

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

A Monthly Newsletter – Informing, Communicating, and Educating – October 2005



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 hotline, 1-800-BAD-BEAT, or sending e-mail to badbeat@riaa.com or cdreward@riaa.com.

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

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.

Artists, musicians, songwriters and other creative talent don't get the royalties and fees they've earned. The majority of artists depend on these fees to make a living. This can lessen the incentive to create music.

Record companies rely on income from the successful recordings to cover the costs of developing new artists and subsidize less profitable types of music. It is solely the profitable recordings that pirates copy.

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

Alabama

On October 15, 2005, based on a bad beat report, and following numerous undercover buys on different occasions, ICE agents and Lee County Sheriff's officers executed eight search warrants at the Lee County Flea Market in Opelika. None of the suspects were arrested at the scene but the cases will be presented to a Federal Grand Jury in the Middle District of Alabama. Seized from the vendors were 4,815 counterfeit and piratical CD-Rs, 10,046 counterfeit movie DVDs and 16 CD-R burners.

Arizona

On October 2, 2005, the Avondale Police Department seized 517 pirate CDs and arrested two vendors at the Park & Swap Flea Market in Avondale.

Arkansas

On October 4th, 2005, after a lengthy investigation conducted jointly by the RIAA, FBI and ICE, a search warrant was served at a retail operation resulting in the seizure of 2,150 counterfeit CDs, 1,200 counterfeit movie DVDs and 13 CD-R burners as well as stacks of business records. The suspects are expected to be charged in federal court.

California

On October 5, 2005, 2,382 pirate CD-Rs and a CD-R burner were seized by the Los Angeles Police Department's Organized Crimes Vice

Division from a clothing store in Los Angeles. The owner of the store was arrested and charged.

On October 6, 2005, Santee Alley B.I.D. security officers recovered 10,053 piratical CD-Rs and 59 counterfeit movie DVDs from a distribution storage facility. This case is still under investigation as no suspects were arrested at the premises.

On this same date, over 500,000 piratical and counterfeit CD-Rs, 3,300 stampers and 1,000,000 CD inserts were seized following federal search warrants by REACT and Sac Valley Hi-Tech Crimes Task Forces at twelve locations in Northern and Central California. Also, as a result of these warrants, five suspects were placed under arrest. The locations that were the center of these investigations included multiple CD-R replication and packaging facilities, broker businesses and distribution warehouses.

On October 8, 2005, the Huntington Beach Police Department seized 2,876 pressed CDs from two vendors at the Golden West Swap Meet. Both of the suspects were arrested and charged.

On October 11, 2005, the Los Angeles Police Department's Anti-Piracy Unit seized 20,655 pressed CDs and 1,790 music DVDs via search warrant at a retail store in Van Nuys and a public storage facility in Montebello. The primary suspect of both locations was arrested and charged.

Also on this date, the Concord Police Department seized 296 piratical CD-Rs and 497 counterfeit movie DVDs, one copier, one printer and 7 CD-R burners from a residential burner

lab. The suspect at the residence was arrested and charged accordingly.

Colorado

On October 15, 2005, the Adams County Sheriff's Office arrested an individual selling pirated Latin CDs at the Mile High Flea Market in Adams County, Colorado. Seized from the vendor were 235 pirated Latin CDs.

Florida

On October 28, 2005, the RIAA received correspondence from the 8th JDC in Gainesville indicating that the defendant, a Gainesville man, entered a plea to adjudication withheld in this case. The terms of the agreement require the defendant to serve 18 months of supervised probation. Additionally, he must pay \$20 in court costs and \$1,500 in restitution to the RIAA.

Georgia

On October 1, 2005, RIAA investigators were notified by the East Point Police Department that while responding to a knife fight at a location known for the sale of illegal CDs, the officers uncovered 5,862 counterfeit CD-Rs and 3,421 counterfeit movie DVDs. No arrests were made and the case is still under investigation.

