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representing the  
recording industry  
worldwide

## MESSAGE FROM HEAD OF ENFORCEMENT

In this 2007 New Year edition of the music industry Enforcement Bulletin we review signal successes achieved in fighting music piracy during 2006. Such success could not have been achieved without the professionalism and tenacity displayed by the law enforcement agents, both Police and Customs Officers, engaged in these investigations. In addition to these cases, officers around the world are confronting piracy on the streets of every major city and town. Officers are often threatened by vicious thugs who are prepared to defend their illegal trade with violence and resort to firearms. On behalf of the millions of citizens globally who depend upon the music and intellectual property industries for their livelihoods, I express our sincere appreciation to each and

every officer who has contributed to the fight against piracy in 2006.

There is absolutely no doubt that intellectual property crime remains a grave threat to the economic and social stability of many countries. Organised crime groups are entrenched in music piracy. This is hardly surprising, given that the global traffic of music products alone is estimated to have been worth almost US\$ 5 billion in 2006. Despite our many outstanding successes in the past twelve months, it is apparent that criminals regard intellectual property crime as a relatively risk free enterprise. The cycle of exploitation of poor, often stateless, individuals to traffic pirate product to generate huge profits for criminal syndicates to invest in drugs and vice activities

can only be disrupted through the recognition that intellectual property crime is a serious and organised criminal activity, often international in nature, that must be addressed through highly professional enforcement.

Year on year, in collaboration with the Authorities, we are seizing ever larger quantities of pirate optical disc manufacturing equipment and hundreds of millions of infringing optical discs. Each seizure represents an increase in cost to the criminal and a crucial contribution to protecting creativity and lawful employment worldwide. I look forward to 2007 and to ensuring that criminals pay an ever higher price for their illicit activities through our joint endeavours.

*Iain Grant*

## RUSSIAN OPTICAL DISC PLANT RAID

Since September 2005, an optical disc plant in the city of Tver has been suspected of being involved in the production of pirated music CDs, with discs from the plant being found in Ukraine, Poland and Serbia. Using IFPI forensic information, the Moscow Regional Office (MRO) has been lobbying law enforcement and the

Ministry of the Interior (MOI) to take action against the company.

In September 2006, officers from the MOI's Economic Security Department raided the plant and carried out a search. They seized a total of 70,000 suspected infringing DVDs containing film and music from the premises.

These discs have been sent to "Informazashchita" (State Unitary Enterprise) for examination.

Subsequently, the MOI decided to initiate a criminal investigation against the plant and the managing director was arrested. Five operating replication lines and two new DVD lines that were under installation in the plant have been seized, together with large quantities of operating equipment. All this machinery has been impounded and the criminal investigation is continuing.

IFPI applauds the prompt enforcement action taken by the Economic Security Department in relation to this suspected infringing activity and hopes that similar investigations into infringing Russian plants will follow.



*Replication machine impounded by Russian authorities*

## PORTUGAL FUGITIVE DRUG TRAFFICKER ARRESTED FOR PIRACY AND FIREARMS OFFENCES

A prisoner on the run was caught by Lisbon's Public Security Police (PSP) in the course of its joint anti-piracy operation with the Copyright Inspection department of the Cultural Ministry (IGAC).

The police investigation began after allegations of copyright crime were presented by IFPI's Portuguese National Group (AFP). The police established that the individual suspected of the pirate activity was a convict who had escaped from the prison three years before while he was serving a ten-year sentence for drug trafficking.

During the operation, the authorities seized two illegal 7.65 pistols and ammunition together with 59 DVD burners, more than 5,000 recorded DVDs, 3,000 blank DVDs and printers .

Source: AFP

## BELGIUM

### GHENT PIRATE NETWORK NEUTRALISED

The Federal Police of Ghent raided several homes of counterfeiters in the area around Zelzate in September. The case was initiated by a local video store owner, who had lodged a complaint with the police regarding a network of people copying and selling films. Following an investigation the police entered ten addresses in search of illegal goods and found numerous copies of music, games and films. Most of the illegal wares were sold to workers in the factories around the port of Ghent. One of the pirates in this network had already been convicted of piracy in 2001. In total about 10,000 illegal carriers were seized and the case has been referred to local prosecutors.

Source: BVF-IFPI

## SPAIN EXPERT COUNTERFEITERS ARRESTED IN SPAIN

In most cases people buying counterfeit goods are all too aware of what they are doing - however some consumers in northern Spain had been fooled for many years by high quality counterfeits sold by a sophisticated criminal organisation.

The gang offered these counterfeits for sale at or near the price of a genuine CD, defrauding customers who thought they were buying original discs.

Members of the gang had been known to the police for some time, having been previously arrested for intellectual property crimes. The police began investigations in April 2006 and were able to launch a series of raids at eleven addresses in six provinces in November 2006. Ten people were arrested and the ringleaders were remanded in custody.

These raids uncovered more than a hundred duplication machines, two digital silk screen printers, over 100,000 CDs, DVDs and MC units, 60,000 labels and inlay cards, state of the art printing, packaging and wrapping machinery, plus seven vans which served as mobile shops. These were seized together with more than €47,000 in cash.

