

Bullet-Proof Credit Card Payment Processing

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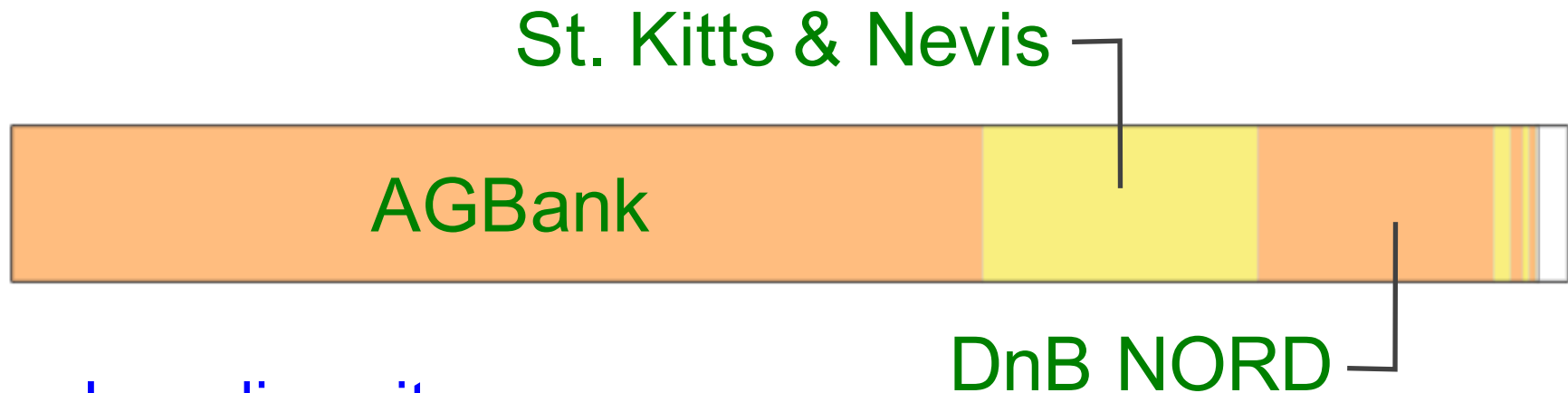
Joint work with Stephen M. Gaffigan, P.A. and Sean West

Mapping out Dependencies

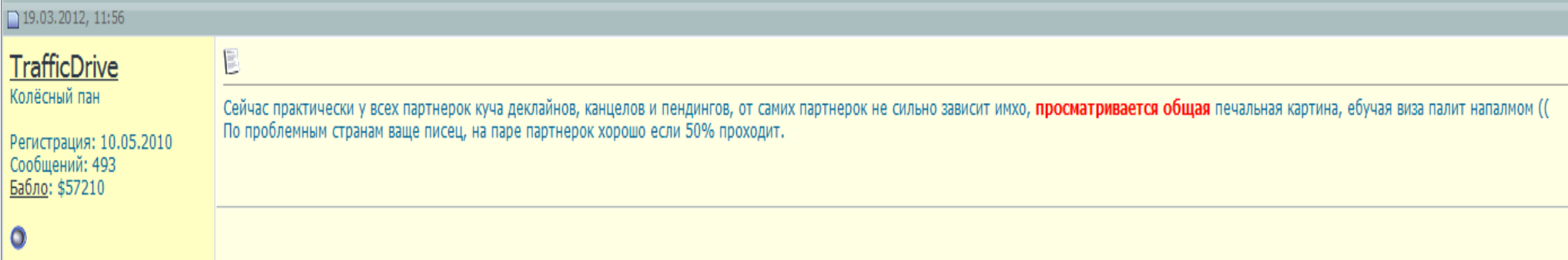


Figure credit: Christian Kreibich

Merchant Banks (Late 2010)



- Low diversity
 - ◆ 3 banks cover 95% of spam
 - ◆ Fewer banks willing to handle “high-risk” merchants
- High switching cost
 - ◆ In-person account creation, due diligence, multiple days...
 - ◆ Upfront capital, holdback forfeiture



