



## U.S. Immigration and Customs Enforcement

PREPARED REMARKS OF DIRECTOR JOHN MORTON ON  
OPERATION IN OUR SITES v.2.0 --CYBER MONDAY  
November 29, 2010

### CYBER MONDAY REMARKS

Good morning, I am John Morton, Director of Immigration and Customs Enforcement. Today is Cyber Monday, one of the busiest Internet shopping days of the year. According to the National Retail Federation, nearly 100 million people shopped on Cyber Monday last year. Similar numbers are expected this year.

Most of this commerce is legitimate—real goods, real vendors, real presents under the Christmas tree. Parts of it are also a fraud—fake goods, fake vendors, shoddy presents unlikely to bring any holiday cheer.

Counterfeiters are prowling the back alleys of the Internet, masquerading, duping, and stealing: masquerading as legitimate retailers, duping shoppers, stealing from real businesses and their workers.

Today, we turn the tables on these internet thieves by seizing the domain names of 77 websites engaged in the illegal sale of counterfeit goods, goods largely produced and shipped from China. We have also seized an additional six domain names belonging to sites involved in the illegal infringement of copyrighted music, movies, television shows, and software. All 83 domain names are now in the possession of the government and bear a DOJ-ICE seizure banner.

Consumer protection was the driving force behind these seizures. Many of the sites selling counterfeit goods were outright frauds designed to dupe the online shopper into believing that the site was authorized and that the goods being sold were real. Let me describe three of these sites to give you a flavor. Screenshots of these websites are in the materials we have distributed this morning.

Realtimberland.com purported to sell genuine Timberland boots and apparel. There was nothing Real or Timberland about this site; rather it was an illegal internet retailer of counterfeit Timberland products.

The Louis Vuitton Outlet website claimed to be selling handmade Louis Vuitton products that were, and I quote, “100% real and genuine.” There was nothing real, genuine, or Louis Vuitton about this site; it had no connection to Luis Vuitton and sold counterfeits made in China.

The Coach Store at Coachoutletfactory.com purported to be a genuine retailer of Coach leather products. This site had nothing to do with Coach, a company headquartered in Manhattan that, by the way, employs over 10,000 Americans. The goods available on this website were out and out counterfeits, examples of which we have displayed here today.

These Internet sites were scams, pure and simple--advertising the genuine, selling the fraudulent.

Now some of you might ask, Why should we care? Here's why. Counterfeiting and copyright theft hurts America—our workers, our businesses, the safety of our people. They directly undermine our economy and our innovation.

Think about it. Who benefits from these websites and their sales of counterfeits? Criminals, that's who. This is trans-national crime involving fake websites, false advertising, and illegal foreign factories. Are the criminals behind these websites hiring American workers? paying federal and state taxes? providing pensions and healthcare? investing in new products? No. They make money stealing other people's work and innovation without any care for the consequences.

Counterfeiting also threatens America's health and safety. Counterfeiters, for example, produce fake medicine, engine parts, toothpaste, computer circuit boards, and airbags. Friends, no good comes of fake heart medicine or counterfeit toothpaste.

Today's 83 seizures represent the second phase of ICE's Operation In Our Sites—a long term effort to combat intellectual property theft over the Internet. Working with our partners at Customs and Border Protection, the FBI, the U.S. Postal Inspection Service, and the Department of Justice's Computer Crime and Intellectual Property Section, our agents made undercover purchases from the websites and the merchandise was verified as counterfeit or copyrighted by the rights holders...from fake Oakley glasses, Rolex watches, and Ugg boots...to phony iPods, Titleist golf clubs, and even a Disney "100 Years of Magic" DVD boxed

set – a set never produced or released by the Walt Disney Company.

Have we rid the Internet of these websites? No, there are others and there will be more. Will many of these sites reappear under a different domain name? Yes, they will. But I can tell you this, we are not going away. If we can seize websites we will. If we can fine the operators we will. If we can arrest and prosecute counterfeiters and copyright violators, we will. This is a long fight, but we at ICE and DOJ are committed to it, period.

Make no mistake about it, we are in the throes of a heated and pitched battle. This isn't a game. It's not a sideshow. American business, American labor, American innovation are under assault from counterfeiters and copyright thieves on a grand scale. We either wage this fight here and now or give in to the steady loss of American ingenuity and knowhow.

In the first round of Operation In Our Sites last June, ICE and DOJ seized the domain names of 8 websites engaged in illegal downloads of movies, television shows, and software. Of the illegal entertainment websites we seized the first round, most stayed down, but two reappeared. One of those two was

TVSHACK.net which reappeared as TVSHACK.cc. I am pleased to announce that we have now seized TVSHACK.cc and, in conjunction with the City of London Police, executed a search warrant on a residence in the U.K. related to the website. We are not going away.

I want to give particular thanks to Attorney General Holder for the emphasis he has placed on intellectual property enforcement. The Attorney General has made IP enforcement a priority for the Department of Justice and made large scale operations like this possible. ICE's intellectual property enforcement efforts are at an all time high—over a thousand cases last fiscal year—and we are conducting our work in new and innovative ways. None of this would be possible, however, if we didn't have the Attorney General and the Department of Justice's full support.

I also want to make clear that this particular operation has been a true partnership between ICE and DOJ and I want to note the tremendous support ICE has received from our following partners:

- From Lanny Breuer, the Assistant Attorney General for the Criminal Division, and his teams at the Computer

Crimes and Intellectual Property Section and the Asset Forfeiture and Money Laundering Section;

- From the United States Attorneys who obtained the seizure orders from federal courts around the country, particularly the United States Attorney for the Southern District of New York which has played a leading role in both phases of Operation In Our Sites, and the United States Attorneys for the District of Columbia , the Central District of California, the Middle District of Florida, the Southern District of Texas, the Western District of Washington, the District of New Jersey, the Northern District of Ohio, the District of Colorado, and the Northern District of Texas.
- And from the FBI, CBP, and U.S. Postal Inspection Service personnel at the IPR Center who participated in the investigations

Finally, let me give my thanks to the Homeland Security Investigations agents at ICE who investigated the individual websites from the IPR Center and the ICE offices in New York, Newark, Tampa, Seattle, Houston, Los Angeles, Denver, and Detroit, and Dallas.