This gang, who used a number of limited companies to cloak their activities, were able to produce professional looking inlays and album designs to a standard that was virtually indistinguishable from the original. The discs themselves were duplicated CDRs, but were of such high quality that experts from PROMUSICAE-AGEDI were needed to identify them.

They also specialised in the provision of pre-release material the most recent example being that of David Bisbal's album 'Premonición'.

Investigating officers soon discovered that the suspects had all accrued enormous financial benefits from their unauthorised activity. One of the gang had recently bought a house valued at €2 million. It is estimated that the property seized was valued at €1.2 million and that the total fraud could amount to €15 million.

A spokesman for PROMUSICAE-AGEDI said: *"This was one of the most important police operations in recent years. This gang sold a lot of material and particularly hit legitimate music sales because they passed off their product as genuine to an unsuspecting public."*

Source: Promusicae-Agedi



Interior of van used as mobile shop



High quality pre-release album found during search

## UNITED KINGDOM FIVE CHARGED WITH CONSPIRACY TO DEFRAUD

Five people have been charged at London's Forest Gate police station with a £25 million conspiracy to defraud the music industry. The case is the result of a year long investigation by the Newham Police Crime Squad into CD copyright theft and the pirating of legitimate music. It is believed to be the largest music fraud of its kind to date in the UK.

As a result of information supplied by the music industry's British and international trade organisations (BPI and IFPI), police officers attended Woolwich Market and arrested two people operating a market stall selling suspected pirated CDs. The police seized approximately 2,000 discs. This led directly to a further arrest in east London and the seizure of an additional 35,000 CDs in a local warehouse.

The investigation continued and further search warrants were executed at other addresses. As a result of these raids two people were arrested, while property including computers and other equipment was seized.

Officers linked the CDs to a number of manufacturing plants in eastern Europe. They used the latest anti-piracy techniques and were assisted by both BPI and IFPI, working in partnership with the London regional asset recovery team. These manufacturing facilities were then visited and it was confirmed they had produced the discs on behalf of individuals resident in the UK.

A file was submitted to the Crown Prosecution Service and on their direction conspiracy charges have been brought against all five people.

Detective Chief Inspector Dave MCKELVEY from Newham Borough said: *"This was an outstanding operation leading to a substantial seizure of counterfeit products, in partnership with the music industry we have dismantled an organised criminal network that was defrauding them of millions of pounds."*

Source: RAPEC Europe

## FINLAND SUSPENDED SENTENCE AND €70,000 DAMAGES BILL FOR KARAOKE COPYRIGHT CRIMINAL

A 47-year-old Swedish man who sold pirate karaoke records was given a 30 day suspended prison sentence for copyright offences in Finland. The district court of Kemi-Tornio also obliged the defendant to pay more than €70,000 in compensation, damages and expenses to the right holders.

CIAPC Finland traced the offender through his Finnish website, where he offered copies of Finnish karaoke records that had been made without right holders' permission. He also sold these records through advertisements in magazines. The case was investigated by Northern Customs District and the Swedish Police granted executive assistance by raiding the man's premises.

The court found that the defendant had acted wilfully and caused considerable damage to the right holders. The man had sold more than 400 illegally manufactured records within a six month period.

Source: CIAPC

## GERMANY HUSBAND AND WIFE TEAM SENTENCED FOR COUNTERFEITING

A husband and wife team who were the former owners and directors of Disc Spezial, an optical disc plant based in Hanau, have been sentenced to probation and fined following an investigation begun by IFPI Germany and Promedia, assisted by IFPI in London.

The couple were prosecuted following an investigation which forensically linked the plant to the production of more than 300 different titles. The prosecutor in Hanau laid 9,818 charges of copyright infringement against the pair who pleaded guilty to the offences in October 2006.

The court imposed sentences of twenty two months probation on one defendant together with a fine of €10,000 and eighteen months probation and a €5,000 fine on the second defendant. Additionally, they will have to cover the costs of the proceedings, including the lawyers' fees, of approximately €7,000. All infringing products will be destroyed.

Iain Grant said, *"Whilst it is always pleasing to see pirates in front of the courts this has been a frustrating investigation. The criminal activity was prolonged with over 300 separate titles being infringed yet the sentences are hardly of a deterrent nature. A more robust response from the German Criminal Justice system would be welcome in the future"*



Plant linked to production of illegal titles

Source: RAPEC Europe

## CHINA

### CRACKDOWN ON PIRATE SYNDICATES IN SHANGHAI

IFPI discovered that a number of pirate audio visual retail outlets in Shanghai were being supplied by a criminal syndicate based in southern China.

The information was passed to the Shanghai authorities who conducted raids against a number of targets, including the syndicates' local storage facility. This led to the seizure of 200,000 pirated optical discs containing local and international music and movie titles. In addition, the head of the syndicate and four of his associates were arrested for copyright offences.

Continuing action by the Shanghai authorities resulted in a raid against a second suspect distribution operation, which led to the arrest of a leading syndicate member and the seizure of a further 170,000 pirated optical discs containing local and international music and movie titles.

Finally, the authorities raided seven retail outlets linked to the syndicates activities and recovered a further 510,000 illegal optical discs with the arrest of yet more syndicate members.

