

# FACES OF Internet Piracy



# Introduction

**W**hat seemed like a victimless act turned into a life-changing experience for Danny, Tommy, Diane, and William. With the click of a mouse, these individuals turned from businessman, track star, grandmother, and software programmer into software pirates. How? They got caught offering illegal software over the Internet through for-profit websites, auction sites, and private servers. As a result, these “Faces of Piracy” are paying for their actions with jail time, community service, and financial settlements.

The Internet is filled with software pirates who await the opportunity to offer illegal software to online consumers. Some vendors sell illicit products via auction sites and websites. Others offer free software for download on private servers. Regardless, these individuals knowingly break the law and are under the misguided assumption that they will not get caught.

But the anonymity of the Internet is no longer a safe haven for individuals peddling their illegal wares. The Business Software Alliance (BSA) working with the FBI and local law enforcement agencies has intensified its efforts to track

down and prosecute online software pirates, and their efforts are paying off. Consider this:

- In 2007, BSA sent more than 1.9 million takedown notices to Internet Service Providers (ISPs) asking them to remove the offending software;
- In 2007 BSA shut down more than 13,800 online auctions offering more than 50,500 individual software products; and
- During the first half of 2008, BSA requested that 18,314 auctions offering 45,000 products worth a combined \$22 million be shut down.

The BSA has toured the country, talking to convicted software pirates. While these individuals’ stories are all different, there is one constant: the software pirates did not think they would get caught. But they did, and the ramifications were serious.

Here are the tales of the “Faces of Piracy.” The stories illustrate the unscrupulous behavior of the software pirate(s), the dangers consumers face when purchasing software online, and how to detect illegal software.



▶ Launch the video interview.

## DANNY FERRER

**D**anny Ferrer of Lakeland, Florida did nothing to hide the fact that he was selling illegal software online. In fact, he prominently advertised the sales on popular search engines. But his venture came to an abrupt halt when the FBI descended upon his operation in late 2005. An FBI investigation determined that Ferrer had been running a for-profit website selling counterfeit and illegal copies of software such as Adobe and Autodesk. In fact, Ferrer sold more than \$20 million worth of copyrighted software products on [www.BuyUSA.com](http://www.BuyUSA.com) at prices substantially lower than the suggested retail price. **“Buy USA was a website that I initially set up towards the very, very end of 2002, actually it was more like 2003 where people could purchase copies of some of Adobe’s software, such as Photoshop 7, Illustrator, other high-dollar software at greatly reduced price.”**

The software products purchased on the website were reproduced on CDs and distributed through the mail. On the CD-R discs, Ferrer included labels that featured trademarks of the legitimate software companies and had a serial number that allowed the purchaser to activate and use the product, tactics that were meant to dupe the consumer. Ferrer and his co-conspirators pocketed more than \$4.1 million selling copyrighted software that was used to purchase luxury cars, numerous airplanes, a helicopter, and boats. These items were all confiscated by the FBI.

**“I’m very remorseful for what I did. I would almost beg people out there, don’t do this. Don’t do it as a hobby. Don’t do it as a business. Don’t think that it’s OK. It’s not OK and you are going to get caught. You are going to get caught and you are going to pay the price. And the price that you pay is not just going to be financial. You are going to lose your freedom. You are going to lose your family. You are going to lose the respect of your peers. You are going to be a criminal. I am now a convicted felon...”**

Ferrer was sentenced in federal court to six years in prison and fifty hours of community service. Additionally, Ferrer had to pay more than \$4.1 million in restitution for the nearly \$20 million in loss of sales to the software publishers.

▶ Launch the video interview.



## TOMMY RUSHING

**T**rack star turned software pirate...that's what happened to 24-year-old Tommy Rushing when he began operating numerous for-profit websites that offered pirated software for download. **"I am a software pirate. I sold illegal, I sold software which is downloadable initially from a site. And I took that, and I called it backup software. And people were able to go in, purchase the software and download it from a server..."**


**"...it started my sophomore year in college through a mutual friend; I met another guy who was doing the same kind of, same line of work and, you know, he introduced me into it..."**

On [valuesoftwareales.com](http://valuesoftwareales.com), [allsoftwaredownload.com](http://allsoftwaredownload.com), [esoftwarevalue.com](http://esoftwarevalue.com) and [priceslashsoftware.com](http://priceslashsoftware.com), Austin, Texas-based Rushing offered illegal software titles including Adobe and Macromedia. Claiming it as backup software, Rushing and his co-conspirators offered individuals the opportunity to download the software from his website or purchase both the download and CD. Rushing would burn the software on a CD-R and then mail it to the unsuspecting consumer. Between early 2006 and September 2007, Rushing and his "partners" sold a combined retail value of \$2,500,000. When sentencing is concluded, the defendants have agreed to forfeit a luxury car, HDTV(s), computer equipment, and approximately \$40,000 in cash.

**"...you have a boat, so you have a boat. You have a brand new Hummer. You live in a very nice house. Let's say you go off in a trip to Cancun, Mexico. You come back, everything's gone. Everything in your house, your TVs are gone, your computers are gone, your boat is gone, your Hummer is gone, and all the stuff—on the kitchen counter is a seizure notice with, you know, everything that the governments taken. And then, you know, your letter that says, basically you've been convicted of, you know, software piracy."**

**"You know what? I feel ashamed and also feel confused. You know, I've wasted four years of my life doing this illegal activity. Now, you know, where I could have used these four years doing something constructive with my life..."**

Rushing faces a maximum penalty of five years in prison, a fine of \$250,000 and three years of supervised release. At the time of this writing, sentencing is scheduled for December 2008.



