

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

A Monthly Newsletter – Informing, Communicating, and Educating – April 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

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 April, multiple enforcement agencies from seventeen different states conducted enforcement action to help reduce music piracy committed across the country.

Alabama

On April 20, 2006, one suspect was arrested at his home by members of the Huntsville Alabama Police Department after failing to assist the department in lieu of being arrested for piracy. The suspect was stopped on March 30, 2006 by the Huntsville Alabama Police Department STAC team for speeding and not having a license plate displayed. The offender had in his possession narcotics and 892 piratical CD-Rs. At the time of his arrest, a search of his house revealed a lab with a seven CD-R unit burner and an additional 25 piratical CD-Rs were seized and other computer equipment.

California

During the month of April, law enforcement officers in California arrested 84 individuals on music piracy charges. LAPD arrested 43 suspected music pirates in April. Additional arrests were made by the Los Angeles County Sheriff's Department, San Diego PD, San Diego County Sheriff's Department, Oakland PD, Santa Ana PD, Orange PD, Costa Mesa PD, Anaheim PD, El Monte PD, Whittier PD, Ontario PD, Rialto PD, San Bernadino County Sheriff's Department and the California Highway Patrol.

On April 13, 2006, the LAPD's Anti-Piracy Unit seized 9,143 counterfeit CD-Rs and arrested one suspect during the execution of a search warrant at a residence suspected of being a distribution operation in downtown Los Angeles.

Also on this date, the San Diego Police Department executed a search warrant at a suspected residential burner lab in San Diego and arrested an individual with a recent prior arrest for music piracy. RIAA investigators assisted

in seizing 16 CD-R burners, 1,545 counterfeit CD-Rs, 1,058 counterfeit movie DVD-Rs and various raw materials inside the residence.

On April 22, 2006, the San Diego County Sheriff's Department, with assistance from the RIAA, raided a swap meet in San Diego and seized 3,561 piratical CDs and 1,500 piratical CD-Rs. A total of eight suspects were arrested at the flea market on music piracy charges.

On April 23, 2006, the Los Angeles County Sheriff's Department conducted an enforcement sweep at a high school swap meet in Los Angeles County. RIAA investigators assisted sheriff's deputies in seizing 819 pirate CDs, 837 piratical CD-Rs and 857 counterfeit movie DVD-Rs. Deputies arrested three flea market vendors selling illicit product at the location.

Delaware

On April 20, 2006, during an investigation into a retail store, Wilmington Police conducted a raid at the location and seized a total of 418 counterfeit and piratical CD-Rs, numerous amounts of counterfeit clothing and an unspecified amount of counterfeit DVD-Rs. RIAA and MPAA investigators responded to the station to assume custody of audio / video evidence and one suspect was arrested and charged accordingly.

Florida

On April 13, 2006, members of the Miami Police Department, while on quality of life enforcement, responded to a video store on 17th

Avenue. The Motion Picture Association of America assisted Miami Police at the retail location which resulted in the arrest of one individual and the seizure of 3,246 counterfeit CD-Rs, 1,981 counterfeit movie DVDs and four CD-R towers containing 27 CD-R burners.

Georgia

On April 28, 2006, members of the Atlanta Police Department acting on intelligence that a store front location was engaged in the sale of narcotics and illegal CDs, seized 4,165 counterfeit compact discs and 2,605 counterfeit DVDs. The store owner offered to cooperate with police in reference to the narcotics found in his store. In lieu of his cooperation the police did not charge him with the sound recording violations.

Illinois

On April 5, 2006, following an investigation by RIAA investigators, RIAA and MPAA investigators joined Harvey police in a sweep of several different local retail stores. The sweep resulted in three arrests and the seizure of 879 counterfeit and piratical CD-Rs, 882 counterfeit movie DVD-Rs and eight CD/DVD burners.

On April 26, 2006, training was provided to the Northern Illinois District of the National Academy of the FBI. Approximately 100 chiefs and supervisory officers from 57 different departments were present for the 90 minute presentation. Attendants included the SAC of the FBI Chicago Division, the Sheriffs from Kane and Lake counties and supervisors from the Illinois State Police, Illinois State Attorney General, Illinois Department of Revenue, and the following police departments: Chicago, Streamwood, Naperville, Oak Lawn, Tinley Park, Lemont, Palos Park, Waukegan, Darien, Niles, Des Plaines, Schaumburg, Glenview, Oak Park, Westmont, and Libertyville.

Kentucky

On April 7, 2006, the Louisville FBI responded to a complaint regarding the illegal reproduction of sound recordings and movies. Upon gaining consent from a "knock and talk", agents located a burner lab in the suspect's residence. Agents seized 27 CD-R burners, 4,000 piratical CD-Rs and 5,957 counterfeit movie DVDs. The AUSA is preparing to indict the subject.

