

VERIZON TO ACQUIRE MCI

Despite a valiant effort by Qwest Communications, MCI accepted Verizon Communication's final offer of \$26 per share, or \$8.54 billion. This amount is \$1.8 billion more than the \$6.75 billion Verizon initially offered, but less than the \$30 per share offer from Qwest.



The combination of Verizon Communications and MCI "will decisively benefit the public interest" both companies told the FCC in their written response to comments filed by industry competitors and other interests. Verizon and MCI's joint FCC filing says the combination will benefit the public by "creating a strong competitor for enterprise customers nationwide, enhancing investment in the nation's critical infrastructure and establishing the nation's most advanced broadband platform, capable of delivering next-generation multimedia services in markets across the country".

In a letter from MCI CEO Michael Capellas and Verizon CEO Ivan Seidenberg to its customers, they state that "Verizon's extensive local wireline network resources and best-in-class national wireline network combined with MCI's global network, world-class Enterprise capabilities and Internet backbone promise to accelerate the delivery of next-generation services while expanding our portfolio to better serve all of our customers' needs."

It went on to state that "after the merger, the company will be financially strong and will continue its commitment to meet large business and government customers' requirements for reliability and innovation at a fair price. Verizon/MCI plans to invest in our combined infrastructure and in new products and services to better address your mission-critical communications requirements."

It concluded by saying "On behalf of Verizon and MCI, we assure you that our long term commitment to you remains steadfast. We look forward to meeting your needs, to creating services of value for you, and to earning your continued business and confidence."

CNS NOW OFFERING T-1 LOCAL SERVICES

CNS has entered into an Agreement with Paetec Communications to offer its integrated T-1 communications services, including local and long distance voice and Internet services. CNS has installed many local voice and Internet T-1 circuits this year and we have been 100% satisfied with the quality of services, the timeliness of the installations and the quality of the technical support and customer service representatives.

At this time, CNS is offering T-1 based services in New York, New Jersey and Florida, with plans to expand into additional states. Paetec was founded in 1998, is headquartered in Fairport, NY and is currently providing services in (12) states.

If you are interested in hearing more about how these services can benefit your organization, please contact your CNS Account Manager or Jeff Thomas at (800) 809-0663 Ext. 507.

PAETEC RECEIVES CUSTOMER VALUE AWARD

On July 20th, Paetec Communications announced that it had been selected as the recipient of the Frost & Sullivan Customer Value Enhancement Award within the Business Telecom Services Industry. The award is presented by their growth consultants each year to the company that has best demonstrated the ability to expand its customer base, while maintaining its existing installed base, with more innovative value creation and enhancement strategies than competing vendors.

"Receiving this award reaffirms Paetec's mission to be the most customer-focused communications provider in every market we serve," said Arunas Chesonis, President and CEO of Paetec. "External validation from such a respected name as Frost & Sullivan is a powerful message to our customers that we continually work to make their Paetec experience a positive one."



CNS NOW OFFERING QWEST PRIVATE LINES

Custom Network Solutions has entered into an Agreement with Qwest Communications Corp. to resell their private line and Internet Access



services. Qwest has one of the largest, most technically advanced voice and data networks in the world. Qwest's state of the art IP network has been transferring voice, video and data across the globe for many years for businesses of all sizes. The

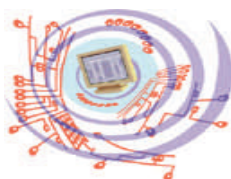
Qwest OC-192 IP network backbone is engineered for minimal packet loss and network congestion. MPLS fast re-route is used between every core router in the network ensuring a quicker recovery time over synchronous optical networks (SONET).

Qwest has more than 40 thousand employees, 4.6 million long distance customers, 15.3 million access lines, transmits 240 million calls across it's network daily and has over 155,000 route miles of fiber optic network capacity.

If you are interested in pricing out a private line or Internet access service utilizing the Qwest network, please contact Jeff Thomas at (800) 809-0663, ext. 507 or your CNS Account Manager.

MCI Wins 2005 Innovation Award

On May 4th, MCI announced that MCI Advantage over Private IP Service received the 2005 Innovation Award for Most Influential Technology in the Data Services category from CMP Media LLC's Network magazine. The award winners are chosen by the editors of Network Magazine to recognize those technologies and products that will have the greatest and most immediate impact on their markets.



