



There are lots of ads for sites that supposedly generate real Xbox LIVE codes for points and other items for free, apparently one of them was actually real this week. Microsoft suffered a loss of \$1.2 million dollars in Microsoft Points and other redeemable codes before they were able to close the site down. The rumor is that some hackers had figured out a way to create valid working redeemable codes by changing the number values of older used codes.

The site was apparently generating codes every time the page was refreshed, but it finally buckled under the extreme demand. The more hardcore hackers were apparently using a program that was able to generate codes for Microsoft Points, 48-hour Xbox Live Gold Trials, and Halo Reach add-ons, which we believe were Reach Avatar items.

Since this Microsoft have looked into it and they are looking to punish those who participated in obtaining the free codes. Microsoft has now invalidated the codes generated illegitimately and come out with the following statement:

“Codes obtained legitimately by users will not be impacted”. Microsoft found out about the generator within hours but a reported \$1.2 million worth of codes were generated and used. Microsoft has said that the figures are far too high adding “We can’t share specific numbers”.

Microsoft’s full statement:

“We are aware of the situation and have taken steps to invalidate the codes obtained illegitimately. We take safety and security very seriously and require that Xbox LIVE members use the service in compliance with applicable laws and specifically prohibit people from engaging in illegal activity as a part of our Terms of Use and Code of Conduct. Our Policy and Enforcement team is evaluating whether or not certain individuals have violated the Terms of Use for Xbox LIVE and will take the appropriate enforcement on an individual basis. Codes obtained legitimately by users will not be impacted.”

Microsoft loses money on stolen Points

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It has not been revealed yet how Microsoft are going to penalize the users who used the points but bans may be put in place and Microsoft's 'Terms of Use' changed.

Source articles can be found [here](#) and [here](#)

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