

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

A Monthly Newsletter – Informing, Communicating, and Educating – May 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 May, multiple enforcement agencies from sixteen different states conducted enforcement action to help reduce music piracy committed across the country.

Alabama

On May 15, 2006, a Birmingham recidivist was sentenced to one year in prison to be followed by five years of probation. Further, he was ordered to pay \$1,000 of restitution to the RIAA and will serve his prison time on weekends as well as making restitution payments in \$75 monthly installments. If the defendant violates his probation, he will be subject to fifteen years of prison time. The suspect was arrested in November of 2005 as part of the Holiday Blitz program with a total of 139 counterfeit CD-Rs in his possession at that time. He had been previously at the same location in 2004 with 766 counterfeit CD-Rs seized by the Birmingham Police Department.

California

During the month of May, California law enforcement officers arrested 67 individuals on music piracy charges. Seized in total were a total of 124 CD-R burners, 41,229 counterfeit CD-Rs, 46,816 counterfeit movie DVDs and 1,081 counterfeit music videos. Additionally, 321 representatives from various branches of law enforcement and 75 flea markets and swap meets received training from the RIAA on Intellectual Property Awareness. Efforts by the Los Angeles Police Department in metropolitan Los Angeles resulted in 35 arrests during the month, with additional arrests made throughout the state by various agencies including the Los Angeles County Sheriff's Department, Anaheim Police Department, San Diego PD, Santa Ana PD, Oceanside PD, Riverside County Sheriff's Department, San Bernadino PD, Hawthorne PD, Montebello PD, Pomona PD, Ontario PD, and Hayward PD. Highlights from the month include the following incidents:

On May 4, 2006, RIAA investigators assisted the L.A. County Sheriff's Department in search warrants executed at a burner lab and storage facility in Los Angeles. Officers seized 18 CD-R burners, 9,329 piratical CD-Rs and 18,879 counterfeit movie DVDs. The primary suspect in the investigation was arrested on felony charges.

Also on the same date, officers from the Los Angeles Police Department executed a search warrant at a business in Los Angeles and seized 48 burners, 1,242 counterfeit movie DVD-Rs and 157 counterfeit music CD-Rs from the location. Officers arrested the store owner on felony charges.

On May 6, 2006, RIAA investigators assisted officers from the LAPD Rampart Station in executing a search warrant at a suspected residential burner lab operation. Officers seized 58 CD-R burners, 10,198 counterfeit movie DVD-Rs and 752 counterfeit CD-Rs from the location and arrested four individuals on felony charges.

On May 14, 2006, Montebello PD detained a street vendor in possession of 1,411 piratical CD-Rs, and subsequently obtained a search warrant for the vendor's residence where an additional 4,219 piratical CD-Rs were seized. The vendor was arrested on felony charges.

On May 23, 2006, the Los Angeles Police Department executed a search warrant at a suspected residential burner lab in Los Angeles and arrested one suspect on felony violations following the seizure of 16 CD-R burners and 1,220 counterfeit CD-Rs and counterfeit movie DVD-Rs.

Connecticut

On May 17, 2006, RIAA investigators assisted the Stamford Police Department in enforcement action resulting in the arrest of a street vendor at Main Street and Clinton Avenue Stamford and the seizure of 1,858 counterfeit and piratical CD-Rs and 990 counterfeit movie DVDs.

Florida

On May 20, 2006, RIAA and MPAA investigators assisted the Volusia County Sheriff's Office in enforcement at a flea market on 7th Avenue in Deland that resulted in the arrest of three individuals and the seizure of 977 molded CDs and 122 counterfeit movie DVDs.

Georgia

On May 10, 2006, the East Point Police Department executed a search warrant at a store acting as a retail front for a distribution operation. A total of six suspects were arrested and charged with violating Georgia's True Name and Address Statute and 17,265 piratical CD-Rs and 7,315 counterfeit movie DVD-Rs were seized.

On May 19, 2006, DeKalb County Sheriff's Officers executed an arrest warrant at a residence located in Clarkston. Upon entry to the residence they found the wanted subject and in addition, signs of a CD-R burner lab. A search warrant was obtained by the DeKalb County Police Department and seized from the residence were one computer, a printer, one scanner, one hard drive, blank media, 2,600 piratical CD-Rs and 750 piratical movie DVD-Rs. In addition, a firearm was recovered adding to the charges of the two residents as both are convicted felons.