On October 5, 2005, while investigating a narcotics matter, the Richmond County Police discovered what appeared to be counterfeit CDs and DVDs at a retail location on Milledgeville Road in Augusta. RIAA and MPAA investigators responded to the scene and identified the items as counterfeit. The suspect on the premises was placed under arrest and in total, 6,457 counterfeit CD-Rs, 3,904 counterfeit movie DVDs, 1,000 blank CD-Rs, 1,000 blank DVDs, 16 CD-R burners, three printers and two scanners were seized.

On October 14, 2005, the Dekalb County Police Department, assisted by members of the RIAA Anti-Piracy Unit, executed four search and seizure warrants at the Candler Road Discount Mall. RIAA representatives approached the Dekalb County police with actionable intelligence that illegal sound recordings were being sold at four separate locations within the complex and that drugs were offered to undercover RIAA investigators while surveying the location. Seized during the enforcement action were 2,526 counterfeit CD-Rs, 732 counterfeit DVDs, two handguns, 125 bags of crack cocaine, two ounces of marijuana and a safe containing an undetermined amount of cash. Three subjects were arrested on the scene and transported to the Dekalb County Police Station for further processing.

On October 22, 2005, the Atlanta Police Department, assisted by RIAA investigators, executed a search and seizure warrant at a known distribution location on Campbellton Rd . Seized as a result were a total of 24,914 counterfeit CD-Rs, 20,580 counterfeit movie DVDs, 18 CD-R burners and 40,000 counterfeit labels. The owner of location fled but a warrant has since been sought for his arrest.

On October 22, 2005, the Cobb County Police Department conducted a raid at the Yesteryear Flea Market located on Dallas Acworth Highway in Acworth. A total of six suspects were arrested and 20,047 counterfeit and piratical CD-Rs were seized.

On October 29, 2005, after a brief investigation, members of the Atlanta Police Department, assisted by the RIAA executed a search and seizure warrant at distribution location on Greenbriar Parkway. Recovered from the location were 19,628 counterfeit CD-Rs and 15,260 counterfeit movie DVDs. Each of the suspects (three in number) were arrested and charged with one felony violation and transported for further processing.

Illinois

During the month of October, officers with the Alsip and Chicago Departments conducted enforcement actions at several locations including the Swap-O-Rama Flea Market and the Clark Indoor Shopping Mall. Seized as a result of these actions were a total of 882 counterfeit and piratical CD-Rs, 39 counterfeit movie DVDs and the arrests of four suspects.

Kansas

On October 15, 2005, the Kansas City Police Department, assisted by RIAA investigators, arrested a vendor in possession of 762 high quality counterfeit CDs and 49 counterfeit movie DVDs, all of which were seized as evidence. The arrestee worked with the police to provide the source of his product who was subsequently arrested on October 19, 2005. Additional source information has been obtained from this distributor and the investigation is ongoing.

Maryland

During the month of October, officers with the Baltimore City Police Department conducted multiple enforcement actions that led to the seizure of 1,469 counterfeit and piratical CD-Rs, 573 counterfeit movie DVDs, eight counterfeit music DVDs and the arrest of the eight suspects.

Michigan

During the month of October, officers with the Detroit Police Department seized 786 counterfeit CD-Rs, 252 counterfeit movie DVDs and arrested six suspects who were found selling the contraband in the city.

Missouri

On October 20, 2005, an alert patrol officer with the St. Louis Metropolitan Police Department,

arrested a distributor and recovered 1,100 counterfeit CD-Rs. The suspect is currently on probation resulting from a 2002 arrest, seizure and conviction where his burner lab was the subject of a criminal seizure.

New Mexico

On October 13, 2005, members of the San Juan County Sheriff's Office executed a search warrant at the residence of the listed suspect. During the warrant, officers seized approximately 8,000 piratical CD-Rs, 1000 CD-R blanks, 200 master CDs and seven CD-R burners. The case has been turned over to the FBI and the AUSA in Albuquerque who will prosecute two individuals.

