

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

PCCare247 Inc., a corporation,

PC Care247 Solutions Private Limited, a
corporation,

Connexions Infotech Inc., a corporation,

Connexions IT Services Private Limited, also
d/b/a Connexions InfoTech Services Pvt. Ltd., a
corporation,

Vikas Agrawal a/k/a Vikas Agarwal, individually
and as an officer of PCCare247 Inc., PC Care247
Solutions Private Limited, and Connexions IT
Services Private Limited,

Navin Pasari, individually and as an officer of
PCCare247 Inc.,

Anuj Agrawal, individually and as an officer of
PCCare247 Inc., Connexions IT Services Private
Limited, and PC Care247 Solutions Private
Limited,

Sanjay Agarwalla, individually and as an officer
of Connexions Infotech Inc., and

Parmeshwar Agrawal, individually and as an
officer of PC Care247 Solutions Private Limited,

Defendants.

Case No. _____

COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER
EQUITABLE RELIEF

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U.S. DISTRICT COURT
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S.D. OF N.Y.

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Sections 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for the Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a), 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391(b), (c), and (d), and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b) and 56(a)(2)(A).

DEFENDANTS

6. Defendant PCCare247 Inc. (“PCCare247 USA”) is a New York corporation with mailing addresses at 1225 Franklin Ave. Suite 325, Garden City, New York 11530, 575 Lexington Ave, 4th Floor, New York, New York 10022, 100 Garden City Plaza, Suite 220,

Garden City, New York 11530, and 600 Mamaroneck Avenue, Suite 400 PBM 400-18, Harrison, NY 10528. PCCare247 USA transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, PCCare247 USA has advertised, marketed, distributed, or sold computer security or technical support services to consumers throughout the United States.

7. Defendant PC Care247 Solutions Private Limited, (“PC Care247 India”) is an Indian corporation with its principal place of business at Haryana, India. PC Care247 India transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, PC Care247 India has advertised, marketed, distributed, or sold computer security or technical support services to consumers throughout the United States.

8. Defendant Connexions Infotech Inc. (“Connexions USA”) is a California corporation with its principal place of business at San Diego, California. Connexions USA transacts or has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Connexions USA has advertised, marketed, distributed, or sold computer security or technical support services to consumers throughout the United States.

9. Defendant Connexions IT Services Private Limited, also d/b/a Connexions InfoTech Services Pvt. Ltd., (“Connexions India”) is an Indian corporation with its principal place of business at Rajasthan, India. Connexions India transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Connexions India has advertised, marketed, distributed, or sold computer security or technical support services to consumers throughout the United States.

10. Defendant Vikas Agrawal, also known as Vikas Agarwal is a Director of PCCare247 USA, a Director of Connexions India, and a Director of PC Care247 India. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Vikas Agrawal resides in Rajasthan, India and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

11. Defendant Navin Pasari is an owner and officer of PCCare247 USA. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Navin Pasari resides in New York, New York and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

12. Defendant Anuj Agrawal is a Director of PCCare247 USA, a Director of Connexions India, and a Director of PC Care247 India. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Anuj Agrawal resides in Rajasthan, India and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

13. Defendant Sanjay Agarwalla is an owner and the President of Connexions USA. At times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Sanjay Agarwalla resides in San Diego, California and, in

connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

14. Defendant Parmeshwar Agrawal is a Director of PC Care247 India. At all times material to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Parmeshwar Agrawal resides in Rajasthan, India and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

15. Defendants PCCare247 USA, PC Care247 India, Connexions USA, and Connexions India (collectively, “Corporate Defendants”) have operated as a common enterprise while engaging in the illegal acts and practices alleged below. The Defendants have conducted the business practices described below through an interrelated network of companies that have common ownership, officers, business functions, employees, unified advertising, and office locations, and that commingle funds. For example, Defendants Vikas Agrawal and Anuj Agrawal are directors of PCCare247 USA, PC Care247 India, and Connexions India. Parmeshwar Agrawal is a director of PC Care247 India and also the “head of” Connexions USA. Vikas Agrawal authorized the transfer of funds from PCCare247 USA to PC Care247 India and to Connexions India. In addition, Google AdWords accounts in the name of PCCare247 USA, Connexions India, and PC Care247 India all run ads for *www.pccare247.com*, a website used in the scam. Defendant Vikas Agrawal and Connexions India registered Connexions USA’s primary website, *www.iconnexions.com*.