Illinois

On May 5, 2006, RIAA and MPAA investigators assisted the Villa Park Police Department with

the arrest and seizure of a vendor selling counterfeit CDs and DVDs at a local flea market. Prior to the arrest, RIAA and MPAA investigators made several undercover purchases of counterfeit product from the vendor and informed police of his activity. A total of 89 counterfeit and piratical CD-Rs and 1,811 counterfeit movie DVD-Rs were seized from the vendor's booth. Police and investigators were given consent to search vendor's home and discovered four CD-Rs burners that were confiscated. The suspect was charged with two felony counts. The owner of the flea market expressed that she did not want this type of activity at her market and is interested in training from the RIAA/MPAA for herself and managers to identify counterfeit music and movies.

Indiana

On May 23, 2006, South Bend Police Department, assisted by RIAA and MPAA investigators executed a search warrant on a local convenience store and seized 1,039 counterfeit and piratical CD-Rs, one shotgun, a .38 revolver, one rifle and three bulletproof vests from the store. The store clerk was arrested and charged with charges pending for the store owner was not present at the time of the warrant. Before this incident, in July 2005, South Bend Police seized 1,077 counterfeit and piratical CD-Rs and 774 counterfeit movie DVD-Rs from this location.

Michigan

On May 19, 2006, RIAA and MPAA investigators received a tip via an arrested suspect regarding sells of illegal music/movies at the Motor City Comic Book Convention being held in Michigan. Acting on the tip, RIAA/MPAA investigators, Michigan State Police, Novi Police Department, and the Michigan Department of Treasury, entered the convention (held at the Rock Financial Showcase in Novi) and confiscated a total of 482 counterfeit music DVD-Rs and 9,319 counterfeit

movie DVD-Rs. A total of fourteen suspects were taken into custody, identified, photographed and released. Charges are pending and arrest warrants will be issued to all of the offenders.

New Jersey

On May 25, 2006, RIAA investigators assisted the Passaic County Sheriffs Office in the execution of a search warrant at a burner lab inside of a retail store located on Broadway in Passaic, NJ. The warrant resulted in one arrest and the seizure of 4,753 counterfeit CD-Rs, 324 counterfeit cassettes, 543 counterfeit movie DVD-Rs and 15 CD-R burners. RIAA investigators were informed by a high ranking law enforcement official that the subject arrested currently works for the Mayors office in Paterson and was a former candidate for the City Council.

New York

On May 2, 2006, the New York State Police-SIU Bronx along with the RIAA conducted Enforcement Action at a Burner Lab located on Fteley Avenue in the Bronx resulting in one arrest and the seizure of four towers consisting of 31 Burners, 3,080 piratical CD-Rs, 150 counterfeit music DVDs, one computer and one Rimage Printer.

On this same date, RIAA investigators assisted the New York Police Department's Brooklyn District Attorneys Squad in the execution of a search warrant at a manufacturer / distribution location located in a basement on Spencer Place. The warrant resulted in two arrests and the seizure of 24 CD-R burners, 3,800 piratical and counterfeit CD-Rs, 400 counterfeit music DVDs and 9,910 counterfeit movie DVDs. A bullet proof vest and ammunition rounds were also recovered.

On May 10, 2006, RIAA investigators assisted the New York Police Department's MTS Precinct with enforcement action on West 36th St in New

York. This enforcement action resulted in the seizure of 6,000 counterfeit and piratical CD-Rs and 10,800 counterfeit music DVD-Rs.

On May 11, 2006, the 1st, 13th and 28th Precinct's of the New York Police Department with assistance from the New York Police Department's Legal Bureau Civil Enforcement Unit and the RIAA, executed several search warrant at various distribution locations in New York City. As a result of the enforcement actions, eight suspects were arrested and 55,810 counterfeit CD-Rs, 13,800 counterfeit movie DVDs and 200 piratical music DVD-Rs were seized.

On May 12, 2006, RIAA investigators assisted the New York Police Department's 5th Precinct in the execution of a search warrant at a distributor location found on Grand Street. As a result, one suspect was arrested and 8,500 counterfeit and piratical CD-Rs, 11,506 counterfeit movie DVD-Rs were seized.

