Platforms in Everything: Analyzing Ground-Truth Data on the Anatomy and Economics of Bullet-Proof Hosting

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Platforms in Everything: Analyzing Ground-Truth Data on the Anatomy and Economics of Bullet-Proof Hosting

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Abstract

This paper presents the first empirical study based on ground-truth data of a major Bullet-Proof Hosting (BPH) provider, a company called MaxiDed. BPH allows miscreants to host criminal activities in support of various cybercrime business models such as phishing, botnets, DDoS, spam, and counterfeit pharmaceutical websites. MaxiDed was legally taken down by law enforcement and its backend servers were seized. We analyze data extracted from its backend databases and connect it to various external data sources to characterize MaxiDed's business model, supply chain, customers and finances. We reason about what the "inside" view reveals about potential chokepoints for disrupting BPH providers. We demonstrate the BPH landscape to have further shifted from agile resellers towards marketplace platforms with an oversupply of resources originating from hundreds of legitimate upstream hosting providers. We find the BPH provider to have few choke points in the supply chain amendable to intervention, though profit margins are very slim, so even a marginal increase in operating costs might already have repercussions that render the business unsustainable. The other intervention option would be to take down the platform itself.

1 Introduction

"Bullet-proof" hosting (BPH) is a part of the hosting market where its operators knowingly enable miscreants to serve abusive content and actively assist in its persistence. BPH enables criminals to host some of their most valuable resources, such as botnet command-and-control (C&C) assets, exploit-kits, phishing websites, drop sites, or even host child sexual abuse material [1–5]. The name refers to the fact that BPH provides "body armor" to protect miscreants against interventions and takedown efforts by defenders and law enforcement.

Much of the prior work in this area has focused on how to identify such malicious providers. Initially, BPH providers served miscreants directly from their own networks, even though this associated them with high levels of abuse. Famous examples of such providers include McColo Corp. [6], the Russian Business Network (RBN) [7], Troyak [3] and Freedom Hosting [8]. This operational model enabled AS-reputation based defenses, such as Fire [9], BGP Ranking [10] and ASwatch [11]. These defenses would identify networks with unusually high concentrations of abuse as evidence for the complicity of the network owner, and thus of BPH.

AS-reputation defenses became largely ineffective when a more "agile" form of BPH emerged. In this new form, providers would rent and resell infrastructure from various legitimate upstream providers, rather than operate their own "monolithic" network. Concentrations of abuse were diluted beyond detection thresholds by mixing it with the legitimate traffic from the ASes of the upstream providers.

In response, researchers developed a new detection approach, which searched for concentrations of abuse in sub-allocated IP blocks of legitimate providers [4, 5]. This approach assumes that honest upstream providers update their WHOIS records when they delegate a network block to resellers. It also assumes that the BPH operator functions as a reseller of the upstream providers.

A key limitation of this prior work is that it is based on external measurements. This means that we have little inside knowledge of how BPH operations are actually run and whether assumptions behind the most recent detection approaches are valid. A second, and related, limitation is the lack of ground-truth data on the actions of the provider. There are minor exceptions, but even those studies contain highly sparse and partial ground-truth data [2, 5].

This paper presents the first empirical study of BPH based on comprehensive internal ground-truth data. The data pertains to a provider called MaxiDed, a significant player in the BPH market. It unearths a further, and previously unknown, evolution in the provisioning of BPH, namely a shift towards platforms. Rather than MaxiDed renting and reselling upstream resources on its own, it offered a platform where external merchants could offer, for a fee, servers of upstream providers to MaxiDed customers, while explicitly indicating what kinds of abuse were allowed. By operating as a platform, MaxiDed externalizes to the merchants the cost and risk of acquiring and abusing infrastructure from legitimate upstream providers. The merchants, in turn, externalize the risk of customer acquisition, contact and payment handling to the marketplace. This new BPH model is capable of evading the state-of-the-art detection methods. Our analysis shows that

in most cases, there are no sub-allocations visible in WHOIS that can be used to detect abuse concentrations, rendering the most recent detection method [5] much less effective.

Before we can develop better detection and mitigation strategies, we need an in-depth empirical understanding of how this type of provider operates and what potential chokepoints it has. To this end, we analyze a unique dataset captured during the takedown of MaxiDed by Dutch and Thai law enforcement agencies in May 2018 [12]. The confiscated data includes over seven years of records (Jan 2011 – May 2018) on server packages on offer, transactions with customers, provisioned servers, customer tickets, pricing, and payment instruments. In addition to the confiscated systems, two men were arrested: allegedly the owner and admin of MaxiDed.

The central question of this paper is: *how can we characterize the anatomy and economics of an agile BPH provider and what are its potential chokepoints for disruption*? We first describe how the supply chain is set up. Then, we characterize and quantify the supply, demand, revenue, payment instruments and profits of the BPH services offered by MaxiDed. All of this will be analyzed longitudinally over seven years. We also explore what MaxiDed's customers used servers for.

Our main contributions may be summarized as follows:

- We provide the first detailed empirical study of the anatomy and economics of an agile BPH provider based on ground-truth data.
- We map the supply of BPH services and find a highly diversified ecosystem of 394 abused upstream providers.
- Contrary to conventional wisdom, we find that the provider's BP services are not expensive and priced at a 40-54 % markup to technically similar non-BP offers.
- We quantify demand for BPH services and find it resulting in a revenue of 3.4M USD over 7 years. We conclude the market to be constrained by demand, not by supply, i.e. demand for this type of agile BPH seems limited.
- We estimate profits to amount to significantly less than 280*K* USD over 7 years. This belies the conventional wisdom of BPH being a very lucrative business.
- We find disruptable pressure points to be limited. Payment instruments were sensitive to disruption, but a recent shift to crypto-currencies limits this option. We identified 2 merchants and a set of 15 abused upstream hosting providers as pressure points though their identifcation would have been difficult based on external measurements. The only remaining viable options are raising operational costs and taking down the provider's platform.

We should note that the "bullet-proof" metaphor seems less suited for this new model of BPH provider that we study. Commonly, BPH is understood to include two aspects: (i) intentionally enabling abuse, and (ii) providing resilience against takedowns. The BP metaphor directs attention to the resilience. This new business model, however, primarily focuses on the agile enabling of abuse at low cost. MaxiDed and its external merchants provide servers for abuse at close to the market price for legitimate servers. Customers then prepay the rent for these servers. This means that the risk of takedown, in terms of a prepaid server being prematurely shut down by the upstream provider, is borne by the customer. Most customers manage this risk by opting for short lease times and treating servers as disposable and cheaply replaceable resources. They take care of the resilience of their services themselves, using these disposable resources. Some forms of resilience – e.g., reinstalling an OS and moving files to a new server – are provided by the BPH provider as a premium service for an additional fee. The 'bullet-proof' metaphor is less suitable for this business model. A more fitting alternative may be "agile abuse enabler". That being said, in this paper we retain the existing term. The market of intentionally provisioning hosting services for criminals is still widely referred to as BPH and we want to maintain the connection with prior work.

The remainder of this paper is structured as follows. First, we provide a high-level overview of MaxiDed 's business (𝕊.2). We then discuss the ethical issues related to our study (𝕊.3). Next, we describe our datasets (𝕊.4) and the integrity checks we performed to ensure the validity of our analysis (𝕊.5). We then outline MaxiDed's anatomy and business model (𝕊.6). Next, we turn to the substantive findings and analyze the supply and demand around MaxiDed's platform, with a specific focus on identifying choke points (𝕊.7). We also analyze MaxiDed's customer population (𝕊.8). We then take a look at longitudinal patterns in terms of use and abuse of BP servers by customers (𝕊.9). The final part of the analysis is on MaxiDed's revenue, costs and profits (𝕊.10). We conclude by locating our study within the related work(𝕊.11) and by discussing its implications for the problem of BPH (𝕊.13). Additional material are provided in Appendices (𝕊.14)

2 Background

MaxiDed Ltd. was a hosting company legally registered in the Commonwealth of Dominica, an island state in the West Indies that is also known for its offshore banking and payments processing companies. MaxiDed's operators publicly advertised the fact that customers were allowed to conduct certain abusive activities upon purchasing its hosting solutions. While WHOIS information of the MaxiDed domain shows that it has existed since 2008, web archive data suggest that initially it was just a small hosting provider with no mention of allowing illicit activities. It underwent a major transformation in 2011 towards becoming an agile BPH service. MaxiDed does not have its own Autonomous System, nor does it have any IP address ranges assigned to it by RIRs, according to our analysis of WHOIS data at the time of its disruption. This implies that IP addresses are provisioned to customer servers by upstream providers, rather than by MaxiDed. This underlines

	Advertised BPH Services			
BPH	**Dedicated Servers**	**VPS**	**Shared Hosting**	**Total**
66host	0	0	3	3
outlawservers	1	6	4	11
abusehosting	47	5	3	55
bpw	5	4	0	9
bulletproof-web	7	9	0	16
MaxiDed	1,855	1,066	0	2,921

Table 1: MaxiDed in comparison with previously studied BPH by Alrwais et al.[5] that appear to be still operational

MaxiDed's agile nature, i.e., its reliance on reselling upstream infrastructure. Table 1 compares MaxiDed with several previously studied agile BPH providers in terms of the quantity and types of services they offered. It highlights that its scale of operations is around two orders of magnitude larger. It is reasonable to view the provider as a major player in this market which others have similarly pointed to [13].

