



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, OCTOBER 12, 2007
WWW.USDOJ.GOV

CRM
(202) 514-2088
TDD (202) 514-1888

TWO MEN SENTENCED FOR RUNNING INTERNATIONAL PORNOGRAPHIC SPAMMING BUSINESS

WASHINGTON – Two men have been sentenced to more than five years in prison for organizing and running an international pornographic spamming business that grossed over \$1 million, Assistant Attorney General Alice S. Fisher of the Criminal Division and Interim U.S. Attorney Daniel G. Knauss of the District of Arizona announced today.

Jeffrey A. Kilbride, 41, of Venice, Calif., and James R. Schaffer, 41, of Paradise Valley, Ariz., were sentenced by U.S. District Judge David G. Campbell of the District of Arizona in a hearing that began on Sept. 24, 2007, and concluded yesterday. Kilbride was sentenced to 72 months in prison and Schaffer was sentenced to 63 months in prison. Kilbride received a higher sentence based on the court's finding that he had obstructed justice by attempting to prevent a government witness from testifying at trial. Kilbride and Schaffer were fined \$100,000 and ordered to pay \$77,500 in restitution to AOL Inc. Judge Campbell also ordered the defendants to jointly forfeit more than \$1.1 million, the amount of illegal proceeds from their spamming operation.

On June 25, 2007, a federal jury in Phoenix convicted Kilbride and Schaffer on eight counts including: violating the Controlling the Assault of Non-solicited Pornography and Marketing (CAN-SPAM) Act of 2003 by sending spam messages using falsified headers and domain names, conspiracy, fraud, money laundering, and various obscenity charges. The three-week trial was the first to include charges under the CAN-SPAM Act of 2003, a law designed to crack down on the transmission of pornography in commercial bulk unsolicited electronic mail messages.

Beginning in 2003, Kilbride and Schaffer established a spamming operation in the United States. Their business model consisted of sending millions of unsolicited email messages which advertised commercial Internet hard-core pornography Web sites. Kilbride and Schaffer earned a commission for each person they caused to subscribe to one of these Web sites. Hard-core pornographic images were embedded in each email they sent and were visible to any person who opened the email. In late 2003, after the CAN-SPAM Act was passed, Kilbride and Schaffer took steps to relocate their criminal enterprise abroad in an attempt to evade prosecution. By remotely logging in to servers located in Amsterdam, the men were able to make it appear that the messages they were sending originated abroad, when they were actually being sent from Phoenix.

At Kilbride and Schaffer's trial, eight citizens traveled from Massachusetts, Texas, Iowa, California and Arizona to testify about the context in which their families, including some children, received the pornographic spam messages. In all, AOL and the FTC received over 1.5 million complaints from spam recipients, including some who had set parental controls to protect their children from accessing graphic sexual content. The evidence at trial established that the defendants falsified header information and domain names of the messages they sent by creating a fictitious employee at a shell corporation in the Republic of Mauritius, in order to hide their criminal conduct. Further, Kilbride and Schaffer used bank accounts in the Republic of Mauritius and the Isle of Man to receive and funnel the proceeds from the operation and to further insulate themselves from detection by U.S. law enforcement.

Kilbride and Schaffer engaged in this criminal conspiracy for more than a year with three co-conspirators: Jennifer Clason, 32, of Tempe, Ariz.; Andrew Ellifson, 31, of Scottsdale, Ariz.; and Kirk Rogers, 43, of Manhattan Beach, Calif. Clason, Ellifson, and Rogers have pleaded guilty for their roles in the scheme and testified against Kilbride and Schaffer.

The case was prosecuted by Trial Attorneys Jill Trumbull-Harris and Bonnie Kane of the Child Exploitation and Obscenity Section (CEOS) of the Criminal Division, with assistance and support provided by Assistant U.S. Attorney John R. Lopez IV of the District of Arizona. Former CEOS Trial Attorney Kayla Bakshi also participated in the trial of the case. The investigation was conducted by the Federal Bureau of Investigation and CEOS' High Tech Investigative Unit.

###