On May 16, 2006, RIAA investigators assisted the New York Police Department's MTS Precinct with enforcement action on West 29th Street resulting in two arrests and the seizure of 5,600 CD-Rs and 2,000 counterfeit movie DVD-Rs.

Also on this date, the 30th Precinct of the New York Police Department assisted by the RIAA, executed a search warrant at a distribution location on Broadway in New York City. Seized as a result were 2,780 piratical and counterfeit CD-Rs, 452 piratical music DVD-Rs, 135 counterfeit movie DVD-Rs and a semi-automatic handgun.

On May 17, 2006, the New York Police Department's Internal Affairs Bureau, assisted by the RIAA conducted enforcement actions at distribution locations on Canal, Cortandt and Fulton Street in New York City. As a result, three suspects were arrested and 8,099 piratical CD-Rs and 150 piratical music DVD-Rs were seized.

Also on the 17 of May, as part of the Bronx Undercover Operation, RIAA investigators assisted the New York Police Department's Bronx District Attorneys Squad in the execution of a search warrant at a burner lab in New York City. This warrant resulted in the arrest of one suspect and the seizure of 45 CD-R burners, 240 counterfeit and piratical CD-Rs, 2,260 counterfeit movie DVD-Rs, two computers, two monitors, one laser jet printer and various raw materials.

On May 24, 2006, RIAA investigators assisted the New York State Police SIU Unit in the execution of a search warrant at a burner lab on Main Street in Hempstead. As a result of the warrant, three CD-R burners, 3,700 counterfeit CD-Rs, 63 counterfeit music videos and 139 vinyl records were seized. The suspect at the scene was arrested and charged.

On May 25, 2006, the New York Police Department's 83rd Precinct along with the RIAA executed a search warrant at a retail store located on Knickerbocker Avenue in Brooklyn NY resulting in one arrest and the seizure of 1,693 counterfeit CD-Rs and 283 counterfeit movie DVDs.

Also on the 25th of May, the New York Police Department's Organized Crimes Investigations Division with assistance from the RIAA, executed a trademark counterfeit search warrant at a distribution location in Queens resulting in three arrests and the seizure of 1,000 piratical CD-Rs, 100 counterfeit movie DVD-Rs as well as a large quantity of counterfeit jeans, handbags and wallets.

Later on this same date, RIAA investigators assisted the Passaic County Sheriffs Office in the execution of a search warrant at a burner lab inside a retail store located on Broadway in Paterson. The warrant resulted in one arrest and the seizure of 636 counterfeit CD-Rs, 329 counterfeit movie DVD-Rs, 425 master DVDs and 10 CD-R burners.

On May 26, 2006, RIAA investigators assisted the New York Police Department's 115th Precinct in the execution of a search warrant at a burner lab in Jackson Heights. As a result one suspect was arrested and charged and one CD-R burner, 1,410 counterfeit CD-Rs, one computer and a shrink-wrap machine were seized.

Pennsylvania

On May 1, 2006, a York defendant entered a guilty plea for the sale of 53 counterfeit CD-Rs and 1 counterfeit movie DVD-Rs in the York Common Pleas court and was sentenced to 42 to 84 months in the State Penitentiary.

On May 2, 2006, two Philadelphia defendants were found guilty of piracy violations and ordered to pay restitution to the RIAA in the amount of \$8,043.10. Both defendants were also placed on 12 months reporting probation as the result of a June 2005 arrest. Seized by the Philadelphia police at the time of their arrest were a total of 493 bootleg music video DVD-Rs.

On May 5, 2006, the Philadelphia Police Department's Northwest Detective Division received a call about an armed robbery in progress at a local retail store. Police arrived at the location and found the door locked but observed moving shadows inside. The SWAT team was called and two suspects came out with their hands in the air and were arrested. Inside the store, police observed numerous counterfeit CD-Rs and DVD-Rs and confiscated 10,325 counterfeit and piratical CD-Rs, 49 counterfeit music DVD-Rs, 12,505 counterfeit movie DVD-Rs and 408 empty jewel cases. RIAA investigators were called to the station to help identify evidence. One of the individuals arrested will cooperate with police. Investigators believe this case is linked to a well-known manufacturer/distributor in the Philadelphia area.

