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JUSTICE DEPARTMENT ANNOUNCES EIGHT CHARGED IN INTERNET PIRACY CRACKDOWN

First Indictments Arising From Charlotte Fbi Undercover Investigation For Operations Fastlink And Site Down

WASHINGTON, D.C. - Acting Assistant Attorney General John C. Richter of the Criminal Division; Gretchen C. F. Shappert, U.S. Attorney for the Western District of North Carolina; and Robert F. Clifford, FBI Acting Special Agent-in-Charge of the Charlotte Division, today announced that eight individuals were charged with criminal copyright infringement in Charlotte, North Carolina, as part of an ongoing federal crackdown against the organized piracy groups responsible for most of the illegal distribution of copyrighted movies, software, games and music on the Internet. These are the first federal indictments arising from the Charlotte-based FBI investigation that identified targets in both Operations FastLink and Site Down - the two largest and most aggressive international enforcement actions against criminal organizations involved in the illegal online distribution of copyrighted material.

Charged by indictment with conspiracy to commit criminal copyright infringement and copyright infringement were: David Lee Pruett, 34, of Auburn, Washington; Alexander C. Von Eremeef, 30, of Belmont, Massachusetts; George C. Stoutenburgh, 48, of Bennet, Colorado; and Jerry M. Melvin, Jr., 24, of Roanoke, Virginia. Charged by Information with conspiracy to commit criminal copyright infringement were: David Chen Pui, 26, of Fountain Valley, California; Shawn W. Laemmrich, 30, of Calumet, Michigan; Scott John Walls, 45, of Spokane, Washington; and Franklin Edward Littell, 48, of Martinsville, Indiana.

“Today’s charges strike at the top of the copyright piracy supply chain—a technologically-sophisticated, highly organized distribution network that provides most of the copyrighted software, movies, games, and music illegally distributed over the Internet,” said Acting Assistant Attorney General Richter. “Cases like these are part of the Department’s coordinated strategy to protect copyright owners from the online thieves who steal and then sell the products they work so hard to produce.”

Operations FastLink and Site Down resulted in a total of more than 200 search warrants executed in 15 countries; the confiscation of hundreds of computers and illegal online distribution hubs; and the removal of more than 100 million dollars worth of illegally-copied copyrighted software, games, movies, and music from illicit distribution channels. Countries participating in these U.S.-led operations included: France, Canada, Sweden, Denmark, the Netherlands, the United Kingdom, Portugal, Hungary, Israel, Spain, Australia, Singapore, Belgium, and Germany. Both Operations FastLink and Site Down were the culmination of multiple FBI undercover investigations, but only one of those investigations participated in both operations: the Charlotte undercover investigation responsible for today’s charges. The charges announced today reflect the commitment of the United States Attorney’s Office to aggressively protect intellectual property rights which are increasingly important in today’s information age.

“Operations FastLink and Site Down reinforce the commitment of federal law enforcement agencies to protect intellectual property rights and to maintain the integrity of our copyright laws. Agents of the FBI and their Department of Justice counterparts are to be commended for this extraordinary effort,” said U.S. Attorney Gretchen C. F. Shappert.

The defendants charged today were leading members in the illegal software, game, movie, and music trade online, commonly referred to as the "warez scene." They acted as leaders, crackers, suppliers, distribution site hosts or site administrators. All were affiliated with organized warez groups that acted as "first-providers" of copyrighted works to the Internet - the so-called "release" groups that are the original sources for a majority of the pirated works distributed and downloaded via the Internet. Once a warez release group prepares a stolen work for distribution, the material is distributed in minutes to secure, top-level warez servers throughout the world. From there, within a matter of hours, the pirated works are distributed globally, filtering down to peer-to-peer and other public file sharing networks accessible to anyone with Internet access.

"This FBI Charlotte undercover operation was very successful in identifying and collecting evidence against those individuals who were the primary source of pirated digital material around the globe," said Acting Special Agent-in-Charge Clifford. "This investigation illustrates the FBI's ability to conduct sophisticated and complex technical investigations, where those committing the cyber crimes can be identified and located anywhere in the world."

These warez groups also supply the for-profit criminal distribution networks that cost the copyright industry billions of dollars each year. Illegal warez copies of software or movies are easily and cheaply converted to optical discs and distributed throughout the world from factories in Asia and elsewhere. Spammers regularly advertise cheap software that can be downloaded from websites or shipped from overseas, usually bearing the signature mark of the warez group that released it.

Today's charges are the latest in a series of actions taken by the Department of Justice to crack down on illegal online piracy. In the past four years, beginning with Operation Buccaneer in 2001, Operation Fastlink in 2004, and Operation Site Down last month, the Department's prosecutions of top piracy organizations have been unprecedented in size and the degree of international cooperation achieved. Operation Buccaneer alone has yielded a total of 30 U.S. felony convictions and another 10 convictions overseas, and Department prosecutors are still seeking the extradition of the Australian leader of one of the principal warez groups dismantled by that operation. Operation FastLink has yielded 12 felony convictions to date, but that number is likely to increase significantly as a result of today's actions. Earlier this month, four individuals were indicted on felony copyright charges in U.S. District Court in San Jose, California, as part of Operation Site Down.

These cases are being prosecuted by Senior Litigation Counsel Eric Klumb and Trial Attorney Corbin Weiss of the Department's Computer Crime and Intellectual Property Section, in coordination with Assistant U.S. Attorney Corey Ellis of the U.S. Attorney's Office for the Western District of North Carolina.

The charges contained in the indictments and informations are allegations only and the defendants are presumed innocent until convicted at trial.

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