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Briefs and Other Related DocumentsWestlaw Journal Telecommunications Industry
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Online Fraud

FTC SHUTS DOWN CROSS-BORDER DOMAIN-NAME SCAM

FTC v. Data Bus. Solutions

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The Federal Trade Commission has permanently closed down a Toronto, Canada-based group of con artists who bilked Internet domain name holders of more than \$4 million through bogus renewal invoices.

Federal Trade Commission v. Data Business Solutions Inc. et al., No. 08-CV-2783, settlement announced (N.D. Ill. E. Div. Aug. 9, 2010).

The FTC announced a settlement that shut down Internet Listing Service Corp. and five other corporate entities. The investigation also resulted in judgments against defendants An Balabanian, Isaac Benlolo and Kirk Mulveney.

According to a stipulated final judgment in the case, the defendants would send false invoices to domain name owners that purportedly came from actual registrars such as Network Solutions. The fake invoices included charges for things like "website address listings" and "search engine optimization services."

Individuals and firms register Internet domain names through domain name registrars for an annual fee. Failure to renew a domain name means anyone else may register it. Frequently, domain name brokers register lost domain names and try to sell them back to the original owners, often for thousands of dollars.

In this case, the defendants' invoices falsely stated or implied the fees were required to prevent loss of the domain name. Further, the FTC said, the search engine optimization services did not exist, and the promises of a "substantial increase in traffic" to the registrants' websites were false.

The FTC sued the defendants in 2008 in the U.S. District Court for the Northern District of Illinois. Later, U.S. District Judge Robert M. Dow Jr. ordered their assets frozen.

According to the FTC release, suspended judgments of \$4.26 million, the amount the defendants bilked consumers, were entered. However, they will only be required to pay \$10,000 in total based on their inability to pay.

Additionally, the defendants were permanently enjoined from committing similar violations, including falsely implying pre-existing business relationships and falsely selling search engine optimization services.

Judge: Robert M. Dow Jr.

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[2010 WL 3198720 \(Stipulated Final Judgment and Order for Permanent Injunction as to Defendants 1646153 Ontario Inc., Isaac Benlolo, Pearl Keslassy, and Kirk Mulveney\), Verdict, Agreement and Settlement \(March 30, 2010\)](#)

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