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WTITED STATES DISTRICT COURT
FOR T1-EEASTERN DISTRICT OF VIRGINIA NEWPORT NEWS DMSION

FEDERAL TRADE COMMISSION,)
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Plaintiff", 1
)
v. 1 Civil Action No. -2-6kn-ju - 2.4j
1 MOSELEY,

)
Defendants .)

COBIPLAINT FOR INJUNCTIVEAND OTHER EQUITABLE RlELIEF

Plaintiff, the Federal TisadeCommission ("FTC"), by its undersigned attorneys, for its

complaint alleges:

1. The FTC brings this action pursuant to Section 13(b) of the Federal Trade

Commission Act ("FTC Act"), 15U.S.C. 5 53(b), to secure permanent injunctive relief,

rescission ofcontracts, restitutj on,disgorgement of ill-gotten gains, and other equitable relief

against Defendants for violatio.1~of Section 5(a) of the FTC Act, I5 U.S.C. 9 45(a), in

connection with surreptitiously obtaining and selling confidential customer phone records and

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DICTIONAND VENUE
2. This Court has subject matter jurischction over this matter pursuant to 28 U.S.C.
$5 1331,1337(a), and 1345, and 15U.S.C. $5 45(a) and 53{b).
"

. Venue in the Eastern District of Virginia is proper under 28 U.S.C. §§3391(b) and
(c), and 15 U.S.C. 5 530).
PLAINTIFF

4.. Plaintiff FTC i:.:an independent agency of the United States Government created
by the l?TC Act, 15 U.S.C. $5

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7. Defendant Tmc 12yEdmister is a principal, owner, manager, officer, or director of
ISIS. At all times material to ~Lziscomplaint, 12yplaint, 70all

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the telecommunications service from which such informationis derived, or (B)services necessary toyor used ill, the provision of such telecommunications service, including the publishing of directoril:s.
47 U.S.C. 5 222(c)(1). The T~:lecomrnunicationsAct 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- 8 222(c)(2).
DEI 'ENDANTS' BUSINESS PRACTXCES
1I. Since at least S 2ptember 2001, Defendants have advertised over the World Wide
Web that they can obtain confidential customer phone records from telecommunications carriers and make such information av iilable to their clients for a fee. For a fee, Defendants have offered to obtain "Residential Toll Callls -Local Long Distance (one full billing cycle per order)", "Residentid Toll Calls -Long Distance (one full billing cycle per order)," and "Private Cellular Toll Calls (one full billing cyc e per order)."
12. The account ho ders have not authorized the Defendants to obtain access to or sell
their couiidential customer phrrne records. Instead, to obtain such information, Defendants have used, or caused others to use, f :dse pretenses, fraudulent statements, fraudulent or stolen docurnenrs or other misrepresextations, including posing as a customer of a telecommunications carrier, to induce officers, emp loyees, or agents of telecommunications carriers to disclose confidential customer phone re i:ords. Defendants have sold the confidential customer phone records that they have obtainec to their clients.
13. The invasion of privacy and security resulting from obtaining and selling
confidential customer phone re zords without the consumers' authorization causes substantial harm to consumers and the put lic, including, but not limited to, endangering the health and

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safety of consumers. Consum:rs cannot reasonably avoid these injuries because Defendants' practices are entirely invisible r:o them. The harm caused by Defendants' unauthorizedaccess to and disclosure of confidential xstomer phone records is not outweighed by countemailing benefits to consumers or to co:npetition.
14. In addition to c mfidential customer phone records, Defendants also have
advertised that they can obtain customer information from financial institutions and make such information available to their r lients for a fee. On their Web site, Defendants have offered to obtain individual account numxrs located at regional, state, and nationwide banks,and credit card transactions.
15. To obtain custoner information, Defendants have used, or caused others to use,
false pretenses, fraudulent statements, fraudulent or stolen dwuments or other misrepresentations, including 1 osing as a customer of a financial institution, to induce officers, employees, or agents of financjal institutions (and persons defendants believe to be such officers, employees, or agents) to disclose customer infomation. Defendants have sold the customer information that they have obtzined, including bank account balances andbank account activity statements, to their clients.
TIXEFEDERAL TRADE COMMISSIONACT

16. Section 5(a) of the FTC Act, 15U.S.C. 5 45(a), provides that "unfair or deceptive
acts or practices in or affecting commerce are hereby declared unlawful,"

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DEFEM sANTFSYVIOLATIONS OF THE FTC ACT COUNT ONE
17. As described ir paragraphs 11 through 15,Defendants, directly or through their
employees or agents,have obt fined and sold to third parties (i) confidential customer phone records and (ii) customer info] ~nation of a financialinstitution relating to another person, without the kno~vledgeor consent of rf e customer.
18. Defendants' pri.ctices in obtaining and selling to third parties (i) confidential
customer phone records and (i) customer information of a financial institution relating to another person, have caused or are like ;y to cause substantial injury to consumers that is not reasonably avoidable by consumers and is not outweighedby countervailing benefits to consumers or competition.
19. Therefore, Defendants' practices, as alleged in paragraphs 17 and 18, constitutean
unfair practice in violation of I,ection 5(a) of the FTC Act, 15U.S.C. § 45(a).
CONSUMER INJURY

20. Consumers throughout the United States have suffered, or are likely to suffer,
substantial injury as a result of the Defendants' unlawful acts and practices. In addition, Defendants have been unjustly ~snrichedas a result of their unlawful acts and practices. Absent injunctive reliefby this Court, %fendants are likely to continue to injure consumers, reap unjust enrichment, and harm the pub5 c interest.
THIS COURT'S POWER TO GRANT RELIEF

21. Section 13(b) of the FTC Act, 15U.S.C. S 53(b), empowers this Court to grant
injunctive and other ancillary rc:lief, including rescission of contracts and restitution, and the

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ATTORNEYS FOR PLAINTIFF
FEDERALTRADE COMh/lISSION

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disgorgement of ill-gotten gair s, to prevent and remedy any violations of any provision of law enforced by the FTC.
PRAYER