1623130

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: **Joseph J. Simons, Chairman**
Noah Joshua Phillips
Rohit Chopra
Rebecca Kelly Slaughter
Christine S. Wilson

In the Matter of	)	
INFOTRAX SYSTEMS, L.C., a limited liability company, and	)	**DOCKET NO.**
MARK RAWLINS	)	

COMPLAINT

The Federal Trade Commission ("Commission" or "FTC"), having reason to believe that InfoTrax Systems, L.C., a limited liability company, 10 (Ls)-1 (i)-2 (on -3 ())2f. ln2o-Eg, 0Dn> 0Dn0Ddu2o-Et
ade Commission Act ("FTC Act"), and it appearing
he public interest, alleges:

"InfoTrax") operates as a limited liability company
t 1875 South State Street, Suite 3000, Orem, Utah

lins") is the founder of InfoTrax and served as
he time period relevant to this complaint. Prior to
t eighteen years at a software company, and he
ually or in concert with others, he controlled or had
acts and practices of InfoTrax, including the acts
ifically, Mr. Rawlins reviewed and approved
olicies, was involved in discussions with clients
ed in the company's long-term data security
ness is in Orem, Utah.

information stored on InfoTrax's network by performing adequate code review of InfoTrax's software, and penetration testing of InfoTrax's network and software;

c. failed to detect malicious file uploads by implementing protections such as adequate input validation;

d. failed to adequately limit the locations to which third parties could upload unknown files on InfoTrax's network;

e. failed to adequately segment InfoTrax's network to ensure that one client's distributors could not access another client's data on the network;

f. failed to implement safeguards to detect anomalous activity and/or cybersecurity events. For example, Respondents failed to:

i. implement an intrusion prevention or detection system to alert Respondents of potentially unauthorized queries and/or access to InfoTrax's network;

ii. use file integrity monitoring tools to determine whether any files on InfoTrax's network had been altered; and

iii. use data loss prevention tools to regularly monitor for unauthorized attempts to exfiltrate consumers' personal information outside InfoTrax's network boundaries; and

g. stored consumers' personal information, including consumers' SSNs, payment card information (including full or partial credit card and debit card numbers, CVVs, and expiration dates), bank account information (including account and routing numbers), and authentication credentials such as user IDs and passwords, in clear, readable text on InfoTrax's network.

11. Respondents could have addressed each of the failures described in paragraph 10 by implementing readily available and relatively low-cost security measures.

SECURITY INCIDENTS AND DATA BREACHES

12. As a result of the failures described in paragraph 10, on or before May 5, 2014, an intruder exploited vulnerabilities in InfoTrax's server and a client's website to up7 (a)4 (r)5 (a)6[Tr0 Tw 2[69 0

20. Breached personal information, such as that stored in InfoTrax's system, is often used to commit identity theft and fraud. For example, identity thieves use stolen names, addresses, and SSNs to apply for credit cards in the victim's name. When the identity thief fails to pay credit card bills, the victim's credit suffers. InfoTrax's breaches affected distributors and end consumers for several multi-level marketers, including , XanGo, and LifeVantage.

21. Similarly, stolen financial information, such as credit card numbers, expiration dates, and security codes that InfoTrax holds, can be used to commit fraud. Specifically, a thief could make unauthorized purchases using stolen credit card information.

22. As of September 2016, AllClear ID,

government identifiers, and financial account information—caused or is likely to cause substantial injury to consumers that is not outweighed by countervailing benefits to consumers or competition and is not reasonably avoidable by consumers themselves. This practice was, and is, an unfair act or practice.

28. The acts and practices of Respondents Ce act (e)]TJmr