

5 January 2021

Mr. G. Marby  
President and CEO  
ICANN  
12025 Waterfront Drive, Suite 300  
Los Angeles, CA 90094-2536  
USA

Sent only via Email to [policy-staff@icann.org](mailto:policy-staff@icann.org)

Dear Mr. Marby,

**FOR THE OVERALL INTEGRITY OF THE INTERNET  
THERE'S A NEED FOR FAR GREATER TRANSPARENCY AND ACCOUNTABILITY**

The matters I raise herein do not relate to the existing Policy Recommendations currently under consideration by ICANN. This correspondence has arisen as a consequence of an on-going investigation which commenced in November 2020, **I am hopeful after reading this you may consider the proposal worthy of being considered by your Board.**

**1.0 PROPOSAL**

It is proposed ICANN,

- 1.1 expands its Policy oversight of the internet to initially include, investigation of abuse/fraud/scams and to take appropriate action, and then other relevant internet concerns which arise from consultation with National Governments and Respected International Industry Organisations. Relevant concerns may include the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection.**
- 1.2 under its umbrella establishes independent groups that would:**
  - a. investigate potential abuse/fraud and act where proven and as determined address other internet concerns, such the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection,**
  - b. be proactive in seeking concerns on relevant internet matters from National Governments, Respected International Industry Organisations, and Internet Users,**
  - c. investigate and resolve various internet issues brought to their attention that are either pervasive across the internet and /or affect more than one Registered Registrar,**

- d. investigate the performance of a Registered Registrars where concerns have been raised about their performance and recommend appropriate action,
- e. provide broad global internet policy recommendations for the consideration ICANN's Board,
- f. educate the internet community on best practice use.

**1.3 Implements an Abuse/fraud/ Scam Minimisation Group which would:**

- a. Consult, initially in developing its role and continuously thereafter, with National Government Agencies and Respected International Industry Organisations,
- b. be proactive in seeking concerns on relevant internet matters,
- c. require all Registered Registrars to submit requests by complainants for investigation of abuse/fraud.
- d. monitor the performance of the Registered Registrar regarding the quality and the timeliness of the investigation, the action taken, and the satisfaction of the claimant with the investigation,
- e. investigate cases referred to it by a person or organisation of good standing (bona fide investigator) where there is a reasonable belief of a potential abuse/fraud/scam that involves several Registered Registrars' Domains; the preceding also applies for a single Registered Domain when there is a sound reason (e. g. the investigation by the Registered Registrant is extremely slow).
- f. be able to access any Private Protected Information,
- g. work collaboratively with the bona fide investigator,
- h. keep the bona fide investigator informed of the progress of the investigation, but in doing so maintain confidentiality of the Private Protected Information,
- i. Where abuse/fraud or a scam has been proven to the satisfaction of the Abuse/fraud/ Scam Minimisation Group then it may direct the involved Registered Registrars to release the Private Protected Information to the bona fide investigator, who would then be responsible for proceeding with any legal action,
- j. as a consequence of investigation/s by the Group itself and/or Registered Registrars where appropriate develop internet policy advice to minimise abuse/fraud/scams for the consideration of ICANN's Board,
- k. educate the internet community on best practice use.

**1.4 progressively implement Independent Groups to address relevant internet issues which arise from consultation with National Governments and Respected International Industry Organisations. Relevant issues may include the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection.**

## **2.0 Personal Disclosure**

Up until recently I had only been a user of the internet with no background in the complexities of the broad internet system. This changed in November 2020 when my son (the client) appears to have been scammed by what appears to be a legitimate website with a legitimate Domain by a legitimate company registered in Hong Kong. As a consequence of my investigations, I have a better knowledge than I had prior, however, I acknowledge my knowledge is limited, but I believe for the overall Integrity of the Internet there is now a need for far greater Transparency and Accountability. This is of paramount importance. This need has increased as ICANN has devolved responsibilities to Registered Registrars. I am of the view it is timely to write.