3 Ethics

Our data is similar in nature to that used in prior studies of criminal backends [14–16]. It originates from legal law enforcement procedures to seize infrastructure. Using such data raises ethical issues. We operated in compliance with and under the approval of our institution's IRB. We discuss further issues using the principles identified in the *Menlo Report* [17].

(**Respect for persons.**) The data contains personally identifiable information (PII) on customers, merchants and employees. Access has been controlled and limited to authorized personnel within the investigative team, and later granted to several of the co-authors. Since 'participation' in this study is not voluntary and cannot be based on informed consent, we took great care not to analyze PII on customers, because they form the most vulnerable party involved and not all of them may have used servers for illicit purposes. We only compiled aggregate statistics. For merchants, we have masked identities using pseudonyms to prevent identifiability. We did not analyze the data in terms of MaxiDed employee names.

(**Beneficence.**) We believe that our analysis does not create further harm. We did not purchase services from the provider and thus did not contribute to any criminal revenue. The authors and police investigators believe the benefits of a better understanding of BPH operations, most notably in terms of better countermeasures, outweigh the potential cost of making this kind of knowledge more widely known, as the model of agile BPH itself is already well-documented in prior work.

(**Justice.**) The benefits of the work are distributed to the wider public, in terms of helping to reduce crime. It especially helps to protect persons who are more vulnerable to being victimized. We see no impact to persons from being included in the study itself.

(**Respect for law and public interest.**) This study has been conducted with the approval of, and in collaboration with, the investigative team and public prosecutors. It is important to note, that while captured information may point to certain illegal conduct, establishing legal proof of criminal conduct is *not* the purpose of this study.

4 Data

From the servers seized during the takedown, the Dutch investigative team has been able to resurrect MaxiDed's administrative backend (CRM and database). They have granted us access to the data and corresponding source code. We analyzed the source code to ensure correct interpretation of the stored data. We observed how various resurrected administrative pages queried specific records to display information.

The revived single-instance Postgres database contains longitudinal information on several key aspects of MaxiDed's operations. On the supply side, it includes data on what server packages were on offer, which merchants were offering these packages, and the internal and externally-advertised prices of each package. On the demand side, there is customer contact information, order placements, rented servers, server assigned IP addresses, financial transactions, and type of payment instruments used and available over time.

Communications between MaxiDed operators, customers, merchants, and upstream providers were captured as CRM system tickets. Ticket contents and email communications also include instances of abuse complaint emails that MaxiDed administrators received and forwarded to their customers. We should note that the operators also operated a live-chat channel for customers on the site. They were also known to use ICQ, Jabber and Skype contact channels at some point in time. These communications were not stored on the seized servers, if they were stored at all. Communications data, often the most sensitive, have not been analyzed in favor of the ethical principles that we followed.

Overall, the retrieved data represents information over the course of MaxiDed's life span from Jan.- 2011 to May-2018, when its operation was disrupted. High level statistics and descriptions of the ground-truth data is presented in Table 2.

To enrich the ground-truth data, we deployed several additional data sources. Domain-based resources operating from the customer IPs, were identified using historical passive DNS data collected via Farsight Security's (DNSDB [18]). To identify upstream providers of servers and IPs, we used historical WHOIS IP allocation data from Maxmind [19]. A set of domain and IP-based blacklists have been used to gain further insights into abuse emanating from customer servers.

5 Data Integrity

Since we did not gather the information ourselves, we need to evaluate its accuracy and authenticity: how do we know that MaxiDed admins did not manipulate data, for reasons of operational security or otherwise?

Our data resulted from the legal seizure of servers, in close coordination with apprehension of two individuals who had

Data on	Description	Total Nr.
Suppliers	60 directly listed upstream hosters and 14 listed merchants supplying server packages	74
Server Packages	Customizable server packages on offer during 2011-2018	56113
Payment Instruments	Supported payment instruments/methods	23
Orders	Customer placed orders for various server packages and other administrative services	66886
Users	Number of registered users	308396
Transactions	Financial transactions including 30938 received payments and 33124 payments made to other entities	64602
Tickets	CRM system tickets capturing communications between various entities	26562

Table 2: High-level statistics of MaxiDed backend data

administrative control over these systems. This ensured that the data was not manipulated during or after the seizure. To ensure that data was not manipulated in the course of MaxiDed's operation, we have examined data integrity in several ways. We first discuss the correspondence of the seized data with external (third-party) data. Next, we analyze the internal consistency of the seized data itself.

The strongest indicator of integrity is that the seized server data was consistent with the data that was collected via legal intercept prior to the takedown. A wiretap had been running for over two years on the backend CRM server.

We also compared the data to snapshots of MaxiDed's webshop archives on Internet Archive between 2015-2018. We extracted all server package IDs that were on offer. All these IDs were present in our back-end data as well.

For a sample of over 50 server packages on sale in April 2018, we compared the internally recorded price with the prices of the entities listed as the upstream providers. These included packages from a Dutch and a German upstream hosting provider. For each package, we visited the supplier's website, customized a server package to match, and found its price to be correctly reflected by the internal price.

For the payment data, we were able to compare the WebMoney transactions logged in the database with data that was subpoenaed by Dutch law enforcement from WebMoney on transactions during a period of 10 days involving one particular WebMoney wallet address. Of 31 internally recorded transactions during this period via WebMoney, 17 were matched with the external data.

Together, these external checks provide confidence that the internal data has not been manipulated. Multiple *internal* data consistency checks were also carried out. We cross referenced customer order placements against server package data, to determine if all order placements consistently point to an existing package. Of the 14,702 customer orders for servers, we found 431 referencing package IDs that were not listed, indicating a 2.9% proportion of inconsistent order placement records. These references point to a set of 306 unique server packages (a 0.5% proportion of all server packages).

We also cross referenced MaxiDed operators' payments to their merchants, against server package data. These indirectly referenced specific server packages, thereby indicating what each payment is for. Of the 33,124 outgoing payments, we found 345 referencing packages that were not listed among the set of offered server packages (a 1.0% proportion of inconsistent payment records). Cross referencing the same payment data against customer orders, we found 474 outgoing payments referencing servers that were not listed among the orders of customers (a 1.5% of inconsistent payment records).

The timestamps of order placement and transactions were also analyzed, to check for suspicious gaps in the timeline. The longest gap was observed to be 76 days from 2011-03-31 to 2011-06-15. All remaining gaps (37) were at most 2 days long. Approximately an average number of 26 order placements per day were observed. For payment events, the longest timeline gap was observed to be 135 days pertaining to the data from the period between 2011-01-29 and 2011-06-13. The remaining gaps (5) were no longer than 1 day. An average number of 24 transactions per day were observed in the payment data.

The minor inconsistencies and timeline gaps for the most part relate to records from 2011 and 2012, a period corresponding to the initial set up and early growth phase of MaxiDed. A certain amount of inconsistency in database records is to be expected, but more so during the initial set up and growth phase of any organization. All in all, the internal and external consistency of the data merits confidence in its validity for the purposes of characterizing the overall anatomy and economics of MaxiDed 's BPH operation.

