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# **News Release**

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## **Guilty Plea Entered in Federal Copyright Infringement Case**

Minneapolis – A second defendant pled guilty today in connection with the first ever prosecution of a conspiracy to infringe copyrights in karaoke sound recordings.

Stephen Douglas Freeman, 62, of Mound, Minnesota, pled guilty to a three-count felony information that charged him with conspiracy to commit criminal copyright infringement, criminal copyright infringement, and trafficking in circumvention technology in violation of the Digital Millennium Copyright Act. The plea was entered before United States District Court Judge Paul A Magnuson.

In pleading guilty, Freeman admitted that from April 2004 to July 2006, he conspired to reproduce and upload hundreds of thousands of copies of copyright-protected karaoke songs, worth hundreds of thousands of dollars, onto computer hard drives. He also conspired to sell those pre-loaded computer hard drives for profit through various entities and websites, including eBay. Furthermore, he admitted he did, in fact, sell some of the pre-loaded hard drives over the Internet.

Freeman also admitted distributing copies of copyrighted karaoke management programs with the pre-loaded hard drives he sold. That software was designed to manage, organize, and run a karaoke show. Embedded in the management software was technology designed to prevent unauthorized access and use of the software. To permit access to the pirated versions of the karaoke management programs, Freeman also sold, in violation of the Digital Millennium Copyright Act, circumvention technology primarily designed and produced to circumvent, or "crack," the technological protection measures in the karaoke management programs.

Federal Bureau of Investigation agents executed a search warrant at Freeman's residence in Mound, Minnesota, on July 28, 2006, seizing large quantities of CDs and more than 200 computers and other storage devices used to reproduce, upload, and store the pirated songs onto hard drives.

Freeman faces up to five years in prison, a fine of \$250,000, and three years of supervised release. His sentence will be imposed by Judge Magnuson at a hearing not yet scheduled.

As part of his guilty plea, Mr. Freeman agreed to forfeit dozens of computers and high-capacity storage devices as well as one car, one trailer, two jet skis, two Sea Ray sport boats, one home, two bank accounts, and one brokerage account.

On April 20, 2007, co-conspirator Tracy Ann Brock pled guilty to conspiracy to infringe copyrighted karaoke music.

This case is part of the U.S. Department of Justice's initiative to combat online auction piracy. The case was investigated by the Minnesota Cyber Crimes Task Force, which includes the Federal Bureau of Investigation; the United States Secret Service; and the United States Postal Inspection Service.

The case is being prosecuted by John H. Zacharia, Trial Attorney for the Computer Crime and Intellectual Property Section of the Criminal Division, U.S. Department of Justice; and Frank J. Magill and James S. Alexander, Assistant U.S. Attorneys for the District of Minnesota.

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