

**Recording Industry Association of America  
Nationwide Anti-Piracy Enforcement Bulletin**

A Monthly Newsletter – Informing, Communicating, and Educating – February 2006



**The Recording Industry Association of America (RIAA)** is the trade group that represents the U.S. recording industry. Its mission is to foster a business and legal climate that supports and promotes our members' creative and financial vitality. Its members are the record companies that comprise the most vibrant national music industry in the world. RIAA members create, manufacture and/or distribute approximately 90% of all legitimate sound recordings produced and sold in the United States.

The Anti-Piracy Department of the RIAA investigates the illegal production and distribution of sound recordings, which costs the music industry hundreds of millions of dollars a year domestically.

Consumers, retailers, and replicators can report suspected music piracy to the RIAA by calling a toll-free 24/7 live operator. Calls can be taken in English or Spanish at 1-800-BAD-BEAT..

**REPORT MUSIC PIRACY**

When reporting incidents of music piracy, please include the following information whenever possible:

- The location with street address and/or name of business
- Day and time the illegal recordings are being sold
- The genre and the amount of illegal recordings available
- The price of each item

**WHAT IS SOUND RECORDING PIRACY?**

"Piracy" generally refers to the illegal duplication and distribution of sound recordings. There are four specific categories of music piracy:

**Counterfeit Recordings** are unauthorized recordings of the prerecorded sound as well as the unauthorized duplication of original artwork, label, trademark and packaging.

**Pirate Recordings** are the unauthorized duplication of only the sound of legitimate recordings, as opposed to all the packaging, i.e. the original art, label, title, sequencing, combination of titles etc. This includes mixed tapes and compilation CDs featuring one or more artists. They are sometimes referred to as DJ or dance mixes.

**Bootleg Recordings** (underground recordings) are the unauthorized recordings of live concerts, or musical broadcasts on radio or television. They are sometimes referred to as imports.

**Online Piracy** is the unauthorized reproduction, distribution and/or performance of a copyrighted sound recording in a networked environment.

**PIRACY HURTS EVERYONE**

Many do not understand the significant negative impact of music piracy. Though it would appear piracy only affects record companies, this impression is a mere fallacy.

**Consumers** lose because the shortcut savings enjoyed by pirates drive up the costs of legitimate product for everyone. Plus, good luck returning a pirated tape or CD when the quality is inferior or the product is defective, as it often is.

**Retailers and distributors** lose sales to pirates because they can't compete with the low prices charged for the cheaply produced illegal copies. Pirates such as street vendors can take away as much as 40% of a legitimate retailer's sales, often forcing them out of business.

**Governments** use the tax revenues generated from legitimate record sales to help pay for many public services such as education and health care.

For additional copies of the Enforcement Bulletin, or to add members to the mailing list, please contact Aj Jones at 202-775-0101 or [ajjones@riaa.com](mailto:ajjones@riaa.com)

## **Nationwide Enforcement Activity**

*This is a highlight of some of the enforcement activity conducted by various law enforcement agencies across the country. During the month of February, multiple enforcement agencies from fourteen different states conducted enforcement action to help reduce music piracy committed across the country.*

### **Arkansas**

On February 17, 2006, the Fort Smith Police Department executed a narcotics search warrant and seized a pound of marijuana and 633 piratical CD-R from the owner of the residence. The suspect was arrested and has charges pending for narcotics and violation of the Arkansas Actual Name and Address Statute.

### **California**

During the month of February, law enforcement officers arrested 68 music pirates engaged in the sale of counterfeit goods. The Los Angeles Police Department topped the chart for most handcuff actions during the month with arrests from other branches including the L.A. County Sheriff's Department, Santa Barbara County Sheriff's Department, the Mountain View Police Department, Sacramento PD, Anaheim PD, Buena Park PD, Costa Mesa PD, Orange PD, Santa Ana PD, Ontario PD, Chino PD, Riverside County Sheriff's Department, San Bernadino PD, Calexico PD and the San Diego PD.

More than 37,000 counterfeit/piratical music CDs and CD-Rs were seized by police and/or recovered by RIAA investigators during the enforcement actions. RIAA investigators supplemented law enforcement arrests with civil enforcement actions taken in February against twelve music retail stores in Los Angeles and San Diego counties.

### **Connecticut**

On February 9, 2006, RIAA investigators assisted the Waterbury Police Department in the execution of a search warrant at a retail music store on Main Street also operating as a CD burning lab resulting in one arrest and the seizure of six CD-R burners and 2,250 piratical CD-Rs.

### **Georgia**

On February 5, 2006, the Jefferson Police Department seized 3,046 counterfeit CDs from the Pendergrass Flea Market.