Maryland

On April 2, 2006, while on routine patrol, officers with the Baltimore City Police Department observed an individual selling counterfeit CD-Rs and DVD-Rs from the trunk of his vehicle. The suspect was arrested and charged, and 1,175 counterfeit and piratical CD-Rs and 440 counterfeit movie DVD-Rs were seized. RIAA investigators responded to the station and assumed custody of the evidence.

On April 11, 2006, RIAA investigators and the Baltimore City Police Department executed a search warrant at a local retail store. A total of 1,642 counterfeit and piratical CD-Rs and 1,200 counterfeit movie DVD-Rs were seized. The storeowner and sales clerk (both recidivists) were arrested and charged accordingly.

Michigan

On April 5, 2006, a Detroit recidivist was arrested after Michigan State Police conducted a traffic stop and observed illegal CD-Rs inside the vehicle. RIAA investigators were requested to report to the Federal Bureau of Investigation in Bay City to inventory the CD-Rs. Investigators confirmed the illegality of 1,839 counterfeit and piratical CD-Rs. Agents informed investigators that the suspect admitted to the continued sales of counterfeit CDs and DVDs since his arrest in January 2006, in which police seized 8,024 counterfeit and piratical CD-Rs and 1,389 counterfeit DVD-Rs.

On April 13, 2006, after following a tip and making an undercover purchase from a residence, the Wayne County Sheriff's Department, assisted by MPAA investigators, conducted a raid on the residence and confiscated 66 counterfeit and piratical CD-Rs, 14 CD/DVD-R burners and 4,032 counterfeit movie DVD-Rs. Also seized from the residence were two computers, one scanner, one printer and one copier. The owners of the residence were arrested and charged with felony violations.

On April 22, 2006, Detroit police conducted a traffic stop on a vehicle traveling 90 mph in a 55 mph zone. While interviewing the driver, officers smelled a distinct odor of alcohol and the driver was asked to perform a road sobriety test. The driver was taken into custody when it was determined she was intoxicated. Subsequent to the arrest, the suspect's vehicle was searched and officers observed several CD and DVD cases on the front seat. Officers informed RIAA and MPAA investigators and requested they report to the station to identify evidence. Investigators identified and seized 1,274 counterfeit and piratical CD-Rs and 1,044 counterfeit movie DVD-Rs from the suspect's vehicle. Following the interview with the suspect, a warrant was obtained and executed at the suspect's residence where an additional 529 counterfeit and piratical CD-Rs, 653 counterfeit movie DVD-Rs, seven CD/DVD burners, one computer, an all-in-one printer/scanner/copier/fax, and two firearms were seized. The suspect has been charged with several felony violations.

On April 26, 2006, a Michigan man was convicted and sentenced to 24 months probation and ordered to pay \$10,000 restitution to the RIAA and \$10,000 restitution to the MPAA. The conviction and sentence was the result of defendant's arrest in November of 2004, where the Detroit Police Department and RIAA investigators confiscated 7,535 counterfeit CD-Rs, numerous DVD-Rs, 18 CD-R burners, computer equipment, and two handguns from his residence. It is reported that this is the largest restitution award for this type of crime in the State of Michigan to date.

Nevada

On April 19, 2006, troopers from the Nevada Highway Patrol arrested three suspects during routine traffic stops and seized 2,367 counterfeit CD-Rs and 56 pressed CDs.

New York

On April 2, 2006, RIAA investigators assisted the New York Police Department's 13th Precinct in enforcement action on West 28th Street in New York City that resulted in one arrest and the seizure of 16,600 counterfeit/piratical CD-Rs and 4,000 counterfeit movie DVD-Rs.

On April 3, 2006, as part of an ongoing investigation into "Operation Deceitful Wares" the New York Police Department's Organized Crimes Investigations Division, along with the United States Secret Service ECTF, executed seven state search warrants at a building on Broadway in New York City. As a result, eight suspects were arrested and charged. Seized in total as a result of the enforcement actions were a total of 20,800 counterfeit CD-Rs, 71,428 counterfeit movie DVDs, 5,597 counterfeit handbags, 2,866 counterfeit sneakers, 900 counterfeit wallets, 770 counterfeit sunglasses, 206 counterfeit boots, 176 counterfeit shoes and \$9,898 in US currency. Several of the trademarks violated included Coach, Louis Vitton, Kate Spade, Prada, Gucci, Fendi, Nike and Timberland.

On April 6, 2006, the New York Police Department's Midtown South Precinct, assisted by the RIAA investigators conducted enforcement action at a distribution location on West 35th Street in New York City. As a result, two suspects were arrested and 11,120 counterfeit/piratical CD-Rs and 5,750 counterfeit DVD-Rs were seized.