On May 12, 2006, a Pennsylvania man was found guilty for the sale of counterfeit music and attempt to distribute narcotics in the

Northampton County Criminal Court. The defendant was sentenced to six months to two years jail time and ordered to pay \$1,000 in restitution to the RIAA as the result of a February 2005 arrest that resulted in the seizure of 126 counterfeit CD-Rs.

Rhode Island

On May 13, 2006, the Rhode Island State Police along with the assistance of the RIAA and MPAA conducted a search warrant at a distributor location on Narragansett Avenue in Cranston resulting in two arrests and the seizure of 1,323 counterfeit and piratical CD-Rs.

On this same date, the Rhode Island State Police along with the assistance of the RIAA and MPAA conducted a search warrant at a burner lab located on Smith Street in Providence that did not result in any arrests, however, a total of 19 CD-R burners were seized.

South Carolina

On May 4, 2006, RIAA Investigators working with law enforcement officers from the Florence Police Department conducted four raids involving local retail stores. An investigation into the establishments ensued after the RIAA conducted training at the South Carolina Justice Academy on in April of 2006. A Florence Police detective attended the training and a positive rapport was established that led to the successful investigation. A total of 1,520 piratical CD-Rs and 1,395 counterfeit DVD-Rs were seized during the operation and two business owners were arrested and charged with South Carolina's True Name and Address Statute with one of the offenders further charged with being a convicted felon in possession of a firearm and narcotics.

Tennessee

On May 17, 2006, RIAA Officials conducted a one hour block of instruction for the Memphis Police Department's Organized Crime Unit. A

total of eighteen investigators attended the training consisting of product identification and authentication methods for both RIAA and MPAA product. The block of instruction further detailed the involvement of other criminal activity that could possibly be connected to music and movie piracy.

On May 10, 2006, the Memphis Police executed a search warrant at a retail store. Upon entering the business, officers seized 1,825 counterfeit CD-Rs and one pound of marijuana. The owner of the shop was arrested on the scene.

Texas

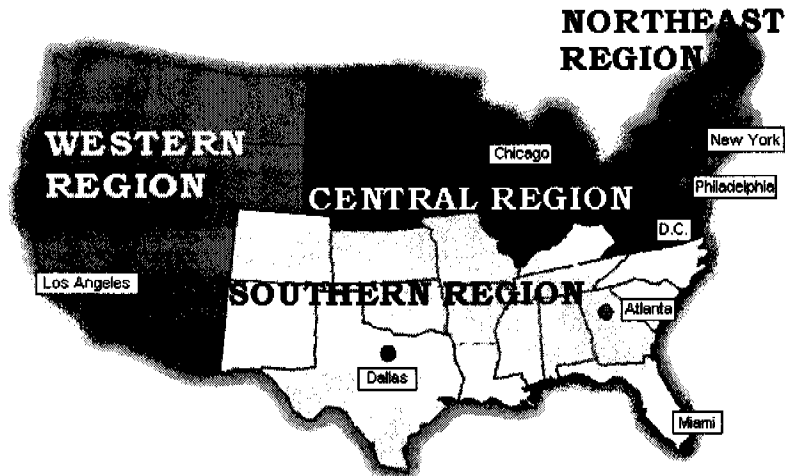
On May 6, 2006, RIAA investigators assisted the Pinellas County Police Department in enforcement at a flea market on Park Boulevard on Pinellas resulting in the arrest of five individuals and the seizure of 1,200 counterfeit CD-Rs.

On May 27, 2006, RIAA Investigators assisted the Fort Worth Police Department with a buy bust of a street vendor located on the parking lot of a Grocery store on North Main Street. Officers seized 1,203 piratical CD-R from the vendor, 134 piratical CD-R pirates from the van and an additional 42 piratical CD-R from the residence of the vendor. The suspect was not arrested but will be charged with violation of Texas' Actual name and address statute for pirated items seized at both Elrod's locations.

Virginia

On May 10, 2006, a Virginia man was found guilty of a misdemeanor for the sale of illegal CDs in Virginia Beach Circuit Court. The defendant who is a first time offender was sentenced to one year in jail and fined \$2,500 plus court costs (first two suspended) on the condition of three years good behavior. The sentence was the result of a December 2005 arrest and seizure of 1,666 counterfeit CD-Rs and counterfeit movie DVDs.

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