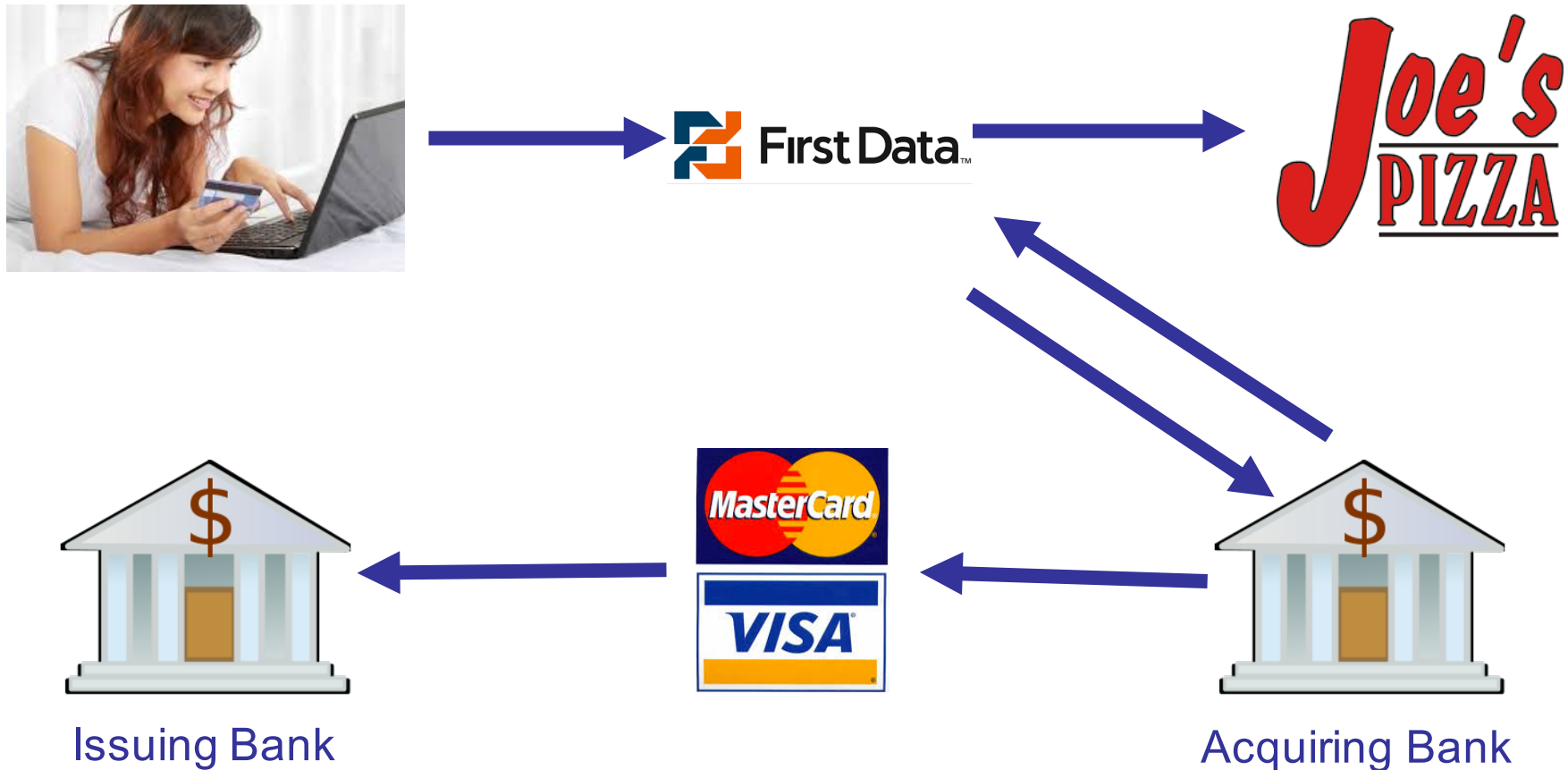
“Right now most affiliate programs have a mass of declines, cancels and pendings, and it doesn't depend much on the program imho, there is a general sad picture, **fucking Visa is burning us with napalm** (for problematic countries, it's totally fucked, on a couple of programs you're lucky if you get 50% through).”