"Network Magazine's mission is to look beyond the technologies and methodologies that are hot today, concentrating instead on the architectures that will dominate IT a couple of years from now," said Art Whittman, Editor-In -Chief of the magazine. "Given that, the winners of the 2005 Innovation Awards are true innovators that we believe will change the rules of the game. These are innovations that will enable IT organizations to substantially better meet the needs of their business."

MCI to Offer VoIP Services through CNS

On August 3rd, MCI announced that it will offer it's VoIP products and services through Resellers / Wholesalers such as CNS. MCI hadn't planned on releasing this service so soon, but demand was high enough to warrant accelerated development of it's VoIP enablement services.



MCI's VoIP wholesale services include carrier IP termination and SIP gateway service. The carrier IP termination product targets customers who already have purchased media gateway equipment and want to originate and terminate traffic over an IP network. The termination service

is available throughout the United States, while the SIP gateway service reaches approximately 54 percent of U.S. businesses and residential customers.

MCI's Private IP Service is the company's flagship MPLS-based VPN offering and fastest growing service, delivering flexible classes of service, any-to-any IP routing and robust service level agreements to carry converged traffic securely. Addressing the growing demand for VoIP convergence on the network, MCI has integrated it's hosted VoIP solution, MCI Advantage, with Private IP to deliver a single, integrated platform for voice and data.

CNS expects to be offering these services in the 4th quarter of 2005.

EX WORLDCOM EXECS PREPARING FOR PRISON

Federal Prosecutors urged a judge to deny a bid by former WorldCom CEO Bernard Ebbers to stay out of prison while he appeals his conviction for leading an \$11 billion accounting fraud. Ebbers, 63, is due to report to prison in October to begin serving a 25 year sentence for his 9 guilty verdicts, the toughest handed down in the post-Enron wave of corporate scandals. In addition, Ebbers agreed to forfeit almost all of his personal wealth, estimated at as much as \$45 million, in a settlement with WorldCom investors.

Ebbers has asked for permission to stay out of prison while he appeals the conviction, a process that could take more than a year. Prosecutors told the judge that Ebbers has failed to meet the legal standard of raising a “substantial question” of law likely to have the conviction reversed or the sentence drastically reduced.

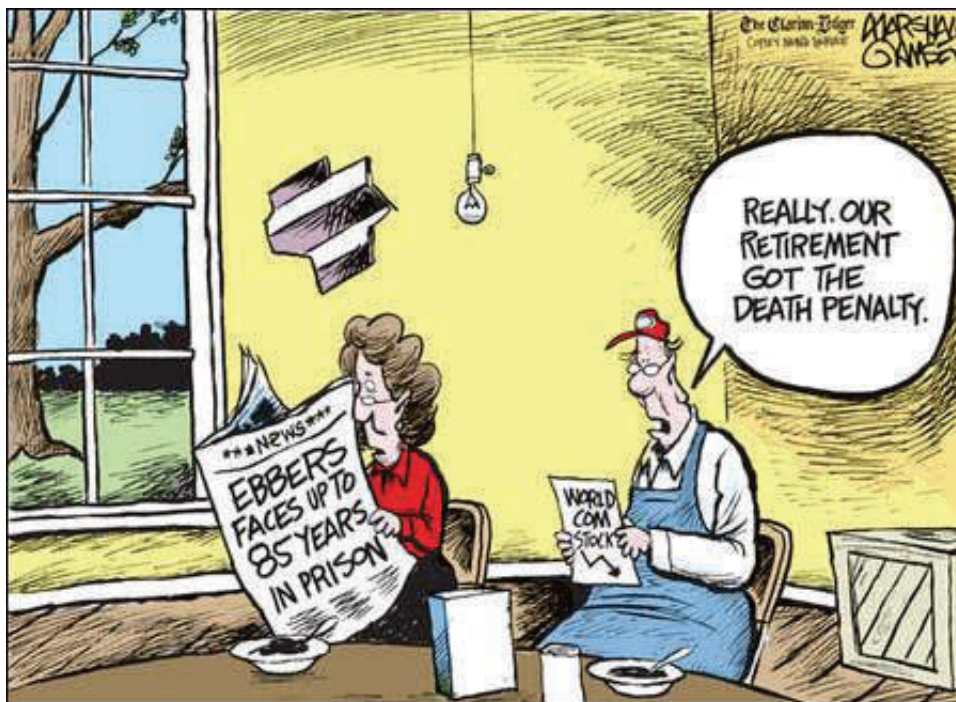
In addition to Ebbers, five other former WorldCom executives who pleaded guilty in the fraud and helped the government prosecute Ebbers have been sentenced for their roles in the scandal. These include Buford Yates, the company’s former Accounting Director, David Myers, the Financial

Comptroller, Scott Sullivan, the Chief Financial officer, Betty Vinson, a former Accounting Assistant and Troy Normand, an Accounting Manager.

