

**“I have recently put him in a corner. He is starting to realise that we are in charge.”** Ray Adams wanting Gilles Kaehlin to rein in Saggiori

**“What problem? Whoever hacked Canal Plus and SEDKA [sic] may have a problem. ‘We’ don’t have a problem.”** John Norris

# to change his tune



**‘We named Jan [Saggiori, pictured left], only to accommodate your efforts to make his life difficult.’**

John Norris, Operational Security

claiming from the piracy of its cards?

In this tortuous story, Tarnovsky (by this time a full-time employee), had played a significant role. Also, News would have to sue Plamen and Donev as well, before they could add Saggiori to the lawsuit.

However, by this time, Plamen and Vesco were working for NDS under contract as consultants. Adams and Norris needed to explain to them the lawsuit against them was a ruse, and to guarantee there was no intention to enforce any claim against them.

“Now we can start to put the rest of the plan into operation,” Adams wrote to Norris on January 7, 2000 after receiving a draft of the lawsuit. “Now with the suit I will be able to get the Bolgers involved.”

Norris wrote to Wilsdon, who was handling the case for NDS: “The Bulgars actually are not going to be defendants (they are now our consultants).”

Wilsdon wrote back about serving the lawsuit on Plamen and Vesco, “but, as you point out, we are not going to proceed against them any way so we need not worry about the procedural requirements”.

In mid-February, Plamen wrote to the Canadians who had told him of the lawsuit, “I am surprised and pissed off! The silly matherf—ers[sic] . . . By the way, what is the place of Jan there? He has nothing to do with it!”

But by March 11, Norris could write to Wilsdon, “Ray Adams has the two Bulgars fully on board re the HH suit (that names the Bulgars and Jan S). I met with the Bulgars in the UK this week and Ray. The bottom line is, I am 100 per cent confident in their cooperation and support of our objectives.”

Adams emailed a lawyer with the Bulgarian anti-piracy group BulAKT, Velislava Dimitrova, saying Plamen and Veco were “as part of an ongoing operation I need to officially serve papers on both of them denouncing them in a civil case in the USA”. Could she help?

“They have some papers with them. You need to take the papers from them and then hand them back as a formal service,” Adams wrote.

Saggiori was served with the lawsuit on April 4. By June 7, Adams was pressuring Gilles Kaehlin at Canal Plus to rein in Saggiori because of the lawsuit. “Jan is still playing silly buggers. He calls us the ‘enemy’. Yet I have recently put him in a corner. He is starting to realise that we are in charge.”

The following day Norris exuberantly reported that the Canadian pirates were negotiating a settlement, and asked what should be done about Saggiori. They had previously discussed ways to target Saggiori’s parents: “Just to recap, we included Jan in the lawsuit in hopes it would give you leverage to impact Jan’s relationship with Nagra and/or

## EUROPEAN HACKERS

**Oliver Kömmerling**  
German master hacker hired by NDS, later Canal Plus  
NDS codename Alex



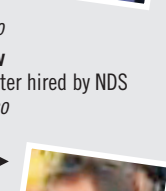
**Chris Tarnovsky**  
US serviceman in Germany turned NDS agent in US  
NDS codename Mike, George or Biggun



**Jan Saggiori**  
Swiss hacker, blows whistle on NDS  
NDS codename Hannibal



**Plamen Donev**  
Bulgarian hacker, later hired by NDS  
NDS codename Pluto

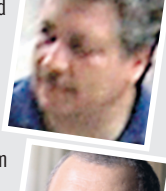


**Vesselin Nedeltchev**  
Bulgarian hacker, later hired by NDS  
NDS codename Vesco

**Boris Floricic**  
German hacker who worked with Kommerling, dies in park  
Online name Tron



**Rolf Deubel**  
South African hacker, hacks Foxtel 1999, lured to and arrested in Bangkok in NDS sting  
Online name MadMax



**Lee Gibling**  
Founder of Thoi.com (The House of Ill Compute), world’s biggest piracy site in UK, which becomes a front for NDS to trap hackers — sets up MadMax sting



**David Cottle**  
Sydney based satellite dish installer  
Online name Bond 007.  
Gutman describes him as the “master-organizer, who has managed quite an infrastructure in OZ.”



slandorous comments he apparently has made towards NDS, you, Mike, Alex, et al.

“We (NDS-US and DIRECTV) have no case against Jan although the lawsuit certainly impacted him somewhat. I think the biggest impact was the concerns his family has on their good name.

“When and if you can use the lawsuit to your advantage do so as you see fit.”

On July 14 Norris wrote again that Plamen and Vesco “should be reassured they are NOT part of the suit even though named”.