Luxury Goods Payment Intervention

- STEPHEN M. GAFFIGAN, P.A. and Sean West
- Started on July 9th 2014 with 4 brand holders

Payment Processors

- Middlemen between merchants and acquirers

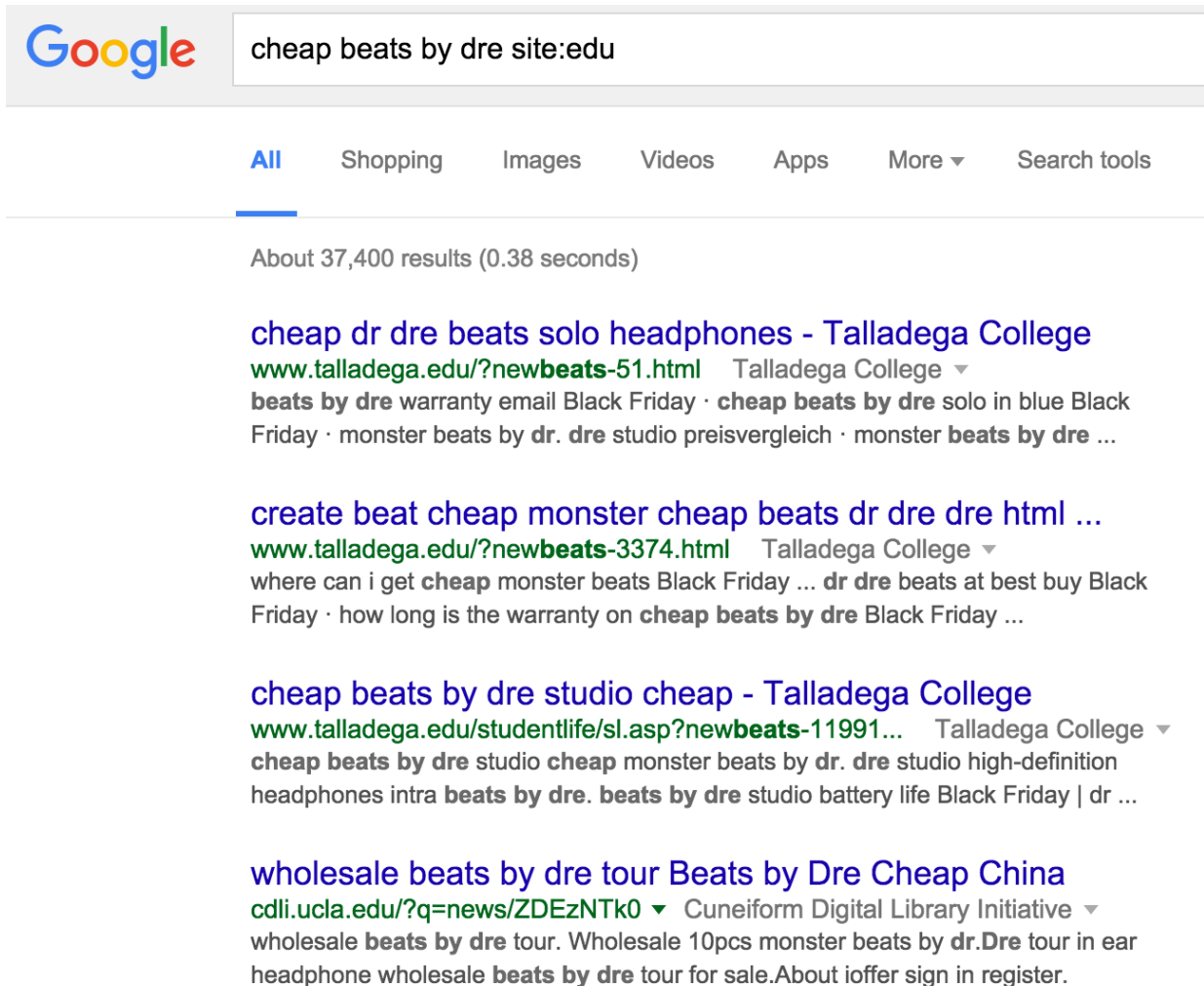


Aside: Trace Purchasing

- Can't provide a URL to Visa/MasterCard
 - ◆ They have no mapping between merchant account and URL
- Identifying merchant account requires a trace purchase



Compromised Websites



The image is a screenshot of a Google search results page. At the top, the Google logo is on the left, and the search query 'cheap beats by dre site:edu' is in the search bar. Below the search bar, there are tabs for 'All', 'Shopping', 