### **Illinois**

On February 26, 2006, a bad beat tip received by the RIAA regarding a Chicago retail store selling counterfeit items lead to a seizure by the Chicago Police Department. Confiscated during this enforcement action were a total of 2,122 counterfeit and piratical CD-Rs, 728 counterfeit movie DVD-Rs and 28 CD/DVD burners. RIAA investigators and confidential informants made several undercover buys at the location before informing the Chicago police.

### **Kentucky**

On February 2, 2006, the Lexington Police Department executed a search warrant after receiving information of a possible burner lab operation. Upon entry into the suspect's residence, three CD-R burners, 291 Pirated CD-Rs and 17 counterfeit movie DVDs were seized. The owner confessed to the manufacturing and distribution of the items and

was charged under Kentucky's True Name and Address Statute.

### **Maryland**

On February 17, 2006, a Baltimore man was found guilty of one count of TNA in Maryland State District Court and sentenced to six months in jail. The conviction was the result of the defendant's arrest in July of 2005 after the Baltimore City Police Department observed the defendant selling counterfeit CDs out the back of his vehicle. A total of 1,171 counterfeit and piratical CD-Rs and 176 counterfeit movie DVD-Rs were seized at time of arrest.

### **Michigan**

On February 22, 2006, RIAA and MPAA investigators were contacted by the Harper Woods Police Department to assist in an investigation of music piracy that started in January of 2006. The suspect was arrested at a Shell Gas Station in Harper Woods where he was in possession of 75 counterfeit CD-Rs and 20 counterfeit movie DVD-Rs. A subsequent warrant at the suspect's residence by the police revealed an additional 4,869 counterfeit and piratical CD-Rs, 1,658 counterfeit movie DVD-Rs, three CD/DVD-R burners and two computers. Also seized from the residence were three firearms, four bags of Marijuana, one bag of Crack Cocaine and one bag of an unknown powder.

### **New Jersey**

On February 18, 2006, a Wildwood hair salon owner was arrested after Wildwood Police Department executed a search warrant at the business. Police seized 1,980 counterfeit and piratical CD-Rs and 1,792 counterfeit movie DVD-Rs.

### **New York**

On February 8, 2006, RIAA investigators assisted the New York Police Department's Organized Crimes Investigations Division execute a search warrant at 247 West 35th Street in New York City. This action resulted in one arrest and the seizure of 8,300 counterfeit and piratical CD-Rs and 8,300 counterfeit movie DVD-Rs.

On February 9, 2006, the United States Probation and Parole Department, while conducting a search on a supervised parolee, observed an active burner lab resulting in the arrest of one suspect and the seizure of 20 CD-R burners, 307 counterfeit music DVDs, 54 counterfeit CD-Rs, 74 piratical CD-Rs, 304 counterfeit movie DVDs, one computer, one printer and various raw material.

Also on this date, the New York Police Department's 13th Precinct executed a search warrant on 5th Avenue in New York City that resulted in the seizure of 7,938 counterfeit and piratical CD-Rs and 5,450 counterfeit movie DVDs.

On February 13, 2006, RIAA investigators assisted the New York Police Department's 13th Precinct in the execution of a search warrant on West 29th St in New York City. This action resulted in the seizure of 12,200 counterfeit and piratical CD-Rs and 4,000 counterfeit movie DVDs.

On February 15, 2006, the New York Police Department's 28th Precinct, assisted by the RIAA, executed a search warrant at a CD burner lab and a distribution operation located on 7th Avenue in New York City. As a result of these enforcement actions, three suspects were apprehended and seven towers containing 44 (52X) CD burners were seized. Also confiscated during the search were 16,000 counterfeit CD-Rs, 11,800 piratical CD-Rs, a printer, one shrink wrap machine, one heat gun, two boxes of

raw materials, inserts and one box of CD Masters.

On February 16, 2006, the New York Police Department's Organized Crimes Investigations Division Unit executed a search warrant on Broadway in New York City. As a result of this enforcement action, one suspect was arrested and 6,300 counterfeit and piratical CD-Rs, 600 counterfeit music DVDs and 7,004 counterfeit movie DVDs were seized.

On February 20, 2006, the Suffolk County Police Department's 1st Precinct Crime Section, along with the RIAA, executed a search warrant at a burner lab located at 325 Merritt Ave in Wyandanch, resulting in the arrest of one suspect who is known to be a gang member. Seized from the lab were five CD-R burners, 1,050 piratical CD-Rs, 255 counterfeit music DVDs, two printers, 111 master CDs, 200 blank CD-Rs, \$20,000 in US currency and 140 counterfeit movie DVDs as well as other trademarks that included Duracell Batteries, Nike and Reebok.

