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LAS VEGAS MAN CHARGED WITH CREATING AND SELLING COOKIE-STUFFING PROGRAM

SAN JOSE, Calif. – A criminal information has been filed, charging Christopher Kennedy with one count of conspiracy to commit wire fraud, United States Attorney Joseph P. Russoniello announced.

According to the information, eBay, Inc. Maintains an advertising and promotion program, known as the eBay Partner Network (EPN), through which Web sites that display eBay advertisements are reimbursed for referrals. Under the EPN, eBay pays a referral fee to a Web site when an advertisement directs a Web user tc the eBay Web site. When that user accesses the eBay Web site, a text string of code (cookie) is deposited on the user's computer. This cookie contains information identifying the referring Web site (EPN ID) and is used to track if and when the user returns to the eBay Web site. A subsequent visit to the eBay Web site results in payment of a referral fee when the user engages in a revenue action, which occurs when the user utilizes eBay's auction service. If multiple cookies are present on the user's computer, which may occur if the user has clicked on several different advertisements before engaging in a revenue action, the most recently deposited cookie (and its corresponding affiliate Web site) is credited for any revenue action.

It is alleged in the information that Kennedy, a resident of Las Vegas, Nev., created a "cookie stuffing" program, known as "saucekit." Cookie-stuffing is the act of depositing a cookie containing an affiliate Web site's ID onto an individual's computer without that individual having clicked on an advertisement or link. Cookie-stuffing occurs when an individual visits an affiliate Web site or Web page, such as an eBay auction page, and, without clicking on an advertisement or link (and in some cases, without ever seeing an advertisement), a cookie containing the affiliate Web site's EPN ID is placed onto the individual's computer. The cookie remains on that individual's computer for a period of time and, if that individual engages in a revenue action, eBay credits the affiliate. As a result, eBay pays referral fees to an affiliate, even though the individual who visited the affiliate Web site or Web page had not been referred to eBay by that Web site or Web page. In this way, eBay pays its affiliates fees to which they are not entitled. It is also alleged that Kennedy sold the saucekit program through his Web site, www.saucekit.com, from January 2009 to November 2009.

The maximum statutory penalty for each count of conspiracy to commit wire fraud in violation 18 U.S.C. § 371 is five years imprisonment and a fine of $250,000, plus restitution if appropriate. However, any sentence following conviction would be imposed by the court after consideration of the U.S. Sentencing Guidelines and the federal statute governing the imposition of a sentence, 18 U.S.C. § 3553.

Hanley Chew is the Assistant U.S. Attorney who is prosecuting the case with the assistance of Lauri Gomez. The charges are the result of an investigation by the United States Secret Service.

Please Note: An information contains only allegations against an individual and, as with all defendants, Mr.

Kennedy must be presumed innocent unless and until proven guilty.

Further Information:

Case #: CR 10-00082 JW

A copy of this press release may be found on the U.S. Attorney's Office's website at www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at https://ecf.cand.uscourts.gov/cgi-bin/login.pl.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Jack Gillund at (415) 436-6599 or by email at Jack.Gillund@usdoj.gov.

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