'Images', 'Videos', 'Apps', 'More', and 'Search tools'. The 'All' tab is selected. Below the tabs, it says 'About 37,400 results (0.38 seconds)'. There are four search results listed, each with a title, a URL, and a snippet of text.

Google

cheap beats by dre site:edu

All Shopping Images Videos Apps More Search tools

About 37,400 results (0.38 seconds)

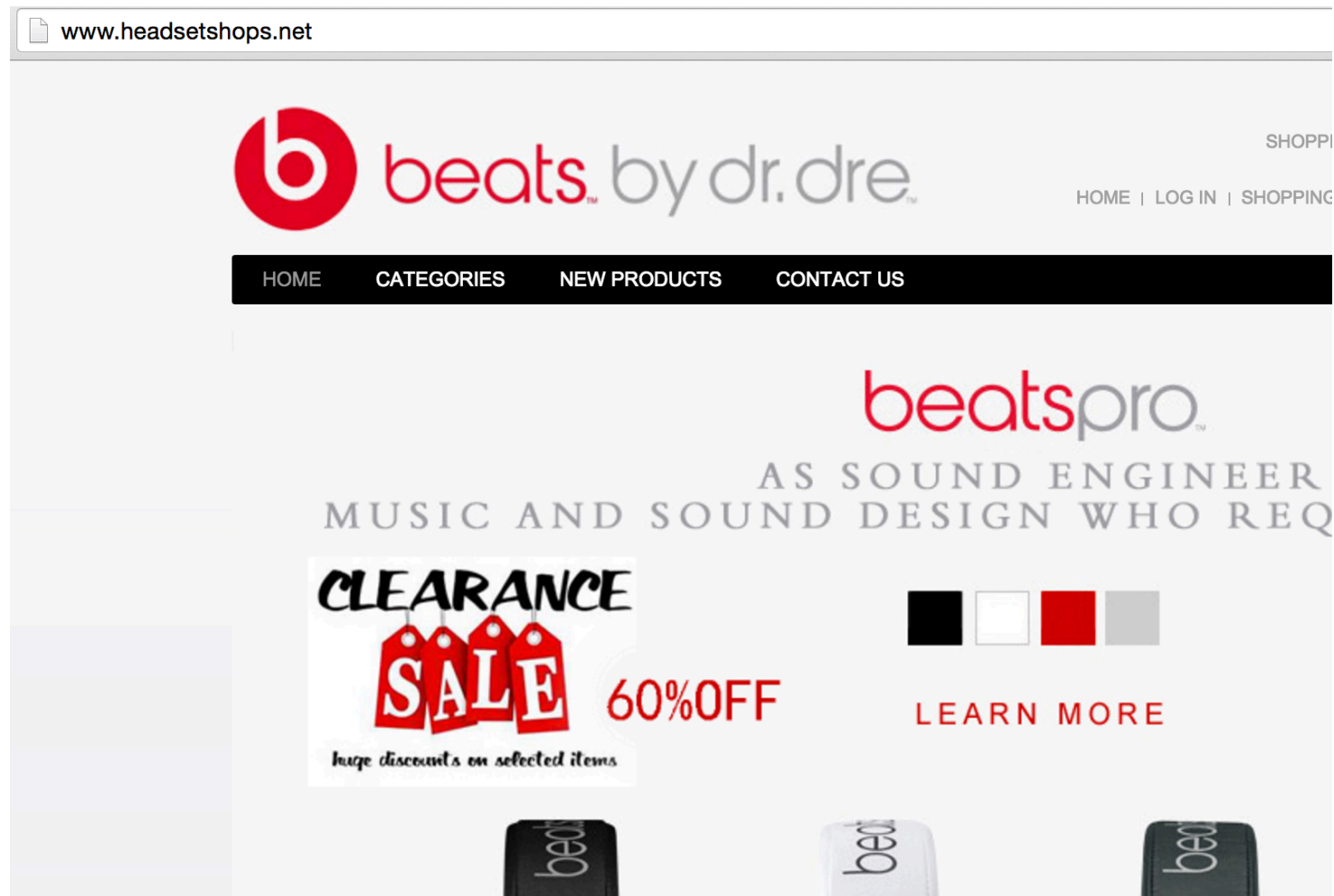
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cdli.ucla.edu/?q=news/ZDEzNTk0 ▾ Cuneiform Digital Library Initiative ▾
wholesale beats by dre tour. Wholesale 10pcs monster beats by dr.Dre tour in ear headphone wholesale beats by dre tour for sale.About ioffer sign in register.

