U.S.
DI$T

Sfephan Harris, @lark Cheyenne

WILLIAM BLUMENTHAL
General Counsel
TRACY S. THORLEIFSON
JaAL S. YOUNG
Federal

1. The FTC brings this action pursuant to Section 13(b) of the Federal Trade
Commission Act ("FTC Act"), 15 U.S.C. E;, 53(b), to secure permanent injunctive relief, rescission of contracts, restitution, disgorgement of ill-gotten gains, and other equitable relief against Defendants for violations of Section 5(a) of the FTC Act, 15 U.S.C. 5 45(a), in connection with surreptitiously obtaining and selling confidential customer phone records
without the customer's knowledge or authorization.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C.
$5 1331, 1337(a), and 1345, and 15 U.S.C. $5 45(a) and 53(b).
3. Venue in the District of Wyoming is proper under 28 U.S.C. $51 391(b) and (c),
and 13(f24Td�(Federal)y.375eog 1c 48 -2.33.1256f�12 0 0 15.75 433.4392 5314�0 00.33.1256f�12 0 (a) a

d s authori8and authori9

0104 Tc 2.96 -2.355 Td (without)Tj 3.34 0 TdUnite) hout in subjecs

DEFENDANTS

5. Defendant Accusearch, Inc. ("ASI"), is a Wyoming corporation with its principal
place of business located at 6812 Lupine Trail, Cheyenne, Wyoming. AS1 also does business as Abika.com. AS1 transacts or has transacted business in this district.

6. Defendant Jay Pate1 is the sole officer and director of ASI. At all times material
to this complaint, acting alone or in concert with others, he has formulated, directed, controlled, or participated in the acts and practices set forth in this complaint. He resides in and transacts or has transacted business in this district.

COMMERCE
7. At all times material herein, Defendants have maintained a course of trade in or
affecting commerce, as commerce is defined in Section 4 of the FTC Act, 15 U.S.C. 5 44.

BACKGROUND ON CUSTOMER PROPRIETARY NETWORK INFORMATION

8. The Telecommunications Act of 1996 defines "customer proprietary network
inforniation" to mean:
(A) information tliat relates to the quantity, technical configuration, type, destination,
location, and amount of use of a telecommunicatio~is service subscribed to by any
customer of a telecommunications carrier, and tliat is made available to the carrier by the customer solely by virtue of the carrier-customer relationship; and (B) information
contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier,

COMPLAINT -PAGE 3 OF 7

47 U.S.C. 5 222(h)(l), which includes, but is not limited to, telephone call detail records (hereinafter referred to as "customer phone records"). The Telecon~munications Act further provides that
[elxcept as required by law or with the approval of the customer, a telecommunications
carrier that receives or obtains customer proprietary network information by virtue of its provision of a telecommunications service shall only use, disclose, or pern~it access to individually identifiable customer proprietary network information in its provision of (A)
the telecommunications service from which such information is derived, or (B) services necessary to, or used in, the provision of such telecommunications service, including the publishing of directories.
47 U.S.C. 5 222(c)(1). The Telecomn~unications Act further provides that customer phone records may only be disclosed "upon affirmative written request by the customer, to any person designated by the customer." 47 U.S.C. 5222(c)(2).

DEFENDANTS' BUSINESS PRACTICES
9. Since at least 2004, Defendants have advertised over the World Wide Web that
they can obtain confidential customer phone records from telecommunications carriers and make such information available to their clients for a fee. For a fee, Defendants have offered to obtain "Details of incoming or outgoing calls from any phone number, prepaid calling card or Internet Phone. Phone searches are available for every country of the world."
10. The account holders have not authorized the Defendants to obtain access to or sell
their confidential customer phone records. Instead, to obtain such information, Defendants have used, or caused others to use, false pretenses, fraudulent statements, fraudulent or stolen documents or other misrepresentations, including posing as a customer of a telecommunications

COMPLAWT -PAGE 4 OF 7

carrier, to induce officers, employees, or agents of telecomn~~~nications carriers to disclose confidential customer phone records. Defendants have sold the confidential customer phone records that they have obtained to their clients.
1 1. The invasion of privacy and security resulting from obtaining and selling confidential customer phone records

14. Therefore, Defendants' practices, as alleged in paragraphs 12 and 13, constitute an unfair practice in violation of Section 5(a) of the FTC Act, 15 U.S.C.

b. Award such equitable relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but
not limited to, rescission of contracts and restitution, and disgorgement of ill-
gotten gains by Defendants; and
c. Award Plaintiff the costs of bringing this action and such other equitable relief as the Court may deternline to be just and proper.

DATED this day of April, 2006
WILLIAM BLUMENTHAL
General Counsel

TRACY S! THORLEIFSON v
KIAL S. YOUNG
Federal Trade Commission
MATTHEW H. MEAD
United States Attorney

By: I
CAROL A. ST~TKUS"

Assistant United States Attorney Attorneys for Plaintiff

COMPLAINT -PAGE 7 OF 7