16. Because these Corporate Defendants have operated as a common enterprise, each of them is jointly and severally liable for the acts and practices alleged below. The Defendants

Vikas Agrawal, Navin Pasari, Anuj Agrawal, Sanjay Agarwalla, and Parmeshwar Agrawal have formulated, directed, controlled, had the authority to control, or participated in the acts and practices of the Corporate Defendants that constitute the common enterprise.

COMMERCE

17. At all times material to this Complaint, the Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS ACTIVITIES

Overview

18. The Defendants operate a massive scheme that tricks consumers into spending approximately \$139 - \$360 to fix non-existent problems with their computers. By exploiting consumers’ legitimate concerns about Internet threats like spyware and viruses, the Defendants scare consumers into believing that their computers are in imminent danger of crashing to sell consumers otherwise free software protection products and unnecessary computer security or technical support services.

Defendants Lure Consumers to Purchase Their Services

19. Since at least 2010 the Defendants have paid Google more than one million dollars for advertisements that appear in the search results when consumers search Google for certain computer technical support services or well-known computer manufacturers or computer security companies. Such advertisements are known as “sponsored search results.”

20. For example, the Defendants have paid for their advertisements to be displayed when consumers search Google for common technical support services including, “virus removal” and “how to get rid of a computer virus.”

21. The Defendants have also paid to have their advertisements displayed when consumers search for well-known computer manufacturing and security companies' support services or products including, "McAfee Customer Support," "Avast phone number," and "Norton Support."

22. The Defendants pay for these terms to ensure that their websites are prominently displayed near the top of the consumers' search results.

23. The Defendants' sponsored search results often include a phone number for the Defendants' company, a link to the Defendants' website, and text that is displayed above and below the link. The Defendants cleverly choose text to confuse consumers into thinking the Defendants' website is associated with well-known computer or manufacturing companies such as McAfee, Symantec, Dell, or Microsoft. For example, a search on the Google search engine using the terms "Contact McAfee Support," yielded the following results, the first of which is Defendants' sponsored search results.



24. As a result of the Defendants' advertisements, consumers believe that the

Defendants are from or affiliated with well-known computer manufacturing or security companies and thus call the Defendants' phone number expecting to speak with a representative of the computer manufacturing or security company.

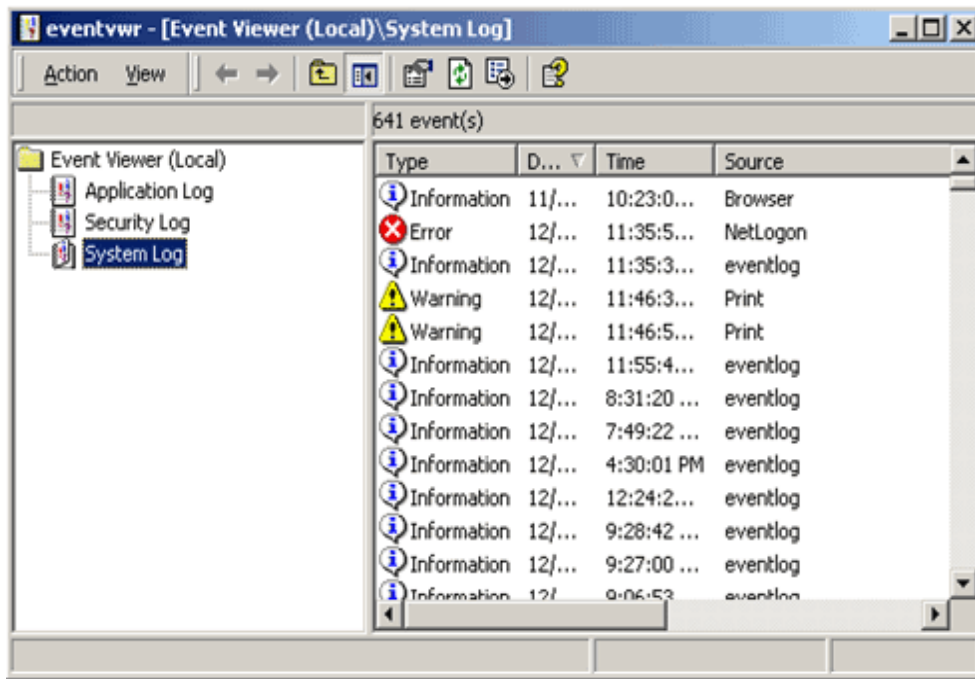
25. When consumers call the Defendants' phone numbers, the Defendants continue to mislead consumers by representing either to be from or affiliated with the well-known computer manufacturing or security company. In other instances, the Defendants claim that the consumers' calls were routed to the Defendants from the well-known computer manufacturing or security company.

