

Media Release

For Immediate Release

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Computer Software Counterfeiters Indicted in Landmark Legal Case

Nearly 8,000 consumer victims lost hundreds of thousands of dollars in online scheme

*Indicted parties accused of selling counterfeit software on numerous
web sites, including eBay*

Washington, D.C. – February 10, 2009 – Dramatic legal action against two online software pirates was announced by the Software & Information Industry Association (SIIA) in cooperation with the Department of Justice (DOJ), the Office of the U.S. Postal Inspector, and other government agencies. The cooperative efforts are aimed at closing down the illegal sites involved in selling counterfeit software to unsuspecting consumers.

In one of the largest counterfeiting schemes of this type nationwide, a 19-count federal indictment was unsealed on January 30, 2009, charging Christopher Loring Walters, 28, of Newport Beach, Calif., and Matthew Thomas Purse, 32, of Gilbert, Ariz., with Conspiracy, Mail and Wire Fraud, Criminal Copyright Infringement, and Trafficking in Counterfeit Labels, Packaging or Containers.

The indictment alleges that from September 2004 through February 2006, Walters and Purse created various web sites from which they are believed to have sold and distributed discounted counterfeit software, as well as set up merchant accounts on eBay.

The pair, doing business under numerous web sites, including SoftwareDiner.com, fraudulently advertised that they were authorized distributors of a multitude of brand name software products from legitimate companies. Firms whose software was counterfeited in these scams, and which collectively lost millions of dollars based on the estimated retail prices of the software that was counterfeited, include: Acronis, Apple, Corel, FWB, Intego, Intuit, Macromedia (acquired by Adobe in 1995), McAfee, Pinnacle, Sage, Sonic Solutions' Roxio Division, Symantec, Webroot, and numerous other well-known entities.

The indictment against Walters and Purse further alleges that they established bank accounts and credit card processing accounts with various financial institutions in order to process victim credit card purchases. They also purchased or obtained legitimate versions of copyright software from which to create their stock of counterfeit software. They then acquired software duplicating equipment to mass produce and label counterfeit copies cloned from legitimate brand name products. The packaging, branding, and marking of the counterfeit software by the pair was done in a manner similar to how it was marketed and labeled by legitimate firms.

According to Keith Kupferschmid, Senior Vice President for Intellectual Property Policy & Enforcement for the Software & Information Industry Association (SIIA), "In order to track, identify, and stop these illegal activities, and to help bring the accused parties to justice, SIIA continues to work closely with law enforcement agencies. Our goal is to do whatever is needed and appropriate to shut down these sites and to cease the sale of counterfeit software via the internet."

Conviction for Mail and Wire Fraud carries a maximum of 20 year sentences, while the other charges – including the criminal copyright infringement charges -- carry maximum five year sentences per count. All the counts carry the possibility of a \$250,000 fine as well as prison time.

In addition to this recent high profile case, last year, SIIA teamed up with the Department of Justice to pursue Jeremiah Mondello, an eBay seller who used stolen bank account information to create more than 40 fictitious eBay and PayPal identities to sell pirated software via the auction site. Mondello is currently serving a jail term of 48 months as a result of his conviction.

In commenting on SIIA's tough stance on bringing software pirates to justice, ensuring consumers are not duped out of hard-earned money, and protecting SIIA's member firms against piracy and counterfeiting, Kupferschmid further noted that "the current case is an important marker in the fight against software piracy. We applaud the DOJ, the office of the U.S. Postal Inspector, and the Office of the Attorney General of Arizona for their tireless efforts to crack down on such illegal activities, and we remain diligent when it comes to anti-piracy enforcement, and the protection of both consumers and SIIA's member firms."

About SIIA

The Software & Information Industry Association (SIIA) is the principal trade association for the software and digital content industry. SIIA provides global services in government relations, business development, corporate education and intellectual property protection to more than 500 leading software and information companies. For further information, visit: www.sii.net.

About the SIIA Auction Litigation Program

This program aims to educate buyers and sellers on auction and other web sites as to the harms caused all parties by illegal software resale. Sellers can be prosecuted and buyers can be stuck with viruses, no technical support and no recourse. In addition to the auction and web site piracy lawsuits, SIIA has also sought to protect legitimate sellers and unsuspecting buyers by publishing software buying guides for such sites, and implementing a certification program for software sellers (Certified Software Resellers) to help steer consumers of auctioned software to sellers who have promised to sell only legal software.