Scott Sullivan, who carried out the accounting fraud, but insisted he did it under pressure from his boss, was sentenced to five years in prison by a judge who called him “the architect” of the scheme. Sullivan also agreed to sell his \$11 million mansion in Boca Raton, FL and turn the money over to former WorldCom investors. Under the settlement, he also forfeited his decimated WorldCom retirement account.

David Myers and Buford Yates were each sentenced to a year and a day in prison. Myers for instructing WorldCom’s accounting department to make billions of dollars in adjustments to financial statements, and Yates for acting on his instructions to advise lower level accountants at WorldCom to make the fraudulent adjustments.

Betty Vinson, who admitted making fraudulent entries in WorldCom’s books, was given 5 months in jail, followed by 5 months of conditional house arrest. Troy Normand, who’s role was “simply to verify that changes as demanded by Ebbers and Sullivan were carried out by Vinson”, was given 3 months probation.



Cellular Call Records For Sale

Ever since the inception of telephony, it has always been relatively easy for the unscrupulous to get hold of personal information about individual callers, and the proliferation of the internet and online commerce has made matters worse. At first, crooks and fraudsters were mainly after credit card and social security numbers, but now there's a thriving trade in cellular phone records as well.

Tracking down criminals through their cellular phone usage is a well-established procedure for law enforcement agencies around the world, however, various private investigation organizations now source and sell the cell phone records of private individuals to anyone who wants them.

It matters little that the methods used to get hold of the data are entirely illegal, because the wheels of the American legislative process can grind exceedingly slow. One US company, Locatecell.com offers anyone the monthly history of all outgoing calls from an individual cell phone number for \$110 per 100 call records. Enquirers simply enter online, the name, address and telephone number of the person they want information on, pay the fee and then are sent the information within 3 hours. Many private investigators offer similar services.

While cellular service providers do try to keep this confidential information private, most records are sold to private investigators and others by people who work in carriers' billing centers. In other words, it's mainly an inside job. Joel Winston, the associate director of the US Federal Trade Commission's Financial Practices Division says, "finding someone to bribe on the inside is not that difficult."

Other methods of gaining access to cell phone customer information is 'pretexting' whereby someone impersonates either the account holders or another person entitled to access an account holder's information and gets a carrier's employee to release sensitive data. This method is made very much easier if the 'pretexter' has access to and can quote other personal information such as credit card and social security numbers to help in the deception.

A third and much easier method is to trace data over the Internet. These days, operators routinely encourage subscribers to manage their accounts over the Web and the security surrounding access to such sites can leave a lot to be desired.



Top 10 Winners in the International Pun Contest

1. A vulture boards an airplane, carrying two dead raccoons. The stewardess looks at him and says, "I'm sorry sir, only one Carrion allowed per passenger."
2. Two fish swim into a concrete wall. The one turns to the other and says: "Dam!"
3. Two eskimos sitting in a kayak were chilly, so they lit a fire in the craft. Unsuprisingly it sank, proving once again that you can't have your kayak and heat it too.
4. Two hydrogen atoms meet. One says "I've lost my electron." The other one says, "Are you sure?" The first replies, "Yes, I'm positive."
5. Did you hear about the Buddhist who refused novocain during a root canal? His goal: Transcendental medication.
6. A group of chess enthusiasts checked into a hotel and were standing in the lobby discussing their recent tournament victories. After about an hour, the manager came out of the office and asked them to disperse. "But why?" they asked as they moved off. "Because," he said, "I can't stand chess nuts boasting in an open foyer."
7. A woman has twins and gives them up for adoption. One of them goes to a family in Egypt and is named 'Amhal'. The other goes to a family in Spain and they call him 'Juan'. Years later, Juan sends a picture of himself to his birth mother. Upon receiving the picture, she tells her husband that she wishes she also had a picture of Amhal. Her husband responds, "they're twins! If you've seen Juan, you've seen Ahmal."
8. Friars behind on their belfry payments opened a small florist shop to raise funds. Since everyone liked to buy flowers from the men of God, a rival florist across town thought the competition was unfair. He asked the good fathers to close down, but they would not. So, the rival florist hired Hugh MacTaggart, a thug in town to 'persuade' them to close. Hugh beat up the friars and trashed their store, saying he'd be back if they didn't close up shop. Terrified, they did so, thereby proving that: Only Hugh can prevent florist friars.
9. Mahatma Gandhi, as you know, walked barefoot most of the time, which produced an impressive set of calluses on his feet. He also ate very little, which made him rather frail and with his odd diet, he suffered from bad breath. This made him..... A super calloused fragile mystic hexed by halitosis.
10. And finally, there was a person who sent ten different puns to her friends with the hope that at least one of the puns would make them laugh. No pun in ten did!