### North Carolina

On February 1, 2006, the Greensboro Police Department initiated a vehicle stop on I-40 and uncovered a mobile burner operation while conducting a search of the vehicle. Officers seized 261 pirated CD-Rs, 949 counterfeit movie DVDs and one CD-R Burner. The operator of the vehicle admitted to making the unauthorized recordings while in his vehicle.

On February 4, 2006, the Gastonia Police Department and Gaston County Police, acting upon a tip provided by the RIAA, executed a search warrant on a local business. Upon gaining entry, authorities located 33 CD-R burners, 1,782 piratical CD-Rs and 602 counterfeit DVDs. The owner has been arrested twice previously for the illegal distribution of illegal recordings within the past year and a half.

On February 7, 2006, the Burke County Sheriff's Office received information regarding a possible

burner lab. Investigators obtained consent to search the residence in question and confiscated four CD-R burners, 12 piratical CD-Rs, 227 counterfeit movie DVDs as well as various labels, blank media and other raw materials. The occupants were charged with a combination of charges including True Name and Address violations, Counterfeit Trademark violations and manufacturing illegal product. One of the suspects was also charged with possessing a firearm while being a convicted felon.

### Ohio

On February 14, 2006, RIAA and MPAA investigators, along with the Warren Police Dept. conducted a raid at the Warren Flea Market in Ohio. Three vendors were arrested and 1,207 counterfeit CD-Rs and 1,489 counterfeit movie DVD-Rs were seized. The owner and manager of the flea market are scheduled for training by the RIAA on how to identify counterfeit CDs and DVDs.

### Pennsylvania

On February 23, 2006, Philadelphia police, assisted by RIAA & MPAA investigators, executed a search warrant on a distribution location in Philadelphia. Seized were 4,302 counterfeit and piratical CD-Rs and 5,545 counterfeit movie DVD-Rs. The distributor was arrested and charged accordingly. RIAA investigators had been investigating this location since December of 2005; surveillance and evidence purchases had been made on several occasions before police were notified.

On February 26, 2006, RIAA and MPAA investigators assisted Chicago Police with the execution of a search warrant at the home of a manufacturer who is also a recidivist. Investigators and police confiscated 1,479 counterfeit/pirate CD-Rs, 1,273 counterfeit movie DVD-Rs, 23 CD-R burners, three boxes of empty CD & DVD jewel cases and three printer/scanners. A large quantity of Marijuana

was also confiscated from the home. The suspect was arrested and charged accordingly.

### **Texas**

On February 4, 2006, voluntary surrenders were conducted against street vendor located on Columbia Avenue and Second Avenue in Dallas. Surrendered by two vendors as a result were a total of 2,466 piratical CD-Rs.

### **INTERESTING STATS CONCERNING COMMERCIAL MUSIC PIRACY IFPI REPORT 2005: KEY FIGURES**

Music disc piracy rose 2% to 1.2 billion discs in 2004, the lowest level of growth in five years but nearly twice the number of pirated discs in 2000.

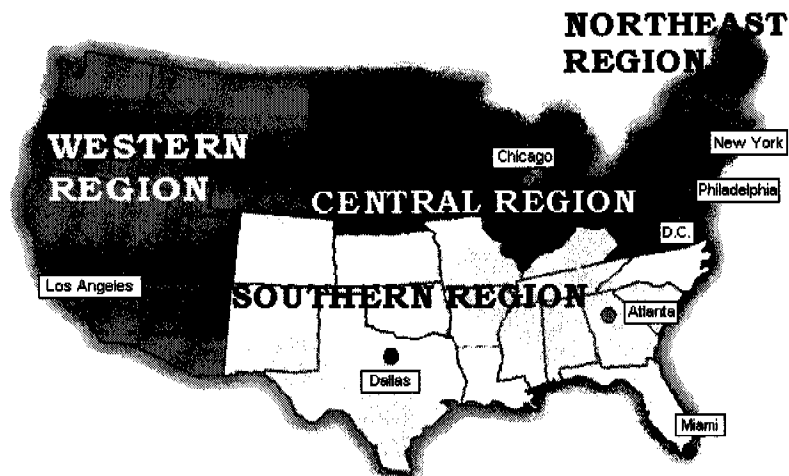
Anti-piracy enforcement efforts helped in the de-commissioning of 87 CD production lines (up from 68 in 2003) and the seizure of 28,350 CD burners, double the level of 2003.

Sales of all pirate recordings fell slightly to 1.5 billion units, as cassette piracy fell by 28% to 390 million units in 2004.

Pirate sales outnumber legitimate sales in 31 countries.

Pirate operations are getting smaller but more numerous as disc piracy shifts increasingly to smaller-scale high-speed CD-R burning labs.

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