## **3.0 The Broad Issues**

**To highlight the issues, it will be helpful to use my investigations, without disclosing Company or Domain names,**

### **3.1 The Initial Events that took place:**

- a. The client accessed the website that not only appears legitimate but also functions in an appropriate manner.
- b. The company, a share broker, its details on the website are legitimate.
- c. The client's two-way communications with the company by email and telephone went as expected.
- d. In this instance money was transferred from the client to the company which provided Share Trading Confirmation.
- e. Unfortunately, in this instance the Chinese Government withdrew approval of the initial public offering.
- f. The client sought a refund of money from the company, this has not been forthcoming, emails from the client are not returned, the telephone number no longer answers.

### **3.2 The Investigations into Potential Fraudulent Domains and Websites**

- a. The Website Domain name and the URL appear legitimate. The Domain registrant is located in the U.S.A. The Domain information is privacy protected.
- b. The Company cited on the website is registered in Hong Kong and is registered with the Hong Kong Securities and Futures Commission.
- c. The Registered Company actually located in Hong Kong provides a different Domain name to 3.2a for its email address. This email address is provided to the Hong Kong Securities and Futures Commission. There is only one letter difference in the Domain names in 3.2a and 3.2c ( e.g. mgmt rather than mgt). The two Domains have different Registrars with both being in different locations in the U.S.A. The information on each Domain is privacy protected. There is no website URL for the Domain of the company actually located in Hong Kong.
- d. There are other issues with respect to the Hong Kong company which provide reason for investigation e.g.
  - The company's registered address differs from its correspondence address.
  - the company's correspondence address is the same as that of the spouse of the Chief Executive of the company.
  - The spouse of the company is shown as the Tech on her personal Domain.

- e. While the matter of abuse/fraud has been raised with the Legal and Abuse Department of the Domain Registrar of the website in 3.1a, I have a concern there maybe limitations on their ability to undertake a full investigation as it involves Domains for which they are not the Registrar. (refer 3.3)

### **3.3 Limitation regarding the Ability to Investigate Potential Fraudulent Domains and Websites.**

- a. The Investigations so far have revealed significant limitations on the ability of any individual or organisation to
  - investigate potential fraudulent Domain and Website activity,
  - prove the fraudulent activity, and
  - act accordingly.
- b. While Domain information is readily available from the Whois websites, unfortunately in many cases Registrants seek Information Privacy Protection for their details. While the need for Information Privacy Protection is understood for legitimate Registrants, who are providing legitimate information via the internet, unfortunately this also protects fraudsters.
- c. Investigators have recourse to Legal and Abuse Departments/Contacts of Domain Registrars, who undertake an investigation with respect to their domain. However, with 3,884 Domain Registrar Names, an individual Registrar who receives a complaint is unlikely to pursue an investigation across several other Domains which are the responsibility of other Registered Registrars. Thus, it is extremely difficult to prove fraudulent activity. For example, a fraudster may operate legitimately a Domain which is registered to a legitimate business but then have a Domain which operates fraudulently using the legitimate business as a front.
- d. Fraudsters are very devious and will go to extraordinary lengths to hide their tracks.
- e. Investigators also can access the Domain Privacy Protected Information by seeking access to that information via legal means e.g., a court order, subpoena. Such legal recourse needs to occur in the country in which the Registrar is located. This poses two barriers to investigators, the cost of the legal action in a foreign country and the difficulties in actually organising such legal action from another country. Thus, in reality to pursue potential abuse/fraud activities via legal action is prohibitive. Unwittingly fraudsters are being protected and the integrity of the internet is unnecessarily being undermined.
- f. Where an abuse/fraud has been perpetrated via a website registered in another country and with the fraudulent act being performed in another country, Investigators may not be able to obtain assistance from their own country's law enforcement or legal system. Dealing with another country's law enforcement from afar creates other hurdles.
- g. In the particular case under investigation, if as is suspected there has been fraudulent activity then it is highly probable that both the Hong Kong Stock Exchange and the Hong Kong Securities and Futures Commission have unwittingly been scammed by the fraudster/s.