New York

On October 5, 2005, the New York Police Department's 40th Precinct conducted a search warrant at a distribution location located in the Bronx. No arrests were made at the location however, 4,900 counterfeit CD-Rs, 4,900 pirate CD-Rs and 3,300 counterfeit movie DVDs were seized.

On October 6, 2005, RIAA and MPAA investigators assisted the 46th precinct of the New York Police Department in the execution of a search warrant at a residential burner lab located in the Bronx. As a result, three suspects were arrested and 36 CD-R Burners, 884 counterfeit and piratical CD-Rs, 6,205 counterfeit movie DVDs, raw materials consisting of numerous blank CD-Rs and DVD-Rs and 6000 counterfeit MPAA insert labels were seized.

On October 7, 2005, the 7th Precinct of the New York Police Department conducted a search warrant at a distribution location located on Ludlow St in New York City. Seized as a result were 5,000 counterfeit CD-Rs, 1,800 piratical CD-Rs and 10,000 counterfeit movie DVDs

were seized. No one was arrested at the scene and the case is still under investigation.

On October 12, 2005, RIAA investigators assisted the New York Police Department's Brooklyn District Attorneys Squad in the execution of a search warrant at a burner lab located on Rogers Avenue in Brooklyn. This warrant resulted in one arrest and the seizure of 43 (52X) CD-R Burners, 6,400 counterfeit and piratical CD-Rs, 1,000 insert labels, one van and numerous boxes of raw materials.

On October 18, 2005, the Sleepy Hollow Police Department along with the RIAA executed a search warrant at a burner lab located on Beekman Avenue in Sleepy Hollow. As a result, four towers containing 22 CD-R burners, one rimage printer, one shrink wrap machine, two monitors and a scanner were seized. Also confiscated were 850 piratical CD-Rs, 168 counterfeit music DVDs and approximately 2,000 pieces of raw materials consisting of blank CD-Rs, DVD-Rs, 1,000 inserts and \$2,000 in US Currency. The suspect was arrested and held at the Westchester County Correctional Center in lieu of \$5,000 Bail.

Oklahoma

On October 15, 2005, training was provided to the owner of the Admiral Flea Market in Tulsa. This particular owner was very responsive to the training and pledged to keep illegal product out of his flea market. Since August 2005, the Admiral Flea Market has gone from eight to ten vendors, all found to be selling pirated items, to none.

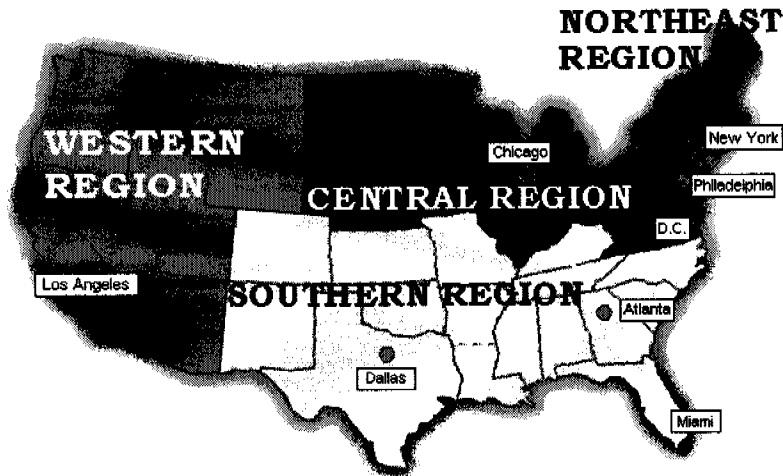
Pennsylvania

During the month of October, officers with the Philadelphia Police Department arrested nine suspects and seized 1,020 counterfeit/piratical CD-Rs, 584 counterfeit movie DVDs and nine counterfeit music DVDs as part of enforcement activity throughout the city.

Texas

During the month of October, police officers with the Canton, Dallas, Forest Hill and Mobile County Police Department's seized 6,272 counterfeit and piratical CD-Rs, 225 counterfeit movie DVDs and 224 counterfeit music DVDs as part of enforcement action against individual distributors and flea market vendors throughout the state.

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