rx.com
xcheap-rx.com
gold-pharm.com

Illegal Online Pharmacy Network:
Sample Illegal Online Pharmacies:

Get Smart Now
propecianow.net
getvaltrexnow.net
getmodafinilnow.net

Illegal Online Pharmacy Network:
Sample Illegal Online Pharmacies:

MedzShop
sleeping-tablets.com
costapharmacy.com
meds-club.com

Illegal Online Pharmacy Network:
Sample Illegal Online Pharmacies:

AllDayChemist
alldaychemist.com
reliablerxpharmacy.com
premiumrxdrugs.com

Nexus Between Momentous, Crazy8Domains and Illegal Online Pharmacy “4rx”

The Momentous group is notable for another reason: the nexus of Momentous Corp.’s CEO, Robert Hall, with a registrar that harbors one of the world’s leading illegal “rogue” Internet pharmacies, which was online until a few months ago at 4rx.com. Below is relevant background on the 4rx Internet pharmacy network.

Fig 10: A historic screenshot of 4rx.com, one of the world’s most prominent illegal online pharmacies. The business is run by a married couple, Ioan Biris and Sabita Limbu, and their associates.



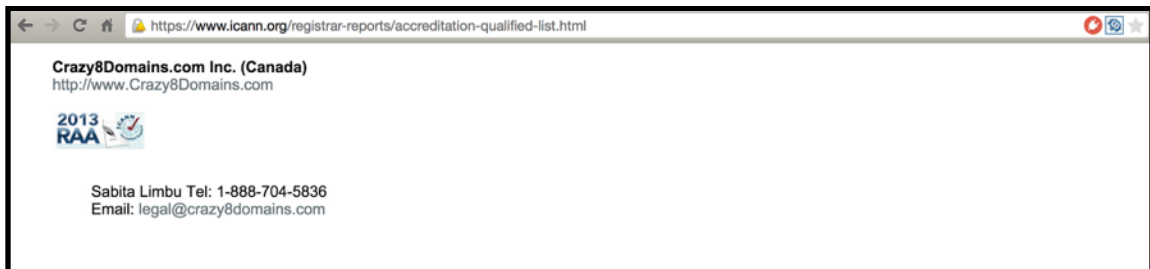
The 4rx network has operated illegally for years, selling prescription drugs without requiring a prescription; dispensing prescription drugs not approved by the US FDA; and operating without valid, legally required pharmacy licenses.

The operators of the 4rx illegal online pharmacy network are a married couple named Ioan Biris (who has several AKAs) and Sabita Limbu. LegitScript has verified this through a variety of sources, including original domain name registration records for key websites, analysis of mail servers and IP address blocks used by the Internet pharmacies, the network’s merchant accounts used to process payments, foreign corporate registrations (such as 4rx drug supplier Genpharma International, in which Biris and Limbu have an ownership stake), and other investigative research. Biris and Limbu, along with a small number of key associates, operate the entire scope of the 4rx Internet pharmacy network, from the websites to the payment structure to some of the drug suppliers.

The network's flagship Internet pharmacy website, 4rx.com, and several others in the network have long been registered with an ICANN-accredited registrar called Crazy8Domains. What is first notable about Crazy8Domains is how small it is, normally having under 100 domain names on its roster. Aside from a few personal or unused domain names, the majority of active domain names are illegal online pharmacies: in late 2014, we found that out of 75 domain names in total registered with Crazy8Domains, over 70% of those that were online pointed to content were illegal online pharmacies (with the remainder being mostly personal websites operated by the Internet pharmacy's employees). At present, our assessment is that out of just 18 domain names registered with Crazy8Domains that are online, 15 are illegal online pharmacies. In other words, Crazy8Domains is a tiny registrar that appears to specialize in illegal online pharmacies.

But that is not all: in fact, **the ICANN-accredited registrar and the illegal online pharmacy network are, in essence, one and the same**. The ICANN-registered point of contact for Crazy8Domains is Sabita Limbu, one of the owners and operators of illegal online pharmacy scheme 4rx. Indeed, if one seeks to submit a complaint to Crazy8Domains, one does not reach a disinterested third-party registrar; rather, complaints to the registrar are answered by Limbu herself — from the email address “legal@crazy8domains.com” — or an associate of the Internet pharmacy network.