Bob Youill, RAPEC Asia Pacific commented *"These are indeed very significant operations by the Chinese authorities who are to be congratulated on an excellent result against crime syndicates that have been causing significant damage to the legitimate music industry"*.

### ILLEGAL RECYCLING

IFPI investigators have been researching into the availability in China of the so called "saw-gash" audio compact discs. These are audio titles that were intended for recycling and are characterized by a saw cut into the disc casing, thus marking them for recycling by the music industry.

The IFPI investigation revealed that these products were being diverted from the recyclers by a syndicate in southern China to retailers where their availability was undermining the legitimate music market.

As a result of the IFPI investigation, a warehouse and distribution centre was located in Guangzhou City and subsequently raided by government enforcement authorities accompanied by IFPI personnel. A total of 35,500 individual "Saw-Gash" music discs carrying international music titles were seized. The investigation into the availability of these 'recycled' music products continues.

### RAID AGAINST A LARGE-SCALE PIRATE RETAIL OUTLET IN BEIJING

In yet another action in China, IFPI regional operatives noted a well-known retail outlet in central Beijing was suspected of selling pirate audio compact discs. A complaint was lodged with the local authorities and a subsequent raid led to the recovery of 120,000 pirate optical discs - a significant number of which contained local and international music repertoire of well-known artists.

In an unconnected operation in late September, IFPI regional operatives working with local enforcement officials in Baiyun District, Guangdong Province simultaneously raided three illegal storage facilities hidden in an underground car park resulting in the recovery of a further 125,000 pirate optical discs.

Source: RAPEC Asia Pacific

## PHILIPPINES

### DRUGS, ARMS & PIRACY

In the Philippines, the Optical Media Board (OMB) has accelerated enforcement actions against pirate syndicates, targeting storage facilities concealed amidst residential areas.

In July, acting on intelligence and equipped with a court warrant, the OMB raided a residential unit in Maharlika Village, Taguig City resulting in the recovery of 6,500 pirate optical discs in which six sachets of methyl amphetamine hydrochloride (a dangerous drug) were concealed in the CD jewel boxes pending distribution. In addition, the raid also uncovered two live military type hand grenades and 230 rounds of live 5.56mm ammunition.



*Grenades and ammunition found during search. Officers accompanied by Edu Manzano, Head of the OMB*

### PHILIPPINES RETAIL RAID ACTION

The Optical Media Board continues to maintain pressure on the rampant retail piracy situation that plagues the country, with many raids and seizures of large quantities of illegal music products.

Source: RAPEC Asia Pacific

## INDONESIA

### THINGS ARE LOOKING UP IN INDONESIA

After five years inclusion in the USTR Priority Watch List, the efforts of various Indonesian Government departments were recognised in early November when the country received a positive assessment in an 'Out-of-Cycle' review. The improved status of the nation reflects a variety of improvements in intellectual property rights enforcement.

The improvement started in 2004 with revision of the local Copyright Laws and the subsequent passage and implementation of the Optical Disc Law. This led to a programme of registration and licensing of optical disc facilities, conducted by the Department of Industry, and the establishment of optical disc plant monitoring teams, trained for the task with the help of IFPI personnel.

The process was complemented by some very impressive enforcement action conducted by elements of the Indonesian National Police, exemplified by a public destruction ceremony conducted by General Adang Firman, Chief of the Jakarta Metro Police, which saw the destruction of some 4.7 million infringing optical discs.

IFPI regional operatives have been actively working with the Indonesian enforcement agencies to provide advice and back-up support to their various actions. These have included, optical disc plant visits, raids against numerous large scale retail "black-spots" such as the infamous Glodok market, which led to the seizure of hundreds of thousands of pirate optical discs and the eradication of numerous illegal optical disc replication facilities.

## MALAYSIA

### PIRATE PRODUCTION BY LICENSED FACILITIES WILL NOT BE TOLERATED' VOWS MDTCA

IFPI and enforcement officials in Malaysia can look back with some satisfaction on 2006, a year in which the optical disc manufacturing landscape has significantly improved.

The previous 12 months had seen unprecedented enforcement action against illegal manufacturing and a reduction in the numbers of licensed plants from 44 to 26.

An example of these actions was the raid conducted by enforcement agencies against a major replication facility in which three production lines were seized and nine people were arrested. The carefully planned raid began after officers acting on IFPI information intercepted a goods vehicle laden with pirate music discs.

The perception that certain elements involved in piracy were untouchable appears to have been dispelled as a result of resolute enforcement action against those plants suspected of producing counterfeit discs. A number of individuals now face criminal charges for their illegal activity and their businesses have been closed down.

The resolute enforcement actions over the year has often resulted in the pirates turning to unorthodox tactics to conceal their activities, including the construction of hidden compartments and tunnels in an attempt to hide their illegal activity.

Source: RAPEC Asia Pacific

## NEW ZEALAND

### MUSIC PIRATE SENTENCED TO NINE MONTHS IN JAIL

A major victory was claimed by copyright owners when an Auckland man was sentenced to nine months imprisonment for illegally copying music and selling it at markets around the city.

