



**U.S. Immigration
and Customs
Enforcement**

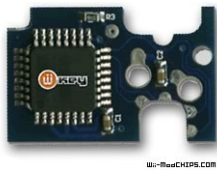
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News Release

ICE partners with industry to launch largest enforcement action of its kind targeting importers and distributors of illegal devices used to circumvent anti-piracy technology in top gaming consoles

32 search warrants executed in nationwide intellectual property rights investigation



WASHINGTON, DC — [U.S. Immigration and Customs Enforcement](#)

(ICE) agents from 22 offices assisted by representatives of the electronic industry today executed 32 federal search warrants in 16 states as part of an investigation into the alleged sale and distribution of illegal modification chips and disc copyright circumvention devices. This investigation represents the

largest national enforcement action of its kind targeting this type of illegal activity.

The search warrants were executed at businesses, storefronts, and residences located in California, Florida, Hawaii, Idaho, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Texas, and Wisconsin at locations associated with subjects who are allegedly involved in the direct importation, installation, sale, and distribution of the devices that are of foreign manufacture and smuggled into the United States.

The modification chips and circumvention devices allow users to play illegally obtained, pirated and/or counterfeit software on video game consoles including Sony's Playstation 2, Microsoft's XBOX and XBOX 360, and Nintendo's Wii. Modification chips and swap discs for gaming consoles violate laws under the [Digital Millennium Copyright Act of 1998 \(DMCA\)](#).

According to the [Entertainment Software Association](#) (ESA), the makers of the gaming consoles, game developers, and others in the industry have incurred billions of dollars in losses worldwide due to sales lost to those selling counterfeit and pirated video games.

Counterfeiting and piracy is estimated to cost the U.S. economy between \$200 billion and \$250 billion annually and results in the loss of up to 750,000 jobs according to the [U.S. Chamber of Commerce](#).

"Illicit devices like the ones targeted today are created with one purpose in mind, subverting copyright protections," said Julie L. Myers, Assistant Secretary of Homeland Security for Immigration and Customs Enforcement. "These crimes cost legitimate businesses billions of dollars annually and facilitate multiple other layers of criminality, such as smuggling, software piracy and money laundering."

As the largest investigative arm of the Department of Homeland Security, ICE plays a leading role in targeting criminal organizations responsible for producing, smuggling and distributing counterfeit

products. ICE investigations focus on keeping counterfeit and pirated products off U.S. streets, and on dismantling the criminal organizations behind this illegal activity.

In fiscal year 2006, U.S. Customs and Border Protection (CBP) and ICE marked an 83 percent increase in the number of intellectual property rights (IPR) seizures, including 14,675 seizures of counterfeit goods worth more than \$155 million, a 67 percent increase from the year before. ICE investigations resulted in 219 arrests, 134 indictments and 170 convictions in intellectual property rights violations.

Between fiscal years 2002 and 2006, ICE agents arrested more than 700 individuals for IPR violations and dismantled several large scale criminal organizations that distributed counterfeit merchandise to nations around the globe. At the same time, ICE investigations into these networks resulted in 449 criminal indictments and 425 convictions. Together, ICE and CBP seized more than \$750 million worth of counterfeit goods from fiscal year 1998 through fiscal year 2006.

This enforcement action is the result of a year long investigation conducted by the ICE Office of the Assistant Special Agent in Charge, Cleveland, Ohio.

The names of those targeted, addresses and case specifics are not releasable at this time.

The investigation is being coordinated with the U.S. Attorney's Office for the Northern District of Ohio in Cleveland and assisted by the Department of Justice Computer Crimes and Intellectual Property Section (CCIPS). In addition, ICE has received valuable technical assistance during this investigation from ESA and other industry members.

ICE

U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of five integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.