6 Anatomy of MaxiDed 's business

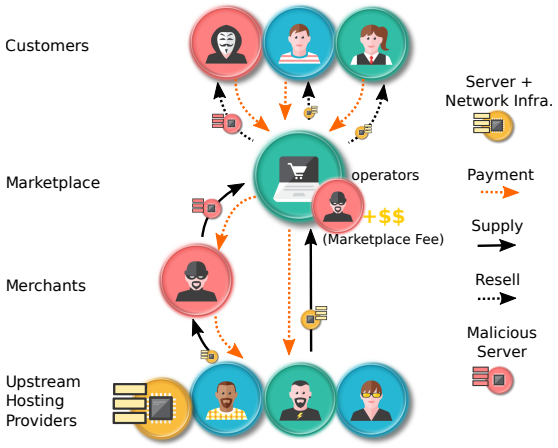


Figure 1: MaxiDed in a glance.

Figure 1 provides a high-level overview of MaxiDed 's anatomy and business model. We take a close look at each of its components.

6.1 Hosting Business Components

(**Marketplace**) MaxiDed was a marketplace which connected merchants offering server packages that allowed abuse, with

customers looking for an abuse-tolerant provider. It captured a fixed 20% fee from each sale between a merchant and a customer. Customers did not see the merchants' identities or even that an offer came from a separate entity. All they knew was that they contracted with MaxiDed. The merchants advertised server packages from legitimate upstream providers and put these on the MaxiDed market with a markup. Server packages specified default server configurations that were further customizable by customers. In addition to the technical specification, each package indicated what type of abuse, if any, was allowed. The majority of the packages explicitly allowed certain forms of abuse. MaxiDed itself also put server packages from certain upstream providers for sale in the webshop, de facto operating as merchant on its own platform. For its own packages, profits varied between 0 to 40% of the cost of packages at the upstream providers. What's more, MaxiDed also operated as a customer on its own platform, acquiring offers from merchants for its side business, a highly permissive and lucrative file sharing service called DepFile. This file sharing service was a major hub for distributing child sexual abuse material.

The platform approach means MaxiDed can externalize the cost and risks of acquiring and supplying upstream server infrastructure to third-party merchants. As such it is decoupled from the upstreams. The advantage for merchants, on the other hand, was that they could externalize the responsibility and risks of acquiring customers and processing their payments. Beside the fee that MaxiDed charged on top of the merchant's price, it also charged customers for performing additional administrative tasks, like re-installing servers after a takedown by the upstream provider. From these fees, it needed to recoup the cost of its staff and backend systems.

The main components of the marketplace were a frontend webshop, a backend Customer Relationship Management (CRM) system, accounts for merchants who could offer server packages on in the webshop, and payment handling of customers paying to MaxiDed and, in turn, MaxiDed paying the merchants when their offers resulted in a sale. The CRM, a series of webpages implemented in PHP, was used by both MaxiDed and merchants to create the server packages displayed on the webshop. It was also used to facilitate communications between customers and merchants through customer tickets. Merchants were responsible for handling customer tickets of their own server packages. Communications also took place through multiple MaxiDed support email addresses which were automatically imported into the backend database and live-chat functionality which was not retrievable from our data.

Different payment options have been supported over time by MaxiDed; 23 in total. Some from third-party payment providers like Paypal and WebMoney to cryptocurrencies such as Bitcoin and Zcash.

(**Merchants**) Third-party merchants supplied server packages that were re-branded and sold, with a mark-up, under MaxiDed's name. Many offered packages were directly scraped by the merchants from retail auction sites run by certain upstream providers. As far as we could tell, most merchants had no established reseller relationship with the upstream provider and no delegation was visible in IP WHOIS. (We explore this more systematically in 𝕊.7.3.) This invalidates a key assumption in prior work, i.e., that agile BPH providers operate on the basis of established reseller relationships that are visible in sub-allocations. In some cases, merchants did establish reseller relationships with an upstream provider. This allowed them to hook into an API and automate the importing and advertising process of upstream packages, rather than having to manually scrape other hosting provider's websites, in addition to receive certain discounts.

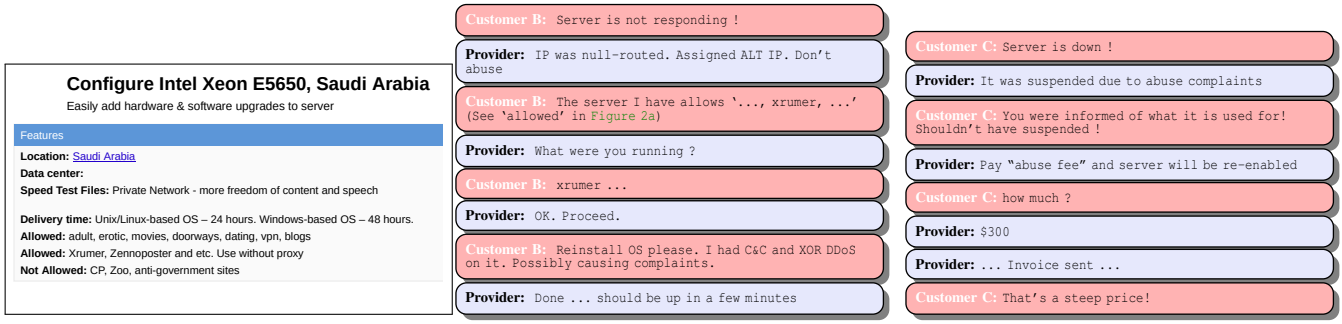
(**Upstream Providers**) These are legitimate hosting companies that offer server packages, via retail channels, auctions or reseller programs, which are put into the MaxiDed marketplace by the merchants. Once sold, the merchant acquires the package from the upstream provider. In 𝕊.7.3, we use WHOIS IP allocation information to infer from which upstream providers the merchants bought their packages.

(**Customers**) Customers were elicited for their preferences and guided towards server packages upon visiting MaxiDed's webshop. This occurred via standard search filters or via live chat with administrators. Customers were able to request more powerful hardware, additional IP addresses, pre-installation of a specific OS, and decide on the physical location of the servers. Figure 15 (see 𝕊.14 Appendix-A) provides an excerpt of a live chat conducted by one of the authors with MaxiDed operators prior to its takedown demonstrating this process.

Customers would first deposit funds into a USD denominated "wallet" and then use these wallet funds to pay for the invoices that MaxiDed issued to them. In other words, purchases were prepaid. This structure allows merchants to place orders only after receiving payments and to shift the risks of premature contract termination to customers as they have received payments in full. Customers were not reimbursed for lost server-day usage due to premature service suspension at the upstream.

6.2 Side Business

MaxiDed's administrators also operated a file sharing platform, known as DepFile [13, 20], run on servers which they rented through the MaxiDed marketplace. Some of these servers were also seized during the law enforcement action. Data shows that DepFile infrastructure was acquired using a single MaxiDed customer account which never paid its invoices. Over time, the account accrued approximately 400,000 USD in debt. DepFile allowed its customers to host and access content, some of which included child sexual abuse material, on a monthly subscription basis. Our separate analysis of internal DepFile data, suggest that it resembled a so called "affiliate program" [15, 21, 22] with affiliates bringing in new subscribers. The profits from subsequent sign-ups



(a) **(b)** **(c)**

Figure 2: Examples of MaxiDed's bullet-proof behavior. (a) screenshot of server publicly advertised to customers. (b) and (c) are excerpts of a conversation between customer and administrator (edited for readability).

were shared between DepFile (a.k.a. MaxiDed) and the affiliates. As an aside: these profits were much higher than those of MaxiDed. One could argue that the MaxiDed was more valuable to its owners as a way to acquire cheap and risk-free server infrastructure than as its own profit model.

6.3 Examples of Bullet-Proof Behavior

Figure 2a shows a screenshot of one of MaxiDed's publicly advertised server packages along with descriptions of its location, network/IP-address information, price, in addition to explicit descriptions of abusive activities that were (dis-)allowed upon purchasing. Figure 2b illustrates a conversation (lightly edited for spelling) that took place between an admin and a customer in the context of a CRM ticket. XRumer is a tool aimed at boosting search engine rankings by auto-registering accounts and posting link spam. It demonstrates that MaxiDed operators were not only explicitly tolerating abuse, but that they were informed about the abusive activities of their customers and actively supported them. This is also the case for DepFile. It knows the file sharing service is supporting illegal content, including child sexual abuse material. The customer interaction also shows the admin ignoring abuse complaints, then assisting the customer by migrating resources to a different network location. Figure 2c is another example of a (lightly-edited) conversation excerpt, demonstrating that certain customers were asked to pay an 'abuse fee' to continue accessing their rented server upon receiving abuse complaints.

