

Subject: Re: AppStore fraud gets unbearable
From: "Matt Fischer" [REDACTED]
Received(Date): Fri, 10 Feb 2012 17:15:34 +0000
To: "Ron Okamoto" [REDACTED]
Cc: "Phillip Shoemaker" [REDACTED]
Date: Fri, 10 Feb 2012 17:15:34 +0000

Thanks Ron. We'll investigate on our side.

On Feb 10, 2012, at 6:45 AM, Ron Okamoto [REDACTED] wrote:

Matt,

You guys may want to look into this.

Sent from my iPhone

Begin forwarded message:

From: Eshwar Vangala [REDACTED]
Date: February 10, 2012 3:06:10 AM PST
To: Ron Okamoto [REDACTED]
Subject: Fwd: AppStore fraud gets unbearable

Just FYI Ron.....we are seeing several Chinese apps pop into the Top 10 lists for Nordics and in Germany which is clearly bizarre. Some of these are insinuated to be money laundering apps via IAP; this developer below alleges that German iTunes accounts that use Click & Buy or are topped up with Gift Cards are being hacked and used to fund IAP purchases as there isn't a CVV code check when purchasing from a new device.

Regards

Eshwar

Begin forwarded message:

From: Paolo Varani [REDACTED]
Subject: Fwd: AppStore fraud gets unbearable
Date: 9 February 2012 21:28:48 GMT
To: Eshwar Vangala [REDACTED]

Sent from my iPhone

Begin forwarded message:

From: Alexander Spohr [REDACTED]

Exhibit
0063

PX-0063.1

APL-APPSTORE_09738075

Date: 9 February 2012 20:18:41 GMT
To: Paolo Verani [REDACTED]
Subject: AppStore fraud gets unbearable

Hi Paolo,

For a while now we see apps that only speak Chinese in the top 10 of the German grossing lists. Today there are two different ones for iPhone and iPad at the first position:

<http://itunes.apple.com/de/app/kuai-le-qi-pai/id459397568?mt=8&ls=1>

<http://itunes.apple.com/de/app/zu-qiu-tian-xia2/id472215383?mt=8&ls=1>

We are pretty sure that the in-app purchases of these apps are bought with hacked German accounts as has happened before with titles like Sega's Kingdoms at War and others. (A sure sign is that the most expensive item is the most frequently bought one) This time the hackers seem to have changed the hacked account's passwords, so that the victims can neither cry out in the apps review nor demand the money back (I can't be sure of the latter as I just don't see -any- one star reviews crying for help as was the case for the last hacks)

- It hurts Apples reputation in Germany a lot, as it makes the AppStore seem to be a home of hackers.
- It hurts the app developers that are accused of doing the fraud, because the users do not know that Apple controls the accounting.
- It hurts my company because our app has for months been constantly fighting to stay in the top 10 against those fraudulent app's positions.

Accounts with credit cards are asked for the three number code on the back when you buy with a new device. However, accounts using Click And Buy or that are filled up by vouchers or gift coupons are not getting any security question and are therefore an easy target.

Could Cupertino be convinced to install a security question for accounts that use payment systems that have no security tokens of their own?

Have nice weekend,

Atze

Geschäftsführer of XYRALITY GmbH,
Maker of Lords & Knights,
already grossed over €1M without fraud.