The defendant was found guilty of copying music of various artists and also ordered to pay the sum of NZ\$8,500 to the copyright owners and forfeit his equipment. All the counterfeit discs are to be destroyed.

The sentence was warmly received by the creative industries whose businesses are under threat from widespread piracy. Mark McCall, director of anti-piracy for the Recording Industry Association of New Zealand, said: *"This is a very good win for music in particular and the creative industries as a whole. We now have a clear message from the courts that this sort of theft will not be tolerated and will in fact receive the full weight of the law. It is particularly sad for Pacific Island music in that the defendant's activities infringed against his own culture. Those engaged in commercially based copyright infringement will feel the consequences and be dealt with severely."*

When Police raided the defendant's home they found the master bedroom contained computer equipment with CD burners, empty CD cases, printed material and more than 1,800 CDs in various stages of completion. Sales records showed that he had been selling music for three years and it was estimated that he had been making NZ\$50,000 per year through this illegal activity.

Source: RIANZ

## Europe

### Europe

The diverse countries in Europe give rise to varying forms of piracy, although in many CDR is the media of choice. The following cases highlight some of the successes in 2006:

### England

Twenty nine suspects arrested following searches at 17 addresses. The suspects were producing counterfeit discs at five sites and selling them throughout the North West region earning £4,000 per day. The suspects were also claiming benefits to which they were not entitled.

### Spain

An organised crime group from Bangladesh was arrested by the national police. It is estimated that the gang were producing over 600,000 discs per month in a well organised operation which included 147 burners and other professional copying equipment.

### Greece

A court sentences pirate to eight years in prison a fine of €15,000 and deportation. The suspect had been arrested five times for copyright infringement.

### Poland

Polish police raided border markets and seized over 50,000 CDs. Ten arrests were made and 45 retail outlets closed.

### Netherlands

The anti-piracy group BREIN hailed the Dutch Appeal courts judgment against Zoekmp3 as the latest victory against online pirates.

### Italy

Italy's Fiscal Police executed search orders in a nationwide operation against online sales of pirate CDs on eBay. Twenty individuals were indicted for copyright offences.

## Asia Pacific

### Asia Pacific

The Asia Pacific region is characterised by the massive overcapacity of optical disc production of all formats. This is typified by the illegal production of infringing product in many of the countries in the region and the export of hundreds of millions of blank CDRs & DVDRs.

### China

Remains the biggest producer of optical discs in the world and reports a number of actions against illegal distribution centres yielding much pirate product.

### Indonesia

An illegal plant was discovered in Jakarta by astute police officers who stopped a vehicle carrying a large amount of CDs. Their enquiries led them to a plant whose only access was through a hidden doorway from an otherwise unremarkable industrial complex.

### Malaysia

The Ministry of Domestic Trade and Consumer Affairs (MDTCA) launched an offensive against replication facilities suspected of producing illegal product. During the years several such plants have been raided and closed down. Some plants have been displaced to other countries and an increase in CDR/DVDR piracy has been noticed as a direct consequence.

### Philippines

The Optical Media Board (OMB) has kept up the pressure on pirate operations throughout 2006 by executing search warrants on retail distribution and duplication centres. Many hundreds of thousands of discs have been seized.

### Taiwan

Three police officers were seriously injured by pirates when they were part of a team who raided a notorious night market in Chungli City. Fortunately they made full recoveries.

## Latin America

### Latin America

Piracy throughout Latin America is dominated by CDR/DVDR formats which are almost entirely imported from the Asia Pacific region. Hundreds of millions of such discs are imported annually into the region often being undervalued and smuggled. Seizures exceed 100 million discs.

### Paraguay

Paraguay has the highest piracy rate in the region and annually imports over 250 million blank discs. The majority of these discs are destined for neighbouring markets, principally Brazil. Large scale burning laboratories have been discovered throughout the year and many notable seizures of infringing product made.

### Brazil

Almost half a million blank discs recovered in a warehouse in Sao Paulo having been smuggled into the country from Paraguay. Large scale burning operations detected as a result and 534,000 blank DVDRs recovered.

### Mexico

Anti-piracy actions in Mexico are typified by large customs seizures. In January over eight million blanks CDRs and 3,826 burners were seized by customs.

### Argentina

Anti-piracy activity in Argentina frequently uncovers innovative methods of delivery of pirate product. In July officers from the Province of Santa Fe discovered a mail order operation which was supplying both wholesale and retail customers with illegal product. This illegal operation which relied on the internet for customer contact was run from two warehouses where discs were copied in huge numbers and despatched through the mail system to clients.

## Middle East, South West Asia and Africa

### Africa, Middle East and South West Asia

As might be expected this enormous region faces a multitude of piracy problems ranging from sophisticated optical disc plants through to large scale cassette duplication.

#### India

The Indian authorities carried out the first raid of an OD plant producing pirate product in June last year. The owner of the plant and three other persons were arrested for producing illegal Indian music and film titles.

#### Pakistan

Following the raids on illegal plants in May 2005 the Pakistan authorities kept up the pressure on pirate producers in the country who switched their production to CDR/DVDR. In a recent raid carried out by the FIA over 300,000 discs containing music, film and other products were seized.