7 Supply and Demand for BPH

MaxiDed's operations deviate from certain assumptions underlying recent detection techniques. This warrants a more detailed analysis of its characteristics to understand if this new form of agile BPH exhibits chokepoints that allow for disruption. Most disruption strategies rely either on taking down the provider as a whole or on cutting off the supply of resources that it needs: servers, connectivity, payment instruments, customers. In MaxiDed's case, the former occurred. These kinds of takedowns however, are rare and hard to scale. This section explores the alternative strategy: squeezing potential chokepoints in the supply chain.

7.1 Merchants

In a period of seven years, merchants offered 56,113 different server packages. Around a quarter of all packages (14,931) explicitly allowed certain kinds of abuse. We refer to these as bullet-proof (BP) packages. Note that non-BP packages were also abused, as we learned from customer tickets when servers were suspended. Admins frowned on this practice. Not because of the abuse itself, but because these customers should have purchased a more expensive abuse-allowing package. MaxiDed admins listed offers as well in the role of a merchant on their own platform. We label MaxiDed as *merchant zero* (mc_0) and 14 third-party merchants as $mc_{1...14}$, identified by connecting MaxiDed's user and supplier database tables.

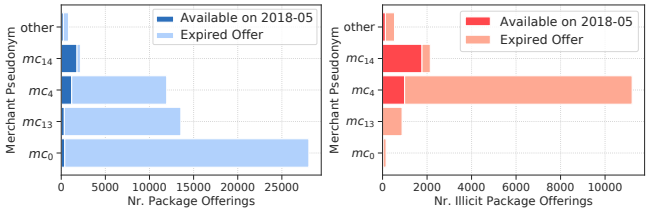


Figure 3: Merchant Package Offerings. (**left**) All packages; (**right**) Subset of illicit packages

Figure 3 (left) illustrates the total number of server packages offered by the top 4 merchants, which accounted for 98% of all packages. At the moment of takedown (May 2018), there were 3,957 available packages. Of these, 2,921 (74%) explicitly allowed abuse. Packages expired when corresponding upstream provider packages expired or when operators no longer maintained relationships with the upstreams.

Figure 3 (right) shows the subset of server packages that allowed abuse, from the same top four merchants. This figure highlights that two merchants, mc_4 and mc_{14} were responsible for 89% of all the BP packages offered on MaxiDed's platform and 94% of the BP packages available at the moment of the takedown. Interestingly, MaxiDed itself (mc_0) supplied only 29 BP packages (1%), relying almost exclusively on its merchants to supply BP infrastructure. This fits with our interpretation that moving to a platform model allowed MaxiDed to externalize the risk and cost of managing the relationships with upstream providers around abusive practices.

Of the 14,931 BP packages on offer, only 3,066 (20%)

were ever sold. There were 9,439 customer orders for these. This indicates that there was an oversupply of BP packages on MaxiDed. Sales followed a similar distribution to supply, with mc_4 and mc_{14} accounting for 70% of all sales. (Of the packages that did not explicitly allow abuse, 2,006 were sold 4,832 times.)

In sum, only around 20% of offers were ever sold, showing that the market for BPH is, unfortunately, not supply-constrained. MaxiDed externalized the supply of BP packages to merchants and two of these were dominant, in terms of supply and sales. Merchants mc_4 and mc_{14} would have been viable candidates for disrupting the supply chain of the marketplace as a whole, had they been identified prior to MaxiDed's takedown. This might be feasible if, as prior work assumed, they are resellers of upstream providers and WHOIS records are updated to show which network blocks are delegated to them. We later discuss evidence that, in most cases, there is no such delegation. The takedown of MaxiDed itself is unlikely to have disrupted these merchants. They may have taken some losses from outstanding due payments from MaxiDed. Except for these losses, merchants could migrate to other marketplaces, resulting in a game of whack-a-mole. This demonstrates the advantages of merchants externalizing part of their risks to the MaxiDed platform.

7.2 BP Package Categories

BP packages were differentiated in terms of what types of abuse was allowed. The platform pre-defined 12 categories of abusive activities. Merchants could tick the boxes of whatever categories they were comfortable with for their packages. The activities ranged from the distribution of pornographic content or copyrighted material, to Internet-wide scanning, running counterfeit pharmacies, running automated spamming software such as Xrumer, and doing IP spoofing, typically to conduct amplification DDoS attacks. Table 3 lists these activities along with associated category labels $C_{1..12}$.

We suspect merchant choices for certain types of abuse to have been partly driven by what they could handle in terms of their relationship with the upstream provider of a package. Some forms of abuse trigger more backlash than others. Plus, certain upstreams might be less vigilant regarding certain forms of abuse, depending on jurisdiction or other factors.

To analyze the relationships among the allowed forms of abuse, we calculate the correlations between all categories. In other words, if category 'c_X' is allowed, what is the probability that category 'c_Y' is also allowed? The results are plotted in Figure 4. Five groups of server packages can be identified, each with a different type of abuse profile, which roughly corresponds to a certain risk profile. At the top end of the risk profile is "spoofing" ($x = c_{12}$). Where this was allowed, everything else was also allowed with high probability (i.e., all values along the y-axis indicate high probability for $x = c_{12}$). As such a highest risk group label G_5 was assigned to packages that allow "spoofing". One step down are packages that allow "scanning" ($x = c_{11}$): everything else is typically allowed, except "spoofing" ($x = c_{11}, y = c_{12}$), which has a lower probability. This is group G_4. Next, G_3 was assigned to a group composed of 4 categories, $C_{7..10}$ which were allowed in conjunction with a high probability, and disallowed the higher risk $c_{11..12}$ categories with a high probability. The remaining groups were created using a similar logic.

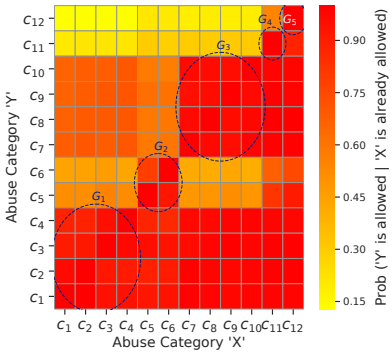


Figure 4: Correlation of abuse categories. (See Table 3 for c_i labels).

Cat.	Description	All packages	Avail. before takedown	Risk Group	Avail. per-group
C_1	File Sharing	12,344	2,724	G_1	404
C_2	Content Streaming	11,891	2,629		
C_3	WAREZ	11,856	2,615		
C_4	Adult Content	10,732	2,557		
C_5	Double VPN	10,099	1,529	G_2	630
C_6	Seedbox	8,835	1,298		
C_7	Gambling	2,663	1,862	G_3	1,279
C_8	Xrumer	3,120	1,849		
C_9	DMCA ignore	2,978	1,841		
C_{10}	Pharma	2,620	1,821		
C_{11}	Scanning	629	565	G_4	254
C_{12}	Spoofing	396	354	G_5	354

Table 3: Statistics on packages allowing each category of illicit activity and associated risk groups

For each risk group, Table 3 lists the abuse types and the number of packages that allowed it, over the whole period of MaxiDed ('all packages') or at the moment of the takedown ('Avail. before takedown'). Note that packages are counted multiple times, as they often allowed multiple forms of abuse. The last column, 'Avail. per group', counts each package as belonging uniquely to one group, namely the group with the highest risk profile – e.g., if a package allows spoofing, it will be counted in G5, but not in others, even though it likely also allows those types of activities. We can see that MaxiDed had a significant amount of supply in each category, with a clear peak in group 3.

A side note: the tickets and live chats clearly showed that other types of abuse were also allowed, such as running botnet C&C servers. The admins did not wish to list these forms of abuse publicly (see Figure 15 in 𝕊.14 Appendix-A).

7.3 Merchant Upstream Providers

To understand how MaxiDed's supply of BP infrastructure was distributed over legitimate upstream providers, we narrowed our analysis to 5 merchants, namely mc_0, mc_4, mc_{10}, mc_{12},

and mc_{14}, who jointly had 94% of the BP package sales.

Merchant mc_{14} sold most of the servers associated with risk groups G_3 or higher, the others sold mostly packages of group G_3 and below. So mc_{14} appears to have specialized in higher risk packages.