Also on this date, the New York Police Department's 1st Precinct, assisted by the RIAA, executed a search warrant at a distribution location on Canal Street in New York City and

arrested two suspects. Seized as a result were 6,880 counterfeit and piratical CD-Rs. On April 13, 2006, the New York Police Department's 40th Precinct, assisted by RIAA investigators, executed a search warrant at a burner lab located on West 146 Street in New York City. Resulting from the enforcement action were one arrest and the seizure of two DVD/CD towers containing 14 CD-R burners, 785 piratical CD-Rs, 1,518 counterfeit movie DVD-Rs, 100 master CDs, and raw materials.

On April 13, 2006, the New York Police Department, Midtown South, assisted by the RIAA, conducted enforcement action at a distribution location on West 39 Street in New York City. Seized in connection to the enforcement action were a total of 8,900 counterfeit/piratical CD-Rs and 7,400 counterfeit movie DVD-Rs.

On April 14, 2006, the New York Police Department's 67th Precinct, assisted by the RIAA, executed a search warrant at a CD burner lab located on Church Avenue in Brooklyn. The enforcement action resulted in the arrest of three suspects and the seizure of eight CD-R burners, 10,396 piratical CD-Rs, 204 counterfeit CD-Rs, and 210 counterfeit movie DVDs.

On April 25, 2006, the New York Police Department's 30th Precinct, assisted by the RIAA, executed a search warrant at a burner lab in New York City. As a result, five suspects were arrested and two towers containing five CD/DVD burners, 1,150 piratical CD-Rs, and 307 counterfeit music DVD-Rs were seized.

North Carolina

On April 14, 2006, RIAA investigators executed a Voluntary Surrender Agreement in Lewiston-Woodville and seized a total of 2,600 counterfeit CD-Rs from a vendor located on Main Street.

On April 15, 2006, RIAA investigators and the Wilson Police Department conducted a raid at Liberty Warehouse. Upon entering the market, authorities seized 3,010 piratical CD-Rs and

arrested one vendor who had been the suspect in two prior RIAA investigations. She had been arrested three times in the past year, including arrests in Virginia and North Carolina.

On April 19, 2006, agents with the North Carolina Secretary of State's Office and RIAA investigators entered a retail store located in Sanford. Upon entering the business authorities located hundreds of pirated recordings. Upon further investigation into a back room, a burner lab was discovered. Seized from the store were 33 CD-R burners, 9,640 piratical CDs, 5,400 jewel cases, and 357 CD Inserts. The owner will be charged at a later date.

On April 22, 2006, the RIAA and NC Secretary of State conducted a raid at a flea market located on Rock Quarry Road in Raleigh. Six suspects were arrested and charged, two voluntary surrenders were issued and 3,242 CD-Rs were seized.

Ohio

On April 5, 2006, during a routine traffic stop, Linndale Village Police observed a suspect in possession of a small amount of counterfeit CDs. The suspect told the police that he purchased the CD-Rs at a retail store in Cleveland. Police began an investigation on the store and found that there were two locations, both in Cleveland. Warrants were obtained for both locations and police, assisted by RIAA investigators, seized a total of 748 counterfeit/pirate CD-Rs from both stores. In addition to the CD-Rs, at one location a 9mm handgun (serial number removed) with two magazines was seized and at the other location a Ruger SP101 .357mag with five live rounds of ammunition was seized. Three individuals were arrested and charged with felonies.

On April 25, 2006, RIAA investigators and Cincinnati Police located a retail store in Cincinnati offering counterfeit CDs and DVDs for sale. The owner was issued a warning.

On April 27, 2006, the investigator and the Cincinnati Police returned to the store and observed two individuals exiting the store with duffel bag who returned immediately inside the store after seeing the police. Law enforcement officers witnessed the two individuals abandon their duffel bags and attempt to exit through the front door. The officers stopped the two suspects and ordered them to open the abandoned duffel bags and discovered counterfeit DVDs and CDs. The store still contained the same CDs and DVDs that were present on April 25th at the time of the warning. Officer's found one 9mm handgun in the waistband of the owner and one 45 caliber pistol under the counter. The suspects with the duffel bags were ordered to leave. In a security search, officers entered a back room and found a locked door, the room behind the locked door had no ceiling; and officer Knapp used a ladder to peer over the wall, where he was then able to view the contents of the room. The room was filled entirely with counterfeit CDs and DVDs. Seized from the store were a total of 3,294 counterfeit CD-Rs, 2,563 piratical CD-Rs, 7,147 counterfeit movie DVDs, 7,200 blank CD-Rs, 11,651 CD jewel cases and 3,948 blank DVD cases.