Counterfeit Sites



Payment Gateways

SECURE PAYMENT



Language: English

Language: English



Payment To: www.perfectshoessmarket.com

Amount: USD 204.00 Thanks for your shopping on

www.cheapandbagsplaza.com

Details of your order

| Product Name | Product No. | Quantity | Price |
|---|-------------|----------|-----------|
| | | 1 | 168.9 USD |
| Shipping: 30 USD Payment Amount: 198.90 USD | | | |

Information of Bills



Credit Card Information

Card Type: ☒ VISA ☐ MasterCard

Card Number:

Expiration Date: 07 / 2017

CVV2:

Credit Card Information

Card Type: ☒ VISA ☐ JCB ☐ MasterCard

Credit Card No:

Expiry Date: 1 / 2014

CVC/CVV2:

Billing Address

Billing Address:

Post Code:

Billing City:

Email:

*Notes:

You are now connected to a secure payment site with certificate issued by VeriSign, Your payment details will be securely transmitted to the Bank for transaction authorization in full accordance with PCI standards.



Bullet-Proof Credit Card Payment Processors



Hot



Standard Fraud Detection



Bypassing Fraud Detection



Test Purchase Blocking

- Blacklisting IP addresses, Credit Cards, Billing addresses, and names
 - ◆ Easy to change except for name
- Tracking and fingerprinting devices
- Blocking repeat purchasers for certain brands
- Sharing customer information between processors

Larger Network



Test Purchasing Results

- 17 Months
- 3 banks underwrite 97% of accounts
- 15 Payment facilitators
- 313 successful test purchases
- 242 unique merchant accounts
 - ◆ All terminated or in the process of being investigated

BP Processing Model

日付在线Realdrop促销巨惠

活动时间：2014年3月10日 至 2014年4月9日

史无前例！
机不可失！
失不再来！

活动期间开户，即可享受

开通费**免费**，年费**5000元**
Visa卡交易费**4%**，Master卡交易费**6%**
结算周期**T+20**
月交易量到达100万，5000元**可返还**

预约办理，请联系日付在线业务经理
QQ：812435491 或 2399356227
手机：15189719328

新老商户共享

日付在线电子科技有限公司对本活动拥有最终解释权

- 5,000 RMB (~\$775 USD) annual fee
- 4-6% transaction fees
- Fines are not passed to merchants
- T + 20 holdback

Banks

- 97% of accounts underwritten by three banks



Summary

- BP processors aiding spammers by blocking test purchases
- Banks continue to work with BP processors
- Unknown Visa enforcement on repeat offender banks

RealyPay Closed Down