26. After the Defendants trick the consumers into a false sense of security by convincing consumers that they are dealing with a legitimate company, the Defendants tell consumers that they need remote access to the consumers' computers in order to help them. The Defendants then direct the consumers to a website and instruct them to enter a code or download a software application to allow the Defendants remote access to the consumers' computers. Once the Defendants have remote access, they are able to completely control the consumers' computers and can, for example, move the cursor, enter commands, run applications, and access stored information.

27. Once consumers allow the Defendants to remotely access their computers, the Defendants tell consumers that the consumers' computers are infected with viruses or malware, or that hackers stole or are in the process of stealing the consumers' personal information stored on the computers. These representations are false.

28. The Defendants continue their deception by showing consumers error messages that appear in the computers' Windows Event Viewer. The Event Viewer is a log of the various activities that occur during a computer's operation. Many of the entries in the Event Viewer

simply reflect that a computer operation was completed successfully. Other entries, labeled errors and warnings and marked with red X's or yellow triangles indicate that a particular computer operation was not successful. If, for example, a program failed to run correctly because the user was not connected to the internet, the Event Viewer may record an error or warning message. A screenshot of a sample Event Viewer appears below:



29. Despite their potentially alarming appearance, the warning and error messages are innocuous. They are generated during the normal operation of a computer. The Defendants, however, falsely tell the consumers that these warning and error messages are evidence of viruses or other malware present on the consumers' computers and that the computers are in danger of crashing.

30. This claim is baseless. It is impossible to know whether or not a computer is infected with viruses or malware based solely on the fact that the computer's Event Viewer

contains warning or error messages. Computers that are completely free of viruses or other malware will still create warning and error messages in their Event Viewers during normal operation. The Defendants mislead consumers who do not understand these messages' technical significance into believing that their computers are severely compromised.

31. The Defendants also emphasize the risks the viruses, malware, or hackers pose, and underscore the urgent need for the consumers to pay the Defendants to fix all the problems and prevent the computer from crashing. In some instances, the Defendants tell consumers that the hackers are committing criminal activity in the consumers' names.

32. The Defendants then attempt to sell the consumer illusory long-term "security" or "technical support" services and perform unnecessary "repairs," including installing otherwise free programs, such as trial versions of antivirus programs, and deleting the innocuous files they falsely claimed were viruses. The Defendants charge consumers for these services in an amount ranging from approximately \$139 to \$360.

33. The Defendants next direct the consumer to one of several websites they operate in order to pay for the computer security or technical support service. These websites are highly interactive. They purport to allow consumers to chat directly with representatives, leave their contact information to request a call-back, and also browse and pay for various services online. In numerous instances, the Defendants register their websites through privacy protection services that mask their true identity. As a result, consumers are unable to determine the true owner of the website or the fact that the same company operates multiple websites.

34. Afterwards, the Defendants assert they have fixed the non-existent problems. In reality, Defendants merely charged consumers for repair products and services they did not need.