#### Egypt

Cairo anti-piracy police conducted a raid on a four storey apartment which was a fully equipped factory for the production of CDR and music cassettes. During the raid 120,000 cassettes and more than two million inlays were seized.

#### Nigeria

Evidence is rapidly emerging that Nigeria is becoming one of the major producers of pirate material in Africa. Currently there are 15 known plants producing an estimated 400 million discs per year. Some of these plants are owned by Asian companies displaced by enforcement activity in that region. This activity is being closely monitored by the joint IFPI/MPA office in Lagos and the Nigerian Copyright Commission.

#### South Africa

The anti-piracy unit in South Africa continues to target street sellers and organised pirates within the country although not without some risk. Investigators have received death threats and met with aggression when confronted and remain resolute in their endeavours.

## Central Europe and Russia

### Central Europe & Russia

This region has long been home to plants producing high quality counterfeits that have been traced to more than 47 countries around the world. During 2006 the numbers of known plants in Russia fell for the first time and some effective enforcement action has taken place.

#### Russia

In March the authorities raided a wholesale distribution centre in Tver. In total more than two million DVDs containing bootlegs music titles and films were seized. The search revealed that about 4,000 different film titles and 700 music DVD titles were kept in the warehouse. A criminal case has been initiated against the owners.

#### Ukraine

Much piracy in the Ukraine is typified by the amounts of high quality Russian produced counterfeits on sale in various markets. However significant quantities of CDR and DVDR material are also produced by pirates within the country. In a recent raid police discovered more than 13,000 discs containing music films and games together with a loaded pistol.

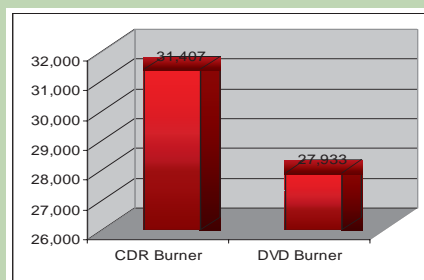
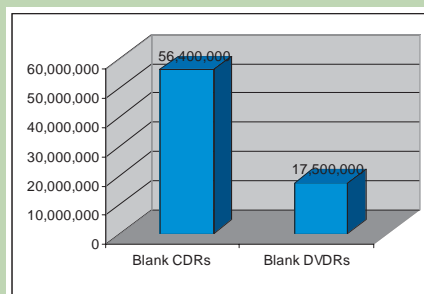
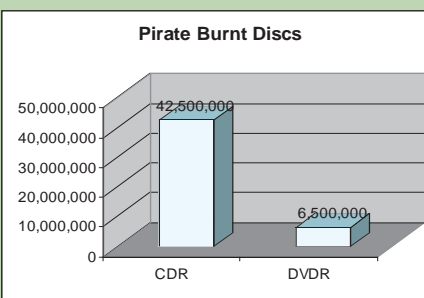
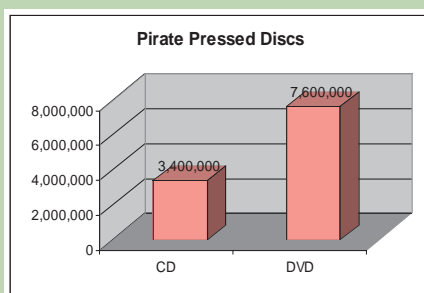
#### Turkey

The UCAR CD plant had its production license revoked by the Turkish authorities following a prosecution in which the owner was convicted and sentenced to more than five years imprisonment for producing counterfeit discs. The investigation which included examination by IFPI's forensic laboratory conclusively proved that the plant had produced the counterfeit discs.

## Global Seizures

The work carried out by IFPI and its National Groups in 2006 is perhaps best summarised by some statistical information and although final figures for the year are not complete, every indication suggests that seizures of both pirate and blank discs will exceed those of 2005.

These seizures represent a significant cost to the global criminal syndicates involved in piracy and have recently been estimated in excess of \$125 million USD.



## ARGENTINA

### RAID ON BUENOS AIRES MARKET

Federal Police officers carried out a raid on the infamous market complex of "La Salada" in Buenos Aires, shutting down a leading pirate enterprise and arresting the four people involved, following an investigation initiated by APDIF Argentina,

The owners of this illegal business had established themselves as wholesale distributors of inlay cards, which they sold together with 'master' copies of MP3 music titles on CDRs, the tracks of which corresponded to the information on the inlays purchased by their clients.

This enterprise had become the principle provider to pirate laboratories supplying the purchasers of this material with everything necessary to start their own pirate business. The potential of this illegal business is demonstrated by the product seized: 500,000 inlay cards relating to pirate discs, 3,000 CDRs in MP3 format, a computer, a CDR burner and 20,000 pirate CDs.

The following day two further stores were raided by the authorities and an additional 20,000 pirate discs seized including over 14,000 film titles on DVD and VCD and about 6,000 music titles.