Fig 11: According to ICANN records, Sabita Limbu is the point of contact for registrar Crazy8Domains. Limbu and her husband also operate the illegal online pharmacy websites that constitute the bulk of Crazy8Domains' registered domain names.



Yet Limbu, the “legal” and compliance point of contact according to ICANN's own records, is herself the domain name registrant for several illegal online pharmacies, including indianpharmaonline.com, offshorerx1.com, cheapestonlinedrugstore.com and others, all of which are registered with Crazy8Domains under her name. **In short, for all practical purposes, the ICANN-accredited registrar is the illegal online pharmacy, and the illegal online pharmacy is the ICANN-accredited registrar.** As rogue Internet pharmacy network 4rx has found, the best way for a criminal network to ensure a “bulletproof” solution for its domain names is to simply obtain ICANN accreditation for oneself, if under a different corporate record.

So what is the tie-in to Momentous? According to Canadian federal corporate registration records, the sole director of Crazy8Domains, the boutique registrar that exists to provide protection to an illegal online pharmacy network, is Rob Hall, the CEO of Momentous (the company that owns .SUCKS' registry Vox Populi).

Fig 12: According to Canadian corporate registration records, Momentous CEO Rob Hall is the director of Crazy8Domains, the boutique registrar that provides registrations for an illegal online pharmacy network and employs at least one of the illegal online pharmacy owners.

Corporations Canada

Federal Corporation Information - 6245994

[Glossary of Terms used on this page](#) [Return to Search Results](#)
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Corporation Number 6245994	Business Number (BN) 860705078RC0001	Governing Legislation Canada Business Corporations Act - 2004-06-09
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Corporate Name
Crazy8Domains.com Inc.

Status
Active

Registered Office Address

26 AURIGA DRIVE
NEPEAN ON K2E 8B7
Canada

i Active CBCA corporations are required to [update this information](#) within 15 days of any change. A [corporation key](#) is required.

Directors

Minimum	Maximum
1	10

Directors
ROBERT HALL
700 SUSSEX DRIVE.
SUITE 407
OTTAWA ON K1N 1K4
Canada

IMPLICATIONS: ICANN TRANSPARENCY AND ACCOUNTABILITY

To assess any organization’s trust and accountability, it is critical to understand how effective and transparent its compliance process is. To be sure, sometimes complaints to ICANN about registrars that serve as “safe havens” for criminal activity result in the domain names coming offline, or in a breach notice against registrars that do nothing about domain names used for illegal purposes. **But all too often, a registrar is in effect given a green light by ICANN to continue providing registration services to criminal networks, and in the case of Crazy8Domains, ICANN even directly accredited the illegal online pharmacy operator.**

Part of the problem originates with the lack of transparency in ICANN Compliance’s process. It is possible to tell *when* the compliance process has obviously failed, but not *why* it has failed.

ICANN Compliance has been clear that the “informal” compliance process is secret: against indisputable evidence that domain names continue to be used for illegal purposes, ICANN Compliance has determined time and time again that a registrar adequately investigated a complaint and responded appropriately when the domain names remain in operation, but will not disclose what steps were taken by the registrar. Yet ICANN cannot point to any law, regulation, or externally imposed reason that requires the details of its informal process to be

confidential. ICANN's compliance staff has argued that secrecy improves disclosure by the registrar, and thus the effectiveness of the compliance process.

This argument is hard to digest, particularly against the evidence of obvious failures in ICANN's compliance process. No reasonable person would believe that if a registrar receives a complaint about hundreds of domain names being used to sell heroin, OxyContin without a prescription, and counterfeit drugs, that continuing to provide registration services to every single one of those domain names — as WebNic.cc did — can possibly be indicative of any response at all, let alone an “appropriate” one.

But when ICANN is confronted with the evidence that the same domain names are still continuing to sell fake, addictive or unapproved drugs, and asked what the registrar did that could have possibly constituted an “appropriate response,” the answer is: It's a secret. In response to offers by drug safety regulators, pharmacy regulators or their designees to provide expert help as to what is legal and what is not, the answer is: No thanks.

