

NEWS RELEASE



OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA

San Diego, California

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For Immediate Release

NEWS RELEASE SUMMARY - January 29, 2010

United States Attorney Karen P. Hewitt announced that Jung Kwak, also known as “Mr. Viewsat,” of Oceanside, California, Phillip Allison, also known as “thebroken,” and Robert Ward, also known as “TDG” and as “thedssguy,” both of Seminole, Florida, were sentenced today by the Honorable Janis L. Sammartino, United States District Judge based upon their pleas of guilty to conspiring to violate the Digital Millennium Copyright Act. The three defendants pleaded guilty on October 23, 2009, to a one count indictment. Mr. Kwak was sentenced to 18 months in custody followed by three years of supervised release. Mr. Allison and Mr. Ward were each sentenced to one month of custody and five months of house arrest.

In connection with their guilty pleas, the defendants admitted that beginning in or about March 2008, they determined to hire computer hackers to break the latest DISH Network encryption scheme, known as Nagra 3, so that the line of satellite receiver boxes sold by Mr. Kwak would continue to have a market. Mr. Kwak owns and operates Viewtech, Inc., in Oceanside, California. Viewtech imports “free-to-air” or “FTA” satellite receiver boxes and sells them to the public through a network of retailers under the brand name

“Viewsat.” To illegally decrypt the DISH network signal, the FTA boxes must appear to have DISH smart cards. That is done by reverse-engineering DISH smart cards and creating computer code which, when downloaded to an appropriate FTA box, will emulate the existence of a smart card and trick the system. In the past, as DISH encryption and countermeasures were defeated, the code has been posted on the Internet and made available for download to anyone.

In the late fall of 2007, DISH announced that it had created a new encryption scheme, called “nagra 3,” and would start shipping new smart cards to its customers. As the new encryption scheme was deployed, owners of FTA boxes would no longer be able to view DISH programming without a subscription, and sellers of FTA boxes would lose their market. The defendants admitted that Mr. Kwak authorized Messrs. Allison and Ward to locate persons to work on cracking Nagra 3. Mr. Kwak agreed to provide funding and a substantial reward for success. Messrs. Allison and Ward admitted that they solicited a third party to join the scheme. Mr. Allison admitted purchasing a specialized microscope to be used in dissecting and analyzing smart cards for the third party and was reimbursed by Mr. Kwak. Mr. Kwak admitted meeting with and paying \$20,000 in cash to the third party for photographs of a dissected smart card purported to be a Nagra 3 card. Mr. Kwak also admitted that he offered a reward of \$250,000 if the EPROM (eraseable programmable read-only memory) for the Nagra 3 card could be obtained.

This case was investigated by Special Agents of the Cybersquad of Federal Bureau of Investigation in San Diego.

DEFENDANTS

Case Number: 09cr2646 -JLS

Jung Kwak
Phillip Allison
Robert Ward

SUMMARY OF CHARGE

One Count - Title 18, United States Code, Section 371: Conspiracy to Violate the Digital Millennium

Copyright Act

Maximum Penalty: 5 years' imprisonment and \$250,000 fine

AGENCY

Federal Bureau of Investigation