### LARGEST DESTRUCTION OF CDS IN ARGENTINE HISTORY

Over 500,000 counterfeit discs seized by Argentine customs were destroyed by crushing in the City of Puerto Iguazu in the 'Tres Fronteras' region. This public destruction ceremony was the largest in the history of the country and closed a series of very successful operations against the sale and smuggling of intellectual property. This public act provides a strong message that counterfeiting will not be tolerated to those involved in the illegal trade in such merchandise. .

Source: CAPIF

## BRAZIL

### JOINT EFFORT SCUPPERS SMUGGLERS

The importance of cross-border cooperation cannot be over emphasised and this is particularly the case in the 'Tres Fronteras' region of Argentina, Paraguay and Brazil, where large amounts of counterfeit discs and blank media are smuggled from one country to another.

In a recent investigation, IFPI's Latin American investigators identified a suspect shipment being moved by a distributor in Ciudad del Este, Paraguay across the Friendship Bridge into Brazil. Brazilian customs were notified and stopped the vehicle containing the goods near to the city of Foz de Iguacu. In it were found 475,000 blank CDRs/DVDs, 20,000 recorded CDRs, 35,000 MP3/CDRS, 38,000 film DVDrs, 10 printers, 250 CD Burners, 300 DVD burners and more than 100,000 inlay cards. As a direct result of this seizure two clandestine laboratories were identified and raided in Paraguay.

## DENMARK

A Danish court delivered a fresh blow to illegal music website [allofmp3.com](http://allofmp3.com) in October, with a ruling that made it harder for users to access the site.

The Danish court sided unconditionally with IFPI Denmark in a case it brought to make the internet service provider Tele2 block its subscribers' access to the illegal Russian music service.- precisely as had been done with other illegal content such as child pornography sites.

IFPI Denmark on the basis of the court's decision contacted all Danish internet service providers and requested that they close down their subscribers' access to allofmp3. The decision was a very important step in the fight against piracy. It will now be possible to technically block the users' access to illegal content on the internet. The case is based on the Infosoc-directive and can therefore create a precedent in other European countries.

Source:IFPI Denmark

## MEXICO

### RAIDS IN VERACRUZ YIELD 1.4 MILLION DISCS AND NINE MILLION INLAYS

The Attorney General's Office (PGR), with support from 200 federal and local police officers, launched a series of raids on 32 warehouses and two laboratories in the city of Veracruz last October. These raids netted 810,000 recorded CD-R units, 9.2 million inlay cards, 72 burners and 600,000 DVD units, containing music videos and films.

These locations were used to produce and distribute pirate product for the entire state of Veracruz. This operation is the first of its kind in this part of Mexico and confirms the existence of a diversified network of pirating groups that incorporate both music and film piracy into their criminal enterprises.

In view of the significant amounts of pirate product seized, authorities are conducting a follow-up investigation to determine a potential nexus to organized criminal groups in this area. The local industry is encouraging the Attorney General to categorise pirate activities by these groups as organised crime cases. If so defined, those responsible for the production and distribution of this product could face more serious criminal charges.

### DRUGS AND ROCK N' ROLL

The Mexican authorities, including the Attorney General's Office (PGR), the Federal Investigation Agency (AFI) and the Public Security Secretariat (SSP) launched a blitz in September against copyright infringers in Mexico City with support from APDIF Mexico personnel.

Officials raided 200 warehouses and seven laboratories in Plaza San Bartolomé de las Casas, where the storage, reproduction and distribution of phonographic material were detected.

As a result of the raid in September, 415,000 blank CD-R units, 185,000 recorded CD-R units, 15 million inlay cards, 283 burners, two silkscreen printers, 50 DVD reproducers, 35 televisions, 15 mini components, four kilos of marijuana, half a kilo of cocaine and 150 psychotropic pills were seized.

Further raids were undertaken by the same agencies in November, with search operations extending to 208 warehouses in the notorious Tepito district of Mexico City.

The searches, which were carried out after a lengthy surveillance operation into the mass duplication, sale and promotion of pirate music products, yielded spectacular results as can be seen in the following statistics. In total one million blank CDRs, 300,000 recorded CDRs, 2.5 million inlay cards, 40,000 jewel boxes and 1.7kilos of cocaine were seized.



*Cocaine found during search*



*CDR & DVDR burners*

## PARAGUAY

### PARAGUAY CONTINUES PUSH AGAINST THE PIRATES

The rate of counterfeit activity in Paraguay continues to be one of the highest in the world, but authorities there are having some notable successes against organised crime gangs in the city of Ciudad del Este. During recent investigations more than 350 CDR and DVDR burners were seized from various locations.

Examples of this work carried out by the Economic Crime Unit of the Policía Nacional and the Unidad Tecnica Especializada (UTE) are illustrated by two cases, one in the tenth floor of a commercial building and the other in a private house. Five people were arrested having been caught in the act of counterfeiting music and film products and one of them, the distributor, is currently under investigation by Paraguayan authorities for tax evasion. In total 13,500 CDRs and DVDRs were seized together with 106 burners. The entire pirate product seized, was destined for the Brazilian market and would have been smuggled across the frontier for sale in the neighbouring country.