From the vantage point of trust and accountability, this makes a mockery of ICANN's compliance process, undermines the organization's trustworthiness and credibility, and puts ICANN in the position of giving the registrar a green light to continue facilitating criminal activity. Although most registrars do the right thing, the registrars who want to offer safe haven for illegal online activity are able to do so, and — insofar as we can surmise — have found a way to convince ICANN to say that they are “responding appropriately” to the paid use of their services for illegal activity while continuing to provide the criminals a safe haven.

ENFORCING ITS OWN CONTRACTS DOES NOT PUT ICANN IN THE BUSINESS OF REGULATING CONTENT OR SERVING AS THE “INTERNET POLICE”

It is worth addressing two standard talking points that ICANN uses when confronted with these facts: (1) that “ICANN is not a law enforcement agency”; and (2) that “ICANN does not regulate content.”

1. The first is simultaneously true and irrelevant: countless other organizations around the world such as Visa, MasterCard, Google, Microsoft and Amazon are also not law enforcement, yet have policies and procedures in place to address high-risk areas of abuse and criminality, either on their own or their affiliates' platforms. These responsible businesses enforce their contracts, appropriately investigating and, if necessary, terminating service to entities that violate their terms of service by engaging in illegal activity. ICANN could do the same with safe haven registrars who violate the RAA by providing safe havens for online crime. Too often, ICANN chooses not to.
2. As to the second, ICANN is responsible for implementing and enforcing accreditation policies ultimately designed to ensure, among other things, that domain names are not “used” for illegal purposes. Because domain names are most commonly used to point to content, it is difficult to envision how a domain name can be “used” illegally in a way that does not require some awareness of the content to which it points.

RECOMMENDED ACTIONS

What can be done about this problem? I respectfully suggest that the Committee and/or ICANN consider the following steps.

1. The Committee should consider inviting ICANN Compliance or ICANN's CEO to testify about the specific actions that registrars such as Gransy, WebNic, Mesh Digital, Rebel.com, and several other registrars took regarding domain names that are still used in furtherance of criminal activity — and why ICANN found that the registrars “responded appropriately,” despite evidence about continuing illegal activity from LegitScript, the US FDA, the FDA's counterparts in other countries, and INTERPOL. The Committee's questions of ICANN Compliance should be specific as to the registrar and the domain names in question, and should examine why the ICANN informal compliance process is confidential.
2. The Committee should also consider inviting ICANN to testify about its accreditation of Crazy8Domains, and also invite that company's registered Director, Mr. Robert Hall, to testify about his knowledge of and relationship with Crazy8Domains and the 4rx illegal online pharmacy network, as well as his company's relationships with other Internet pharmacy businesses.
3. ICANN itself should consider establishing best practices for what constitutes an “appropriate response” to specific types of well-known high-risk activity. There is not an epidemic of illegal online activity involving sales of furniture, yoga mats or door knobs. Rather, there are specific types of high-risk activity that are well-known: illegal online pharmacies, child pornography, and counterfeit goods, among a handful of others. ICANN should look to the lead set by Visa and MasterCard, which identify a small number of areas as “high-risk” and have specific guidance to acquiring banks on these areas. ICANN, the registrar community and regulatory authorities can, by working together, come up with best practices in a way that — even if it does not solve every possible instance of illegal activity — establishes what constitutes an “appropriate response” in these high-risk areas.
4. ICANN should also conduct due diligence to learn which registrars are the “safe havens” for these high-risk areas. As our data indicate, most registrars do not tolerate criminal activity, but illegal online pharmacies “cluster” at those registrars who provide safety and stability by ignoring evidence of criminality. This will help make ICANN's processes more focused and efficient, and will focus scarce resources on the small number of registrars that constitute a problem.

CONCLUSION: ICANN'S DUTY TO THE PUBLIC INTEREST

In closing, I would submit that ICANN's position that it owes a duty of secrecy to registrars regarding the informal compliance process is emblematic of its apparent belief that it works primarily for, and on behalf of, the registrars it accredits. ICANN should remember that it does not exist to serve one industry sector, but rather Internet users as a whole. Until its processes become more transparent, and do not result in obvious failures such as those described above,

ICANN will continue to lack the kind of accountability and trust that Internet users as a whole deserve.

Thank you for the opportunity to submit this testimony. I welcome any questions that the committee may have.