We determined each merchant's set of upstream providers by first extracting from the data the IP addresses provisioned once the server was sold. Maxmind's historical IP WHOIS data was then used to lookup organizations to which these IP address belonged. This way, we could see how each merchant's supply chain was composed of multiple upstream providers. The variance was significant. The two dominant merchants (mc_{10} and mc_{14}) abused 134 and 276 upstream providers, respectively. The others connected with 4 to 26 upstreams. Overall, `MaxiDed`'s supply chain comprised of servers at 394 upstream providers.

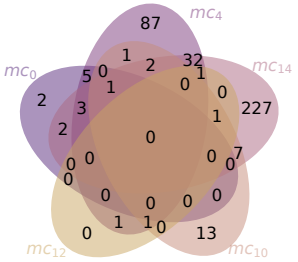


Figure 5: Upstream Overlaps

Figure 5 show how much, or rather how little, the supply chains of merchants overlapped in terms of upstreams. Figure 6 shows a CDF of how each merchant's sold BP servers were distributed across its own set of upstream providers. Across all merchants, 15 upstream hosted 50% of all sold BP servers and 57 account for 80% of all sold servers.

At first glance, the concentration in 15 upstream providers suggests a chokepoint that could be leveraged, but the long tail of available upstreams makes this strategy not very promising. Merchants could shift supply to those hundreds of alternatives. The 15 top ones might have certain advantages in terms of location, price and quality, but only 5 of them are shared between the two top merchants, so there does not seem to be a unique advantage to these providers.

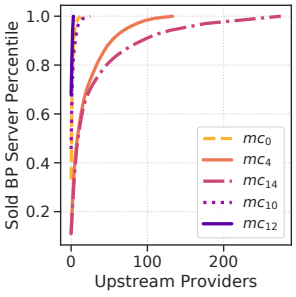


Figure 6: BP Server Distribution over Upstream Providers

Recent BPH detection approaches [5] have relied on upstream providers updating WHOIS records when they delegate network blocks to resellers. As stated, our data suggested that merchants often do not enter into reseller agreements with upstream. That would seriously undermine the effectiveness of these detection methods. To test this more systematically, we looked at the set of upstream providers that hosted 80% of the BP servers (57). In this set, we found 22 which are reputable upstream providers and more likely to reflect sub-allocations to their clients in WHOIS. We randomly sampled 10 BP servers for each of these 22 providers and manually inspected their IP WHOIS information. In only 24% of the cases did the WHOIS information reflect sub-allocation to downstream entities. Note that these downstream entities might also be legitimate resellers who sold to the merchants, rather than being the merchants themselves. Also, none of the records pointed to `MaxiDed`. This means that in 76% of the cases, the BP activities could not be associated with a sub-allocation, thus evading the current best detection method. Abuse on these addresses would be counted against the upstream provider, typically diluting the detectable concentration of abuse. Establishing a relationship between the upstream provider, their downstream customers, merchants and, ultimately, `MaxiDed`, would have been impossible with this kind of data.

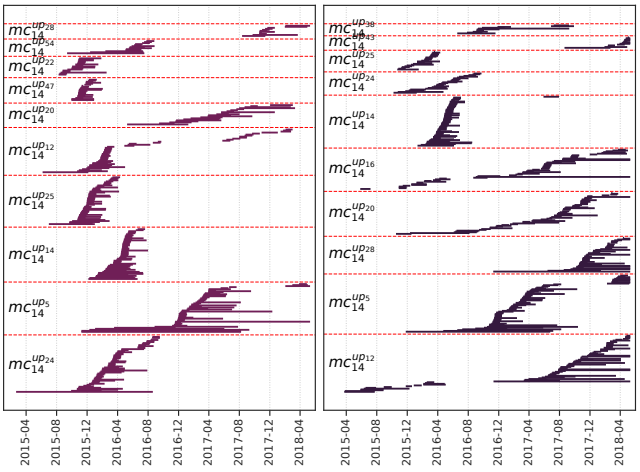


Figure 7: 10 most misused upstream providers via which mc_{14} provisioned BP servers of risk group G_4 (allowing "scanning" - left) and G_5 ("spoofing' - right'), plotted against server lifespans at each provider. Each colored line represents the lifespan of one server.

We next examined the distribution of each merchants' sold BP servers and server life spans across their corresponding upstream providers longitudinally. We visualize some of the results for mc_{14}, who was specialized in selling higher risk BP servers. Figure 7 plots the lifespan of mc_{14}'s sold BP servers that allowed "scanning" (left) and "spoofing" (right) for its 10 most misused upstream providers.

Figure 7 demonstrates that the merchant's BP customer servers were spatially as well as temporally spread across multiple upstream providers. It also shows that at no point in time, was there a shortage in the supply of servers even for the higher risk server packages. We observe no timeline gap during which servers of a particular group were not provisioned and active. We clearly observe a supply chain that was diversified, yet proportionally concentrated on a limited set of upstream providers. This approach of the merchant seems to be driven by a combination of efficiency in working with a limited set of upstreams and the flexibility of migrating from one upstream to the next, once the cost of working with that provider went up, perhaps because of mounting abuse complaints.

7.4 Payment Instruments

Next, we analyze the various payment instruments to identify potential chokepoints. From analyzing the source code of the webshop and the transactions in the database, we know that MaxiDed accepted payments via 23 different instruments. Three of these were actually never used by customers: Bitcoin Gold, Electroneum and Kubera Coin. Eight payment options were provided for a limited time and then discontinued by MaxiDed. At the moment of its takedown, 12 payment options were available. Some of these instruments, e.g., Paypal, were later restricted to specific groups of customers. Payments through Yandex Money were generally restricted to clients from Russia.

Figure 8 reconstructs transaction volumes over time for 20 payment instruments based on timestamps of financial transactions in the data. It plots a logscale of the number of transactions in each month. The Y-axes are the same for all instruments. First, we see that WebMoney has been a consistent and reliable payment provider for MaxiDed, basically from the start. Other instruments from that period proved more problematic. For example, Paypal became much more difficult to use in the course of 2015 and was abandoned completely in early 2018. We can see the operators deploying new ones and also abandoning some of them again. This process seems to suggest responding to potential or manifest disruptions via payment providers. Consistent with this interpretation is the increase in options to pay with cryptocurrencies. We first see a major shift to bitcoin at the end of 2013. Then, around the end of 2017, MaxiDed added 8 new cryptocurrencies. A preference to move to cryptocurrencies was also observed in backend data, where MaxiDed's operators maintained an explicit preference order for the different payment methods.

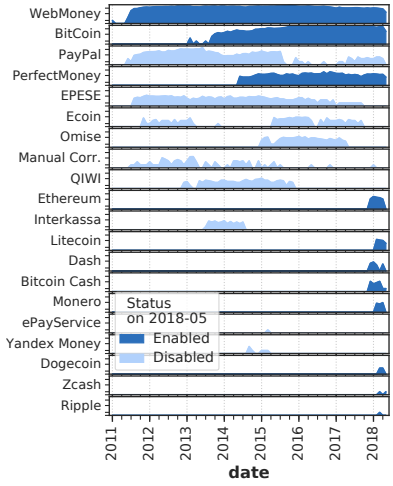


Figure 8: Payment instrument monthly transaction volume

Figure 9 plots the cumulative generated revenue for the top 5 most popular payment instruments. While WebMoney had brought in the most revenue, the total amount of bitcoin payments was growing rapidly and poised to overtake the leading position, until the takedown happened.

All in all, MaxiDed's revenue was generated through a small set of payment methods. The bulk of their customers used only one payment method. Disruption of MaxiDed's payment flow via WebMoney would have been a viable chokepoint in earlier phases. The self-imposed limits on using Paypal probably reflect the fact that those payments were vulnerable to countermeasures by Paypal. The shift towards cryptocurrency payments demonstrates that MaxiDed recognized this dependency, as well as illustrates how it was attempting to remediate it. It is clear that this shift makes disruption more difficult, though it is hard to gauge how resilient the bitcoin payment option actually was. This would require a study of the blockchain and the role of currency exchanges, which is out of scope for this study. That being said, the proliferation of cryptocurrency options might counteract the vulnerabilities associated with each specific instrument.