## 4.0 The Future

To Maintain the Confidence of National Governments, Respected International Industry bodies and Internet Users it is of Paramount Importance there is far greater Transparency and Accountability to ensure the overall Integrity of the Internet. ICANN is in a prime position to take the lead by expanding its role to investigate potential abuse/fraud and act where proven; and after consultation with National Governments and Respected International Industry Organisations address their concerns through the formation of other Independent Groups which may address the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection. This will then give the world internet users greater confidence in the entire internet.

From my vantage point it is imperative the ICANN Board remains at a high policy level, but this does not preclude it necessarily expanding its policy role and under its umbrella establishing independent groups that would,

- investigate potential abuse/fraud and act where proven, and other relevant internet concerns which arise from consultation with National Governments and Respected International Industry Organisations. Relevant concerns may include the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection,
- be proactive in seeking concerns on relevant matters from National Governments, Respected International Industry Organisations, and Internet Users,
- investigate and resolve various internet issues brought to their attention that are either pervasive across the internet and /or affect more than one Registered Registrar,
- provide internet policy recommendations for the consideration of ICANN's Board,
- educate the internet community on best practice use.

After adoption by the ICANN Board of the above policy, from the work I have been doing I believe it is imperative ICANN immediately establishes an independent organisation to investigate potential internet abuse/fraud and internet scams. Initially a complainant who is concerned by a potential abuse/fraud is quite often unable to progress an investigation because of Information Privacy Protection. Then as mentioned earlier there are the barriers of legal process and costs to gain access to the information. While an individual Registered Registrar has the responsibility to undertake abuse/fraud investigations, these investigations are severely limited when the abuse/fraud involves more than one Registered Registrar. It is acknowledged the ICANN's agreement with the Registered Registrar provides the latter with obligations regarding abuse under clause 3:18 of the agreement, however, there is no monitoring of each abuse investigation with a view to ascertaining

- the quality and timeliness of the investigation,
- the satisfaction of the claimant with the investigation or
- whether there maybe broader internet systemic issues.

ICANN can step back and indicate the Registered Registrar has a responsibility to investigate abuse/fraud, but the investigation is internal and maybe conflicted because of inadequate resourcing of the Abuse Department and/or conflicts of interests of the Registrar with the Registrant. While ICANN provides a Registrar, Standard Complaints form if the complainant is not satisfied with the investigation by the Registered Registrar, it is my guess this form may be rarely used in the instances of Internet abuse/fraud as the complainant may well have given up the cause because of

- the inability to gain information because of Information Privacy Protection.
- non preparedness of local law enforcement to become involved,
- frustration with the process and the time and costs involved, and

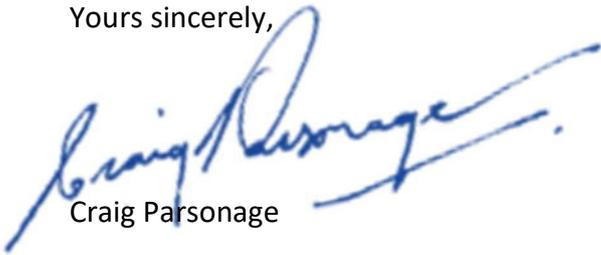
- lack of transparency and accountability.

In view of the devolution of responsibilities of ICANN to Registered Registrars, who provide 3,884 Domain Registrar Names, and the above comments, I submit the Proposal 1.3 for consideration.

Following the implementation of the Internet Abuse/fraud/ Scam Minimisation Group, I propose ICANN progressively implements Independent Groups to address relevant internet issues which arise from consultation with National Governments and Respected International Industry Organisations. Relevant issues may include the rules for financial transactions, Internet content control, unsolicited commercial email (spam), data protection.

I forward this correspondence for your consideration.

Yours sincerely,



Craig Parsonage