VOIP Security, Privacy, Reliability Among Risks

While VoIP is the sexy new communications technology being bandied about, there remain concerns over its security, privacy and reliability as compared to the more conventional telephone networks.

Voice over Internet Protocol, or VoIP, phones break voice signals into small packets that travel the Internet just like e-mail or web pages. But unlike conventional phone calls which are carried over dedicated circuits, data packets can traverse several networks and devices before getting reassembled into sound at the destination. "There are so many moving parts involved and each of those individual devices has to be functioning at a 100% level," said Gerhard Eschelbeck, Chief Technology Officer at security vendor Qualys Inc,

"Just think about how often your home Internet connection goes down as compared with your conventional home telephone / system, which almost never goes down", said Rick Kuhn, a computer scientist at the National Institute of Standards and Technology, which recently published a study warning of such dangers.

In addition, the complexity introduced more points of attack, from the Windows computer that run software for some phones to the routers where traffic gets handed off from one network to another.

Security risks include the following:

Virus-related outage: A virus could bring down a company's network, and with it phone service carried over the network. And without a phone back-up, a user of Internet-based phones might have trouble calling tech support.

Windows vulnerabilities: Some phones run entirely on PCs. Even with standalone phones, some business systems rely on call management software that runs on regular Windows computers and are susceptible to their security vulnerabilities.

Sniffing: Network traffic might pass through sniffers that can capture and reassemble data packets, whether they are for e-mail, instant messages or voice calls. Even if the call is encrypted - and most aren't - it might still be possible to tell who's calling whom and for how long.

Broad wiretaps: New regulations making it easier for law enforcement to tap Internet phone calls will also make computer systems more vulnerable to hackers. Privacy advocates claim that expanding wiretapping laws to cover Internet calls will create additional points of attack and security holes that hackers can exploit. The 1994 Communications Assistance for Law Enforcement Act (CALEA) required the telecommunications industry to build into its products, tools that federal investigators can use to eavesdrop on conversations.

Rogue firmware: Phones typically use proprietary software that gets updated periodically over the Internet. A hacker might be able to trick the phone into obtaining an update from a rogue server instead, and the new software might come with spying or other malicious capabilities.

Hang up: Many systems rely on Internet standards that carry known risks, including the ability to toss a fake 'hang-up' command into the data flow.

Roaming: Several Internet phone providers tout the ability to take service with you when you're on vacation or working from home. Hackers might trick the system into thinking your phone has moved and your calls will then go to them.

A group of VoIP vendors and security researchers recently formed the VoIP Security Alliance to research such issues and develop countermeasures. Many customers see VoIP only in terms of costs and convenience, so the group will try to raise awareness about security, said its Chairman David Endler. "We're in the very early pioneer days," said Eschelbeck. "The first thing industry is trying to do is to make it work." "Security tends to be an afterthought," said Andre Yee, NFR Security Corp.'s Chief Executive. "We believe security managers will be scrambling to catch up."





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Microsoft Wins \$7 Million From E-Mail Spammer

Microsoft Corp. has won a \$7 million settlement from Scott Richter and his company, OptInRealBig.com, a man once billed as one of the world's most prolific spammers. Microsoft announced that it would use these funds to boost efforts to combat spam and other computer misuse.



The deal is the second stemming from joint lawsuits Microsoft and New York State Attorney General Eliot Spitzer filed in December, 2003 after Microsoft set 'spam traps' that netted some 8,000 messages containing 40,000 fraudulent statements. The lawsuit sought as much as \$20 million in fines against members of a sprawling spam ring.

Richter was once ranked as the world's third most prolific spammer, sending an estimated 38 million spam messages a year. Stephen Kline, the assistant attorney general who handled the case, hailed the settlement as "a step in the right direction. Will there be others who step in and take some of the business he was doing? Sure," Kline said. "But no one is stepping in that had quite the volume he did."

If you are interested in ridding your corporate e-mails of spam and / or protecting yourself from Internet viruses, please contact your CNS Account Manager or Jeff Thomas at (800) 809-0663, ext. 507 to discuss the CNS Anti-Spam / Anti-Virus offering.