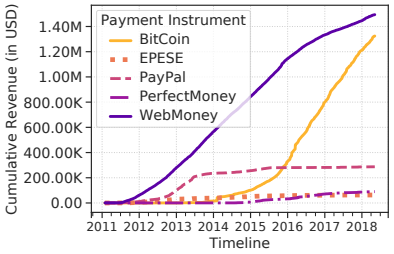
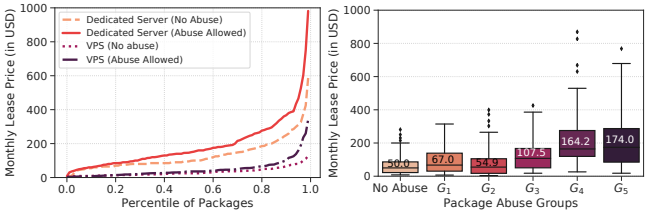


Figure 9: Revenue

7.5 Package Pricing

BPH businesses are typically understood as charging customers high markup prices for allowing illicit activities and offering protection against takedowns. There is anecdotal evidence (e.g., [2, 5]) that suggests prices are well above those for bonafide services. Our data, however, questions this widely-held understanding.

We first distinguished VPS packages from physical dedicated servers. In each category, we then compared the distribution of the monthly lease price of packages that allowed abuse versus those that did not. The results are plotted in Figure 10a. We observe that indeed abuse-enabling servers cost more, but the difference are modest across most of the distribution. For dedicated servers, the median price was 95.00 USD for non-BP packages and 146.00 USD for BP packages. For virtual servers, the median prices were 25.00 USD versus 35.00 USD. These numbers suggest that customers payed a median markup ranging from 40% to 54% for being allowed to abuse. This includes both the fee of MaxiDed as well as the margin of the merchant. The rest goes to the upstream provider.



(a) Price per package type **(b)** Price per risk group

Figure 10: Package pricing (See Table 3 for risk group labels).

We also compared package prices based on associated risk

groups of their packages. Figure 10b illustrates the results with median group prices indicated in the plot. Here, we observe larger prices differences. The median price of the highest risk packages are 3.5 times higher than those for the non-abuse packages.

The limited markup seen in the lower risk packages might reflect the fact that the platform has an oversupply of BP packages. Many packages never got sold. The platform also sets up the merchants to compete with each other. All of this might push prices down, towards the cost of the upstream package. Relatively low markup might also reflect less cost on the side of the merchant and marketplace because of takedown. Low prices may also be the result of MaxiDed's business model which pushes takedown risks to customers by requiring prepayment.

8 Customers

Law enforcement takedowns of online anonymous markets (a.k.a., dark markets) have targeted the platforms, the supply chains, but also the customers on these platforms, in an attempt to disrupt the demand side. The most ambitious operation was the coordinated Alphabay-Hansa market action, which de-anonymized many merchants and buyers [23]. As of yet, it is unclear if these actions will have any impact on the demand for these services. Nevertheless, we will take a closer look at the population of MaxiDed customers to understand how demand has evolved over time and whether it offers starting points for disruption.

MaxiDed's registration data shows that 308,396 unique users signed up to its platform. Figure 11 plots the cumulative number of registered, active and paying users over time. We find three outlier events, during which a large number of users appear to have been artificially created, that distort the numbers. Only 6,782 of the user population ever purchased server packages. Of these, 4,498 users were active in the sense that they logged into the platform's CRM at least once after having signed up. On average, the platform saw a daily growth of 3 user sign ups, excluding the three outlier events.

Cross referencing the user data, customer orders, and server package data, we find that the majority of the customers were interested in and may have engaged in abusive activities. This is observable in Figure 12 (left) which plots the cumulative number of customers, separating out those that eventually ended up purchasing BP servers. In the earlier stage of MaxiDed 's evolution, they still had a significant number of customers who never bought BP packages. A few years in, they attract an increasing number of users that do buy BP packages. At the time of its disruption, 66% of all customers ever to register had purchased BP packages. The remaining 34% was a mix of bonafide customers and customers who may have undertaken abusive activities on non-BP packages.

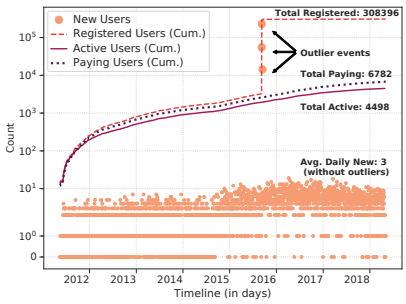


Figure 11: User number over time

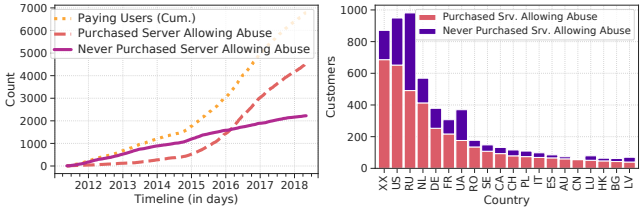


Figure 12: (**left**) Customer types; (**right**) Customer locations (XX = Location not specified)

Customers could specify language preferences in their profile: 5,085 selected English and 1,697 selected Russian. They were also asked to supply location information. Assuming that user-specified locations are correct, a crude assumption, then most users came from 3 countries, namely RU, US and NL (see Figure 12 - right), followed by a long tail of other countries.

9 Use and Abuse

Next, we explore server use and abuse by customers. We examine how customers manage takedown risks transferred to them by MaxiDed and look at the measure of last-resort, namely blacklisting BP servers once they are detected.

9.1 In Demand Abuse Categories

Our data contains timestamps of when servers were provisioned and when they were taken offline. Servers were deactivated when their lease expired or when abuse complaints caused the upstream provider to terminate the lease early. Figure 13 plots the number of active servers across various risk profiles. It shows what customers mostly sought to purchase.

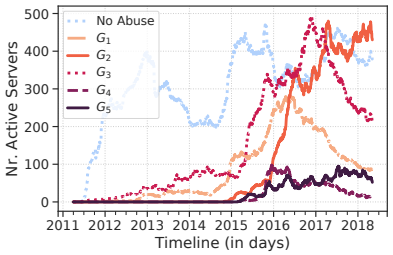


Figure 13: Active servers

After a start as a legitimate provider, BP servers become dominant over time (see Figure 13). Initially, customers were interested in spamming, operating phishing domains (which triggered DMCA complaints), running counterfeit pharma and gambling sites (risk profile G_3). Then we see a steady growth in demand for G_1: file sharing, streaming, adult content, and WAREZ forums. The rapid growth of MaxiDed, starting around the end of 2014, saw a diversification of the abuse and an increase of VPNs and seedboxes for file sharing (G_2),

scanning (G_4), and spoofing (G_5). These shifts reflect a wider trend towards commoditization of cybercrime services, such as the provisioning of DDoS-as-a-Service [1]. At its peak, MaxiDed administered 1,620 active BP and non-BP servers.

9.2 Abusive Server Uptime

MaxiDed and its merchants shifted the risk of takedown to their customers. They required prepayment, offered no reimbursements, and provided minimal resilience support with considerable attached "abuse fees".

Risk Profile	Payment Cycle (days)	Premature Termination (%)	Expired (%)	Extended (%)	Lost Usage (Median # days)	Total (# servers)
No Abuse	91.0	15.69	38.77	45.54	10	4,831
G_1	92.0	18.23	47.39	34.38	23	1,437
G_2	90.0	23.04	52.22	24.74	28	2,834
G_3	61.0	19.59	45.86	34.55	13	3,792
G_4	46.0	15.41	48.39	36.20	3	558
G_5	31.0	19.15	54.73	26.12	6	804

Table 4: Server lifespan statistics

How do customers deal with this risk? In essence: by choosing shorter lease periods for more risky activities. Table 4 lists the median lease periods that customers opt for across various risk groups. The more risky the abuse, i.e., the higher the probability of a takedown, the shorter the lease time. The table also provides statistics on the proportions of BP servers that were prematurely terminated due to abuse complaints, proportions of lease expirations, extensions, in addition to the number of usage days that customers lost from termination of their lease. Customers with the most risky activities manage to mitigate the cost of takedown to a median of 6 lost days.

We also see that at most 23% of the BP servers were prematurely taken down. Most BP server ran uninterrupted for their entire lease period. This speaks to the low rate of blacklisting, questioning the effectiveness of this practices in disincentivizing abuse. An interesting pattern is that customers also abused servers that did not allow abuse. 15% of these servers were also taken down.