### CUSTOMS SEIZURE

Customs investigators in Reynosa Tamaulipas, assisted by personnel from APDIF Mexico, suspended from circulation four containers containing a total of 4.6 million blank CDRs and 900,000 blank DVDRs which a Mexican company had attempted to import from Taiwan in November. Given the nature of this import it is suspected that the discs were destined for the pirate music and film market.



*Blank discs seized by customs*

*Source: RAPEC Latin America*

## CROATIA

### RAIDS ON RESORT TOWNS

The anti-piracy activity conducted by HDU during the summer period concentrated on the holiday resorts on the Adriatic coast. Seizures were carried out in cooperation with the police and State Inspectors and ten people were prosecuted several times. The strategy was to target persistent pirates and arrest them at least three times in one month to allow courts to obtain an accurate picture of their activities.

Further police action was also carried out in bars and nightclubs targeting those venues where pirate product was used for public performances.

Training levels have also been stepped-up with a five-day IPR seminar held in Valbandon, Pula for police and State Inspectors. This included input from IFPI's Internet Anti-Piracy Unit



*Music and film titles in street kiosks*



Source: HDU

## UKRAINE

### STORAGE AREA FOR NOTORIOUS MARKET RAIDED

Ukraine's Economic Crime Police have recently raided the notorious "Radio" market in Kiev, well-known for the stalls that offer for sale pirated music, movies, video games and software. After several weeks of monitoring by personnel from IFPI/MPA Kiev, police raided residential premises located next to the market area. These premises were storage areas used by stall-holders to re-supply the stalls with pirate product, a common tactic of optical disc pirates who hope to prevent large-scale seizures at the market stalls.

The police were able to seize 15,000 CDs/DVDs, together with inlays and jewel boxes, all of which were taken away for eventual destruction.

Meanwhile, as part of their ongoing strategy targeting music and movie pirates, the Economic Crime Police, held a public destruction of pirate discs ceremony at a polycarbonate recycling plant in Kiev. Forty thousand pirate discs seized in preceding police operations were fed into a crushing machine and ground into particles. Representatives from the Economic Crime Police, IFPI/MPA Kiev and the media were present with the event filmed for the TV news bulletin. The police stated that they would be continuing with a vigorous policy of piracy enforcement and further destruction of discs would take place.



*Media interest in the destruction process*

### CRACKDOWN ON 'MAIL ORDER' PIRACY

Internet piracy is widespread in the Ukraine, the most prevalent being the mail order type operation where an order is placed online for an music album (both local and international repertoire) which by its pricing is obviously a counterfeit.

Payments are usually made via a credit card and the CDs/DVDs are subsequently home-delivered or sent by mail, in some instances throughout the world. Other websites offer illegal downloads after payment is made, again using credit cards for payment.

Following a lobbying visit by an EU delegation to the Ukraine in October, the Ukrainian police identified 60 such sites containing infringing music/video product. Only 35 of these sites were found to be hosted by Ukrainian-based Internet Service Providers (ISP)s. Internet legislation is still being tested within the Ukraine, but the police were able to deliver physical 'cease and desist' notices to all 35 ISPs, pointing out the illegality of the internet sites.

As a result, three of the largest infringing sites ([www.mp3alkar.net](http://www.mp3alkar.net); [www.mp3.dp.ua](http://www.mp3.dp.ua); and [www.electromusic.infostore.org](http://www.electromusic.infostore.org)) have been shut down and the ISPs have restricted access to many hundreds of thousands of infringing music files.

These operations are continuing and IFPI/MPA Kiev continues to assist and support the Ukrainian police in taking proactive action to prevent the illegal sites from operating.

Source: IFPI/MPA Kiev

## INDIA

### RAID ON ILLEGAL PLANT IN DEHLI

Indian Police accompanied by investigators from the Indian Music Industry (IMI) conducted a raid in November on a factory in west Delhi which was suspected of producing copyright infringing material. During the raid more than 90,000 CDs, mostly containing Indian repertoire, one million inlay cards and 19 Stampers were seized, as well as all the production machinery and plant. The owner of the plant was taken into custody pending further investigations.

V. J. Lazarus, President of IMI, said: *"IMI has been working for the last ten years to control piracy and in the last four months alone has conducted raids on two of Delhi's biggest CD plants. We have reason to believe that this is a piracy network spanning the whole of northern India. We will fight for justice against these pirates until the very end."*

Source: IMI

## ISRAEL

### SURVEILLANCE OPERATION CATCHES PIRATES

IFPI Israel conducted a lengthy surveillance operation culminating in a raid on a clandestine duplicating laboratory producing pirate music products. The two suspects, who had established their factory in the basement of a private house in the town of Yavneh, near Tel Aviv, were arrested by the police and detained in custody.

During the raid many thousands of CDRs and DVDRs were found together with 34 burners in five towers. From the stock recovered and the numbers of blank discs present, it is estimated that many thousands of discs were being copied each month.

In a separate case a suspect previously arrested for managing a factory producing pirate discs was sentenced to six months in prison and fined 150,000 Israeli Shekels (Approx US\$35,000).

Source: IFPI Israel

## NIGERIA

### REGIONAL TRAINING

IFPI and the MPA conducted a training seminar for fifteen law enforcement officers in Lagos during October. The seminar was part of a joint capacity building approach and was attended by eight police officers from Lagos, five officials of the Nigerian Copyright Commission and two Nigeria Customs Service officers who all have responsibility for enforcing optical disc regulations.