The Role of Vikas Agrawal

35. Defendant Vikas Agrawal, also known as Vikas Agarwal, is the President and Director of PCCare247 USA and a Director of PC Care247 India and Connexions India. Vikas Agrawal has used his credit card to set-up PayPal accounts used to process consumers' credit cards, to pay for key domains through GoDaddy, to pay for phone numbers used in the scam, and to set-up and pay for Google AdWord services. In addition, he: (1) is the registrant for many of the Defendants' domains; (2) set-up and is a signatory for bank accounts held in the name of PCCare247 USA; (3) authorized wire transfers between PCCare247 USA and Connexions India and PC Care247 India; (4) is an authorized user on a PayPal account held in the name of Connexions India that processed consumer transactions and chargebacks; and (5) has responded to chargebacks and consumer complaints.

The Role of Navin Pasari

36. Defendant Navin Pasari is an owner and officer of PCCare247 USA. According to merchant processing account records, he is an owner and Treasurer of PCCare247 USA. Navin Pasari set-up merchant processing accounts held in the name of PCCare247 USA and communicated with and was sent letters from payment processors regarding PCCare247 USA's transactions and chargebacks.

The Role of Anuj Agrawal

37. Defendant Anuj Agrawal is a Director of PCCare247 USA, PC Care247 India and Connexions India. Anuj Agrawal is listed as: (1) an authorized user on a bank account held in the name of PCCare247 USA; (2) the contact for Google AdWords accounts for PCCare247 USA and PC Care247 India; (3) the contact for a merchant processing account held in the name of Connexions USA and that processed chargebacks on behalf of Connexions USA; and (4) an

authorized user on a PayPal account held in the name of Connexions India that processed consumer transactions and chargebacks.

The Role of Sanjay Agarwalla

38. Defendant Sanjay Agarwalla, according to a merchant processing account held in the name of Connexions USA, is the President and an owner of Connexions USA. Sanjay Agarwalla also owns the residence from which Connexions USA operates.

The Role of Parmeshwar Agrawal

39. Defendant Parmeshwar Agrawal is a Director of PC Care247 India. Parmeshwar Agrawal set-up a PayPal account used to process consumer transactions and chargebacks. Parmeshwar Agrawal is listed on a website as the “head of” Connexions Infotech USA.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

40. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

41. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

Count I

Deceptive Representations

42. In numerous instances, in the course of marketing, offering for sale, and selling computer security or technical support services, the Defendants represent or have represented, expressly or by implication, through a variety of means, including telephone calls and Internet communications, that they have detected security or performance issues on consumers’ computers, including viruses, spyware, system errors, or the presence of hackers.

43. In truth and in fact, in numerous instances in which the Defendants have made the

representations set forth in Paragraph 42, the Defendants have not detected security or performance issues on consumers' computers.

44. Therefore, the Defendants' representations as set forth in Paragraph 42 are false, misleading, or were not substantiated at the time they were made, and thus, they constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

Count II

Deceptive Representations

45. In numerous instances, in the course of marketing, offering for sale, and selling computer security or technical support services, the Defendants represent or have represented, expressly or by implication, through a variety of means, including telephone calls and Internet communications, that they are from or affiliated with a well-known computer company such as Microsoft, Symantec, McAfee, or Dell.

46. In truth and in fact, the Defendants are not from or affiliated with the well-known computer company.

47. Therefore, the Defendants' representations as set forth in Paragraph 45 are false or misleading, and thus, they constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

CONSUMER INJURY

48. Consumers have suffered and will continue to suffer substantial injury as a result of the Defendants' violations of the FTC Act. In addition, the Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, the Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT’S POWER TO GRANT RELIEF

49. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Sections 13(b) of the FTC Act, 15 U.S.C. §§ 53(b) and the Court’s own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to temporary and preliminary injunctions, and an order providing for the turnover of business records, an asset freeze, and the disruption of domain and telephone services;

B. Enter a permanent injunction to prevent future violations of the FTC Act by the Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from the Defendants’ violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and

D. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

WILLARD K. TOM
General Counsel

Dated: 9/24/2012

/s/ Christine M. Todaro

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