Pennsylvania

On April 2, 2006, while investigating a homicide at a Philadelphia retail store, Philadelphia police observed counterfeit CDs and DVDs while interviewing witnesses. The interviewing Detective had been assigned to the 35th District and was aware of the counterfeit music and movie problem and proceeded to seize 118 counterfeit and piratical CD-Rs, seven counterfeit music DVD-Rs and two counterfeit movie DVD-Rs; the store owner was arrested and charged. RIAA/MPAA investigators reported to the station to sign complaints and assume custody of the evidence.

South Carolina

On April 11, 2006, RIAA investigators and the Lee County Sheriff's Office conducted a raid at a local retail store and discovered a manufacturing operation consisting of five CD-R burners and 1,980 counterfeit CD-Rs, all of which were seized.

During the week of April 24, 2006, RIAA officials conducted three Intellectual Property Theft classes at the South Carolina Justice Academy. Each block of instruction consisted of eight hours of lecture dealing with worldwide piracy issues, authentication techniques and applicable state and federal statutes. Over 25 officers from various local and federal agencies were present.

On April 28, 2006, Immigration Customs and enforcement agents with the North Charleston office arrested one suspect after he was found to be operating a CD burner lab. Subsequent to the investigation, 2,300 counterfeit CD-Rs, 1,393 counterfeit movie DVD-Rs, three CD-R burners, and hundreds of blank discs were seized. The lead case agent was an attendee of an RIAA Intellectual Property Theft course three days prior to the seizure.

Tennessee

On April 25, 2006, RIAA investigators traveled to Charleston to examine suspected counterfeit compact discs seized from two suspects on February 8th 2006, during a traffic stop initiated by members of the Tennessee Drug Taskforce. The suspects stated that they were antique dealers traveling to Houston, however, a consent search of the vehicle revealed 154 suspected counterfeit compact discs, \$67,557 in cash and a small quantity of cocaine. The offenders were arrested on scene and transported to the 10th Judicial District Drug Task Force HQ for further processing. Both subjects were subsequently charged with violations of the Tennessee True Name & Address Statute.

On April 25, 2006, RIAA investigators assisted Memphis Police with an investigation into a retail CD shop. Upon gaining information of a possible burner lab, authorities sent undercover officers inside the business to confirm their suspicions. Upon gaining entry, officers located 11 CD-R burners and 3,416 piratical CD-Rs. Both owners were arrested and charged with criminal simulation.

On April 28, 2006, RIAA officials and the Memphis Police Department executed a search warrant on a suspected burner lab. Information was developed after the suspect was the victim of a Breaking & Entering dispute. Officer's clearing the residence for investigation purposes located the lab. Upon leaving the scene a search warrant was drafted and executed. Authorities seized three CD-R burners, 1,694 piratical CD-Rs, and 33 bootleg videos. The owner of the residence was arrested and charged.

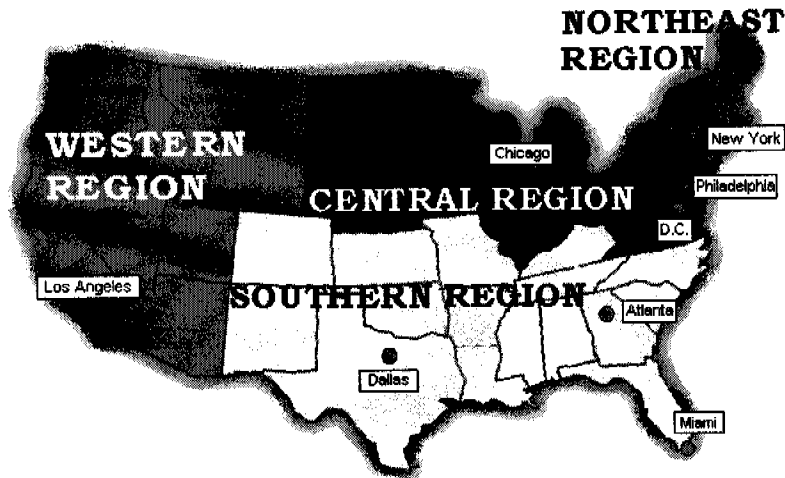
Texas

On April 14, 2006, RIAA Investigators, in response to a member company complaint (Disa Records), assisted Houston Police Department with the arrest of a street vendor. The vendor was selling CD-R pirates from a backpack in an apartment complex in close vicinity to a legitimate record store. Houston Police seized 209 CD-R pirates from the vendor and charges will be filed for violation of Texas' Actual name and address statute.

On April 20, 2006, RIAA investigators, in response to a member company complaint initiated by the father of late recording artist Selena, assisted Nacogdoches Police Department with a search warrant at a retail CD store. The location was previously issued a Cease & Desist in August of 2003. Officers seized 966 high quality pressed CDs, many of which contained counterfeit Universal Music, video and distribution security tags from the retail location. This investigation is currently ongoing and charges are pending against the two suspects.

On April 26-27, 2006, training was provided to 20 investigative consultants for the Dallas Regional Office.

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