“RE Jan S. We named Jan only to accommodate your efforts to make his life difficult and to give you leverage. If you want us to proceed, we can go through the expense I believe that will require him to spend \$\$\$ on a lawyer (or to ignore us in which case we will get a judgement against Jan in US Federal Court that is enforceable in Switzerland).”

On October 16, Adams wrote to Norris, “It is all window dressing to continue with the action we have taken against him so far. As you know Canal + have asked for my assistance in having the action in the USA stopped against S..... I told them that this would probably involve S..... signing a document stating that he would not harm NDS in the future . . . I am afraid that without some sort of document it will look as if he has won.”

Adams continued to pressure Saggiori to sign an undertaking. Despite Norris having said there was “no case”, on November 18, Adams wrote to Saggiori: “We have just over a week. The US lawyers are withdrawing the case against those who have signed the same agreement as I sent you . . .

“Bear in mind that many others that have signed have also paid millions of dollars in compensation - you will not pay anything. We could be faced with the position where you are the only one left and the rest of them give evidence against you. Please hurry.”

By March 20, 2001, with the case about to be wrapped up, Adams wrote to Norris and Wilsdon: “The plan against Saggiori worked out well. Now that our operation is over we must now avoid any embarrassment or problem to ourselves in settling the case.

“I suppose the bottom line is that we are now obliged to settle on whatever terms we can muster.”

Despite this, Adams wrote to Saggiori the same day pressing him to sign the enforceable undertaking: “I intervened on your behalf because Giles asked me to help you and to stop the case. At the same time I asked for nothing in return.”

Faced with the unlimited legal resources of one of the world’s largest media companies, Saggiori signed an undertaking not to reverse engineer NDS products while denying the allegations in the lawsuit.

Saggiori, through his lawyer, Lee Brunner of Montana law firm Poore, Roth & Robinson, PC, declined to comment.

Saggiori rebuffed subsequent attempts by Adams to befriend him. After inquiring after the health of Saggiori’s parents in October 2001, Adams wrote to him: “All I have ever said about you is the truth. Above all I stopped a prosecution case against you. Now you hint that you will be in one against NDS.”

Saggiori finally testified against NDS in the case brought by EchoStar in 2008, providing an encrypted email sent to him by Chris Tarnovsky in March 1999, which contained part of the source code for the Nagra smartcard used to secure EchoStar programming — a document that the NDS independent expert did not challenge.

Tarnovsky said he would not have used the high level PGP encryption in the email as this would have been illegal in the US.

In cross-examination, the NDS lawyer took Saggiori through the undertaking he had signed, clause by clause, not to pirate NDS cards and suggested other payments to him represented money laundering.

The agreement to settle the Montana case against Saggiori, which was not produced, was signed by Genie Gavenchak in April 2000.

■ nchenoweth@afr.com

## SEP 2002

Echostar, Astro (Malaysia), Sogecable (Spain) join Canal Plus lawsuit with their own separate claims. DirecTV reopens lawsuit against NDS. US District Attorney appoints grand jury to investigate NDS

## OCT 2002

General Motors ends negotiations for sale of DirecTV to News, instead announces sale of DirecTV to Echostar

## 2003

Canal Plus lawsuit closes; Echostar forced to launch new legal action against NDS but is beyond statute of limitations on most claims. Echostar acquisition of DirecTV is blocked

Piracy costing Foxtel and Austar \$50m a year, forcing move to new card. Foxtel switches fully to NDS, Austar chooses new Irdeto card



## 2004

News buys DirecTV. Plans to replace NDS are cancelled. Lawsuit against NDS is dropped. US grand jury investigation with new DA clears NDS

## FEB 2008

Italian police charge Europe’s leading anti-piracy expert, Davide Rossi, with using his position “in the exclusive interest of NDS” to support and protect a hacker on



the NDS payroll who was pirating Canal Plus cards in 2003

News buys into Germany’s Premiere after wave of piracy, Renamed Sky Deutschland. Changes to NDS

## MAY 2008

Echostar wins three of seven claims against NDS but awarded nominal damages of \$1546. Ordered to pay about \$19m in costs. Sogecable drops its separate lawsuit

## JUN 2008

News and private equity fund Permira take NDS private, News stake cut to 49%, valuing NDS at \$3.7bn

## MAY 2011

Piracy trial of Rossi and 25 other defendants begins in Sicily Mafia court. The case is ongoing

## MAR 2012

News cements control of Australian pay TV as Foxtel moves to complete takeover of Austar, which is expected to move to NDS

March 15, 2012, News and Permira sell NDS to Cisco for \$5bn.