The training team was headed by the RAPEC Middle East, SW Asia and Africa, Willem van Adrichem and included IFPI's Stephen Quirke, Michael Buchan of the MPA and Akeem Aponmade, the National Coordinator of IFPI/MPA in Nigeria. The participants were taken through the procedures for conducting plant visits, process of identifying pirated optical discs, Source Identification Code system and issues on copyright legislation in Nigeria.

At the end of the training seminar, all the participants were united in their appreciation for the quality of the presentation and amount of knowledge they were able to acquire in a day. Later that week the same officers accompanied by the IFPI/MPA staff carried out a series of 12 plant visits and were able to put their newly acquired knowledge into practice.

Source: IFPI/MPA office Lagos



Burners found during raid in Israel

## UNITED STATES

### ATLANTA WAREHOUSE HID MULTIPLE OFFENCES

Months of undercover work and test purchases led to a dynamic raid by members of a SWAT team, Atlanta police, ATF and FBI along with RIAA investigators. The officers held warrants for two units within a warehouse complex and knew that an element of surprise would be required to apprehend the suspects. Using flash bangs and a battering ram had some effect, but some of the suspects tried to hide beneath a trapdoor in the floor of one of the units and another fled onto the roof where he was apprehended after a dramatic chase.

In total eight men were arrested and both premises thoroughly searched. In the first over 16,900 CDRs and 3,300 DVDRs were found together with a burner, inlay cards and plastic sleeves. US\$1,800 in cash was also found hidden behind a loose brick in a wall. In the second unit nearly 5,300 CDRs, 3,200 DVDRs containing films and 32 burners were found together with documentary evidence illustrating the scale of the operation. Quite apart from the infringing optical discs, other counterfeit material including clothing, handbags and watches were discovered as well as pornographic films. A suspect detained outside the premises also had a large wad of cash and a quantity of cocaine.



Arrest of suspect in Atlanta

Source: RIAA

## Training News

### Namibia

IFPI was invited to participate in a UNESCO sponsored training event for southern African countries held in Namibia. The event entitled 'Anti-Piracy Training for Trainers' brought together judges, magistrates, police, customs officers, copyright and culture officials for a four day training event dealing with many aspects of copyright protection and enforcement.

The 38 delegates from ten countries who attended the event now have to take this important message back to their respective nations, develop a training programme based on the UNESCO model and deliver it to students in their home territories.

The value of these regional events cannot be overstated as for the first time many delegates began to realise the global threat to their respective national industries and the ruthless nature with which organised piracy can destroy whole sectors. It was apparent that most of the copyright industries in the delegate's countries were affected by high piracy levels with much illegal product arriving from China and other South East Asian countries.

Other industries participating in this event were the Publishers Association, the South African Federation Against Copyright Theft, the Association of American Publishers, Microsoft and the International Federation of Reproduction Rights Organisation.

### Senegal

IFPI was invited to attend a WCO sponsored training seminar for senior African customs officers held in Dakar, Senegal. Senegal and some other African countries are suspected to be transit points for all manner of illicit goods including counterfeit products. On this occasion IFPI was represented by the joint IFPI/MPA National Coordinator for Nigeria, Mr Akeem Aponmade who, with logistical backup from IFPI London, gave an overview of optical disc piracy with particular emphasis on Africa.

### Luxembourg

IFPI attended an EU operational task force operation for Luxembourg customs in December to provide training in the identification of pirate music product. The operation which took place at Luxembourg airport was also attended by other rights' holders and EU customs experts from several countries. Luxembourg was chosen for this operation due to the significant rise in airfreight landing there, currently about 2,200 tons per day, only two per cent of which stays within the country. Much of this airfreight stems from China and other Asian countries with high counterfeiting rates and has given rise to concern from other member states. During the operation significant seizures of counterfeit products were made.

## Diary 2007

29 Jan	WCOIPR Group meeting.
30 -31 Jan	3rd Global Congress (WIPO Geneva)
1 Feb	Meeting of Interpol IPCAG Geneva
May/June	RAPEC meeting in London

## Last word...

General anti-piracy enquiries and requests for information relating to enforcement issues should be sent to the following email address:

[enforcement@ifpi.org](mailto:enforcement@ifpi.org)

Information is also available from IFPI's website: [www.ifpi.org](http://www.ifpi.org)

The next EB will be **May 2007**.

Contributions / comments are welcomed and these should be forwarded to the editor no later than **4 April 2007** (see below for details). Photographs should be submitted as individual digital images at best resolution and not appended to documents or powerpoint slides as this can impair later reproduction.

Mailing list enquiries should also be addressed to the editor.



ENFORCEMENT BULLETIN

This Bulletin is edited by Graham Hagger, Training Officer @ IFPI Secretariat.

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## People

### Appointments/Movements

Keith Cawkwell	European Investigator	London (Oct 06)
Tim Ramsey	European Investigator	London (Jan 07)

### Departures

Jacek Zochowski	European Investigator	Poland (Nov 06)
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