Overall 2,656 servers were deactivated prior to the expiry of their lease plan. Another 6,483 active servers were deactivated when they reached their normal expiry term. 5,117 servers remained active beyond their initial lease plan.

9.3 Detected Abusive Resources

We next explore a final chokepoint: blocking the BP servers and abusive content hosted on them once they are discovered.

We triangulated these results by looking directly at several blacklists. We used three years of passive DNS data from Farsight Security's DNSDB to identify domain based resources on MaxiDed's IP addresses: fully qualified domain names (FQDNs) and 2^{nd}-level domains (2LDs). Table 5 lists the quantities of resources associated with MaxiDed from 2016 to 2018. This period corresponds to when MaxiDed had the highest number of active servers. We examined the intersection between these resources and those flagged or blocked by several leading industry abuse feeds. The feeds capture a mix of spam, phishing, malware and botnet C&C abuse. Detailed information on these feeds is provided in Table 5. The quantities of flagged MaxiDed customer resources within each of these abuse feeds are also listed in the table. When no historical feed data was available, we left the cell empty.

While coverage of blacklists is known to be limited, it is quite disappointing to see the small fraction of the abuse that gets picked up by the feeds. This confirms, with ground truth, the observation in prior work that blacklisting is generally ineffective in disrupting abuse.

10 Marketplace Finances

Disruption of BPH is also determined by how profitable the business is. Lower margins mean that the provider is more vulnerable to raised operating costs in the supply chain. In this section, we analyze MaxiDed's revenue, costs and profits. To get a sense of the company as a whole, we include both BP and non-BP services.

(Revenue.) From the 23 different payment instruments employed by MaxiDed, most of its revenue was received via WebMoney payments (1,493,876 USD) followed by direct BitCoin payments (1,324,449 USD, MaxiDed itself logged these in USD). Around 577,118 USD was received through the remaining payment instruments. The total amount of revenue from 2011 up to May 2018, adds up to 3.4*M* USD.

(Operating Costs.) We have no data on personnel cost at MaxiDed. Here, we analyze the outgoing payments to merchants, upstreams and outstanding debts recorded in the database.

i) *Payments to Merchants.* A main component of MaxiDed's cost structure consists of payments to merchants. Merchant payments were exclusively deposited on WebMoney and Epayments wallets. After MaxiDed took their 20% fee, the remaining 80% went to the merchants. Analyzing outgoing MaxiDed payments show 11 of the 14 operating merchants to have received payments, adding up to 1,588,810 USD. Figure 14 illustrates the distribution of payments made to each merchant. The two largest suppliers of server packages, mc_4 and mc_{14}, received the bulk of the earnings. Most of the merchants were completely unsuccessful. The lowest earners, combined, generated less than 190K USD over all years.

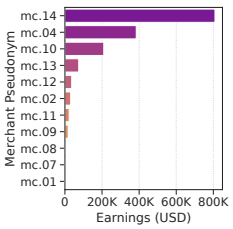


Figure 14: Payments to merchants.

ii) *Payments to Upstreams.* We cannot see the payments of third-party merchants to their upstreams, only the payments where MaxiDed is itself a merchant on the platform (mc_0). Data shows that mc_0 payments to their upstreams add up to 1,526,015 USD, paid via WebMoney

	Hosted resources			Number flagged resource in abuse feed																	
	IPs	FQDN	2LD	PHTK[1]			APWG[2]			SBW[3]			GSB[4]			DBL[5]			CMX[6]		
Year				(IP)	(FQDN)	(2LD)	(IP)	(FQDN)	(2LD)	(IP)	(FQDN)	(2LD)	(IP)	(FQDN)	(2LD)	(IP)	(FQDN)	(2LD)	(IP)	(FQDN)	(2LD)
2016	985	9,902	3,378	2	1	32	29	45	75	12	10	23	.	.	.	.	.	.	85	185	201
2017	906	15,494	3,573	5	2	18	1	4	23	.	.	.	4	63	71	40	644	696	22	20	51
2018	145	416	280	0	0	2	0	0	5	.	.	.	0	0	4	20	23	22	.	.	.

***Sources*:PHTK**: Phishtank[24], **APWG**: Anti-Phishing Working Group[25], **SBW**: StopBadware[26], **GSB**: Google Safe Browsing[26], **DBL**: Spamhaus[27], **CMX**: Clean-MX[28].
Notes: (1) Phishing; (2) Phishing; (3, 4) Malware drive-by; (5) SPAM, Malware, Phishing, botnet C&C; (6) Malware and Phishing.

Table 5: Statistics on flagged or blocked MaxiDed customer resources

and PayPal. Note that 99% of these payments were not for BP servers, as those were almost exclusively provided by the third-party merchants.

iii) *Debtors.* The final component of MaxiDed's costs structure is that of outstanding debts due from its customers. The operators have vigilantly banned customers with outstanding debts. One customer was the exception to this rule. Actually, this was not a real customer, but a customer account through which MaxiDed operators themselves purchased servers from merchants on their platform. These were used to host DepFile, their large file-sharing platform side-business. This customer entity accumulated debts amounting to 399,123 USD.

(Profits.) Table 6 details MaxiDed's yearly finances, alongside finances of their side business DepFile. Despite the common understanding of BPH services being lucrative, we clearly observe MaxiDed's earnings to be modest and declining. In total, over seven years, MaxiDed made just over 280K USD in profit. If we take out the debt incurred for the DepFile side-business ($399,123 + 280,618$), then the profit would have been 679,741 USD. This is still an underwhelming figure for 7 years of operating a BPH platform. Recall that the cost of personnel, office space, and equipment also has to be taken from this amount. These combined costs would have to be substantially lower than 100K USD per year to leave even a tiny profit on the balance sheet.

	MaxiDed			DepFile			
Year	Revenue	Costs	Prof_{mx}	Revenue	Costs	Prof_{dp}	(Σ Prof.$_i$)
2011	79,987	1,312	78,675	.	.	.	78,675
2012	345,213	72,418	272,794	.	.	.	272,794
2013	458,028	17,9761	278,266	334,540	248,307	86,233	364,499
2014	419,739	328,757	90,981	1,646,568	712,442	934,125	1,025,106
2015	615,046	570,895	44,150	2,205,687	1,396,820	808,867	853,017
2016	733,151	726,040	7,111	3,153,553	2,188,634	964,919	972,030
2017	566,471	872,520	-306,048	3,998,244	2,841,322	1,156,922	850,874
2018	177,806	363,118	-185,312	1,547,078	1,129,586	417,492	232,180
Total	3,395,444	3,114,825	**280,618**	12,885,673	8,517,113	**4,368,560**	**4,649,178**

Note: (*mx*: MaxiDed) (*dp*: DepFile)

Table 6: Yearly finances

The side-business DepFile, on the other hand, generated much better margins. We could even speculate that MaxiDed was more valuable to its owners as a way to acquire cheap and risk-free server infrastructure than as its own profit model.

11 Related Work

(Underground Ecosystems.) Several ecosystems and marketplaces of a malicious nature have been studied in the literature via captured datasets. Stone-Gross et al. analyzed credential stealing malware [29] and spam botnets [14] by taking over part of the botnet infrastructure to understand their inner workings. Wang et al. studied SEO campaigns to sell counterfeit luxury goods and the effectiveness of various interventions to combat such activities [30]. Alrwais et al.[34] investigate illicit activities in the domain parking industry by interacting with the services to collect ground truth data. Christin [31] analyzed the Silk Road marketplace by running daily crawls of its webservices for 6 months to understand merchants, customers, and what was being sold. A followup study by Soska and Christin [32] examined 16 anonymous market places also by periodically crawling their webservices and found that marketplace takedowns may be less effective than pursuing key merchants that may migrate to others. Another followup study by Wegberg et al. [33] augments previous studies by examining evidence for commoditization of entire cybercrime value-chains in underground marketplaces and finds that only niche value-chain components are on offer.

Datasets on the underground can also be leaked by criminal competitors. McCoy et al. used leaked databases of three affiliate programs to study pharmaceutical affiliate programs [15]. More recently, Brunt et al.[35] analyzed data from a DDoS-for-hire service and found that disrupting their regulated payment channel reduced their profitability but that they were still profitable by switching to unregulated cryptocurrency payments. Hao et al. [16] analyzed a combination of leaked and legally seized data to understand the ecosystem for monetizing stolen credit cards. Our dataset resulted from the aftermath of the legal takedown of the BPH provider MaxiDed. To the best of our knowledge, there has been no prior academic work on BPH using such ground-truth data. Our study uniquely provides a comprehensive picture of the supply, demand and finances of the entire BPH operation.

(Bulletproof hosting.) Earlier efforts on detecting BPH have relied heavily on identifying autonomous systems. Fire [9] was one of the first systems for detecting BP ASes by temporally and spatially aggregating information from multiple blacklists in order to detect elevated concentrations of persistent abuse within an AS's IP blocks. Shue et al. [36] noted that BP ASes often fast-flux their BGP routing information to evade detection. ASwatch [11] leveraged fast-fluxing

BGP routing as strong indicator of a BP AS to build a classifier and detect BP ASes before they appear on blacklists. Others have developed security metrics to compare concentrations of abuse on various hosting networks and to identify negligent providers that may be suspected of operating BPH services [37, 38], while Tajalizadehkhoob et al. developed techniques to analyze abuse concentration on the hosting market as a whole by identifying providers from their WHOIS information rather than BGP data [39]. BPH however, has evolved over time. Alrwais, et al.[5] studied a recent approach of BPH abusing legitimate hosting providers through reseller packages to provide a more agile BP infrastructure. Our work complements this work by providing a unique perspective into to the the ecosystem of BPH. Based on our analysis, we can better reason about which mitigation techniques might be effective and which are likely ineffective for undermining modern agile BPH marketplaces.

12 Limitations and Future Work

In comparison to other underground marketplaces studied previously (cf. [32, 33]), MaxiDed may be seen as a specialized marketplace for provisioning BP servers. While comparisons with other underground markets may be drawn, direct comparisons are difficult due to differences in how MaxiDed's marketplace operated. For example its customers were not aware that merchants were involved in supplying the marketplace with resources. This also explains why in comparison no reputation mechanisms were in place for customers to differentiate packages based on their quality (or differentiate good/bad merchants).

Despite such differences, we do still observe patterns similar to what other studies of criminal endeavors have reported. For example, we have observed a concentrated supply pattern around a handful of merchants in MaxiDed's case, which is a similar to what other studies of underground market places have observed ([32, 33]). We have also observed demand to gravitate towards the resources supplied by successful merchants. The number of successful merchants being limited, also agrees with studies of other criminal operations, e.g. in studying spam botmasters and their operations [14].

Given that this study has focused on an in-depth analysis of the anatomy and economics of MaxiDed, future work may draw more systematic comparisons to better understand the implications of what we has been reported here. Furthermore, MaxiDed's prominence within the ecosystem has also not been systematically explored in our study, albeit the limited comparisons with other BPH providers in addition to anecdotal evidence [4, 13] suggest that MaxiDed may be reasonably considered as a major provider within the ecosystem. Nevertheless, some of our findings, particularly those relating to the economics and profitability of BPH services may require further research to better understand the BPH ecosystem as a whole.

13 Discussion and Implications

(Discussion.) We found MaxiDed to have developed a new agile model in response to detection and disruption strategies. Its operations had matured to the point of a new innovation, namely operating a marketplace-like platform for selling BPH services. This model transfers the risks of acquiring the BP server infrastructure from upstream providers to merchants. MaxiDed 's main role was to take on the risks of acquiring customers, communicating with them and processing their payments. The 14 merchants on the platform (over)-supplied the market with more than 50K different server packages, many of which expired without being purchased. They abused a total of set 394 different upstream providers, thus allowing merchants to spread out and rotate abuse across many different legitimate networks.

We see some concentration in this supply chain, with 15 upstreams providing infrastructure for over 50% of the BP servers sold. Most of these upstream resources are not shown to be delegated in WHOIS, drastically curtailing the effectiveness of the most recent detection approaches. Another point of concentration is in the merchant pool: two merchants offered 89% of all BP servers and made 94% of the BP packages sales. Most other MaxiDed merchants failed to generate any meaningful sales. The platform deployed 23 different instruments to transact with customers over various periods. Revenue was initially largely processed by one payment settlement system: WebMoney. We also saw an increased volume of BitCoin payments and the adoption of other cryptocurrencies in response to disruptions in other instruments, such as PayPal. A lack of product differentiation on the market is likely to have created a fierce price competition across the merchants which in turn has led a great proportion of merchants to fail. This competition also decreases the profits of not only the merchants, but also of MaxiDed itself. Its profits, over seven years, amounted to a mere 280K USD (or 680K USD if we ignore cross subsidies to their other business, DepFile). The actual profits are even lower, as this amount also has to cover the cost of personnel, office space and equipment, on which we had no data.

(Implications.) Bullet-proof hosting (BPH) companies remain a difficult problem as their operators adapt to evade detection and disruption. Prior work in this area has largely relied on external measurements and generally lacks ground-truth data on the internal operations of such providers. Recent detection techniques rely on certain assumptions, namely that agile BPH operates under reseller relationships, and that upstream providers accurately reflect such relationships in their WHOIS information. We found MaxiDed to deviate from both assumptions, thus rendering detection less effective.

Prior BPH instances were mainly disrupted by pressuring upstream providers to sever ties with downstream BPH providers. Given the number of available substitute upstream providers of MaxiDed, this is unlikely to be an effective choke-

point. Drawing parallels with other underground markets suggest that, other than taking down the platform itself, disruption may also be achieved by pressuring other chokepoints: merchants, revenue and demand. MaxiDed's dominant merchants would have been a viable chokepoint, yet, identifying them most likely required internal operational knowledge as their existence and identities were not externally visible. As for disrupting payment channels, the transition to mostly unregulated cryptocurrencies payments suggest that this is no longer a straightforward option. Surprisingly, MaxiDed's low profits indicate that an increase in transaction or operating costs may be viable a pressure point to disrupt revenue and demand. Future work could explore how to raise these costs. Being aware of the threat of criminal prosecution might, ironically, be one way.

The final remaining pressure point would be to take down the platform. Such takedowns however are hard to replicate, let alone scale. That being said, MaxiDed explicitly marketed bullet proof services on the clear web. Even in cases when criminal prosecution itself is not feasible, if the threat can be made plausible, it might force the company to operate within higher op sec requirements, raising the cost of doing business. This suggests that what appears the more difficult strategy might actually be the best option in light of the supply chain becoming even more agile and evasive. Our hope is that by further studying and understanding of these emerging agile BPH services we can inform new and potentially more effective directions for mitigating this threat. To orient future work in this area, researchers might be better off deprecating the increasingly misleading metaphor of "bullet-proof" hosting in favor of a term like "agile abuse enablers".

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14 Appendices

A - Customer Preference Elicitation

Figure 15: Chat excerpt illustrating customer preference elicitation.

Figure 15 illustrates an excerpt of a live chat (edited for readability) conducted by one of the authors with MaxiDed

operators prior to its takedown. It shows the process of preference elicitation by MaxiDed operators.

The conversation was conducted using the live-chat functionality on their webshop. It demonstrates that MaxiDed operators may have also allowed other forms of abuse which they did not publicly mention on their webshop along side the various BP server packages that the platform advertised.

B - Geographical distribution of Customer Servers

In analyzing MaxiDed's platform, we also examined where its customer servers were located. We used Maxmind's commercial historical geo-location data for this purpose. This data is available on a weekly basis. For each customer server we first found the closest matching Maxmind IP geolocation database with the timespan during which the server was active. We then determined were each server was located based on its IP address and Maxmind's datasets. Figure 16 plots the top-20 locations for MaxiDed's customer servers. We found that the majority of the BP servers geolocated to Moldova followed by Russia, the US, Ukraine, the Netherlands and a long tail of other countries. Figure 16 also displays the number of non-BP servers in each of these top-20 locations. We observed that the Netherlands in particular hosted a substantial number of the non-BP servers.

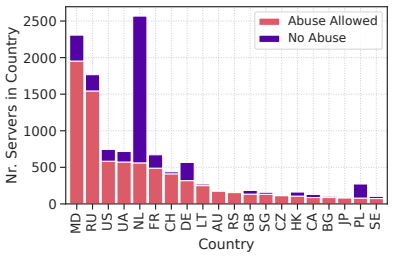

Figure 16: Top-20 locations for MaxiDed customer servers