[▶ Launch the video interview.](#)

## DIANE GOINS

In August 2008, BSA announced a judgment in the amount of \$250,000 against Diane Goins, 55, of Richmond Hills, GA. **“Having the judgment against me is the worst thing in the world that could happen to me...”** Goins had been selling counterfeit copies of Corel software on eBay to supplement her retirement income. **“Somebody from BSA ordered a piece of my software and they had it tested.”** The investigation showed that between January and May 2008, Goins sold more than \$212,000 worth of unlicensed software on eBay.

Online auction sites are among the most popular destinations on the web, with millions logging onto buy and sell a vast array of products including software. In fact, estimates have pegged the problem in the range of 50-90%. Some of the most frequently sold titles on auction sites include products by Adobe, Autodesk, Corel, Intuit, McAfee, Microsoft, and Symantec.

▶ Launch the video interview.



## WILLIAM VEYNA

**W**illiam Veyna of Wichita Falls, Texas got caught trading, uploading, and downloading copyrighted material. Veyna got started by talking in chat rooms and socializing with other individuals online. Veyna soon became part of a group that gave him access to the trading of copyrighted material and became a “site operator”, providing access of copyrighted material to thousands of people online. Veyna was a significant member of a software piracy group that distributed copies of software, movies, and games with a combined value of more than \$50 million. **“Before this, I had a good job at a software company, making \$60,000 a year and with a good retirement and pension plan.”**

Through an undercover sting operation, Veyna was caught and given fifteen months jail time and ordered to pay \$929,000 restitution.

**”So, it really doesn’t matter if you’re somebody that’s selling and making millions off pirated software, or your just doing it for a friend. Trading, uploading, and downloading illegal software is illegal and it cost me a felony. And every time I go on job interviews, I have to put I have a felony...”**

# Take Their Word For It...

**While software pirates engage in the illegal activity, they are clearly aware that their actions hurt software developers. Listen to what these software pirates have to say:**

“Pirate software has a false sense of security and false notion, where everybody thinks it’s a victimless crime, or that the companies like the RIAA or the BSA have so much of money to waste that they’re making money, that they won’t notice. But it’s not a victimless crime. It’s not only that those companies are protecting the rights, it’s also the individual developers that spent time, because it takes time to create software...”

– **William Veyna | Convicted Software Pirate**

“People think that software piracy is a victimless crime. Well, it’s not a victimless crime. You are hurting the company. You are hurting the programmers...”

– **Danny Ferrer | Convicted Software Pirate**

“These companies have put a lot of time and money into research and development. It’s their intellectual property, which I stole. People think that copyright infringement is not theft. There is no difference. You are stealing somebody’s property and you are doing it for your own gain.”

– **Danny Ferrer | Convicted Software Pirate**

# Buyer Beware...

## TIPS FOR ONLINE CONSUMERS

**Educating yourself on how to identify illegal software helps protect you from online scams. Here are 10 helpful tips from the BSA that will steer you in the right direction:**

- **Trust your instincts.** Check the online seller's price against the estimated retail value of the software. If a price seems "too good to be true," it probably is.
- **Make sure it's authentic.** Be suspicious of software products that do not include proof of authenticity such as original disks, manuals, licensing, services policies, and warranties.
- **Beware of backups.** Avoid sellers offering to make backup copies. This is a clear indication that the software is illegal.
- **Steer clear of compilations.** Be wary of compilations of software titles from different publishers on a single disk or CD.
- **Get seller's contact information.** If you cannot contact the seller after making a purchase, you may have no recourse if the product turns out to be pirated. Make certain to get the seller's address, if possible.
- **Keep Receipts.** Printout a copy of your order number and sales confirmation and file them for your records. This information will help build your case if it is pirated and further action is needed.
- **Ensure secure payment.** Make certain that the Internet connections you are using are secure.
- **Understand transaction terms.** Get a clear understanding of the merchant's policies concerning returns and refunds, shipping costs, and security and privacy protection before you complete the transaction. Most importantly, look for a trust mark from a reputable organization to make sure the online retailer is reliable and has a proven track record of satisfying customers.
- **Do your homework.** Before making a purchase, do as much research on the seller and vendor as you can. Check the seller's rating or feedback comments when on an auction site. Some of the most frequently sold titles on auction sites include products by Adobe, Autodesk, Corel, Intuit, McAfee, Microsoft, and Symantec.
- **Ask the experts.** Contact the BSA with any concerns or questions by calling **1-888-NOPIRACY** or visiting our website **[WWW.BSA.ORG](http://WWW.BSA.ORG)**.



# It's a Crime

**S**oftware piracy is a crime and can result in serious legal and financial consequences including fines of up to \$250,000 per copyright infringed and five years in prison. Over the past several years, BSA has supported the DOJ in the investigation and prosecution of more than a hundred individuals involved in illegal distribution of copyrighted software. Sentences have ranged as high as 84 months in federal prison and ordered restitution of over \$900,000.

## Know It, Report It, Reward It

Know It, Report It and BSA will Reward It! If you are aware of counterfeit or pirated software being sold over the Internet, report it to the BSA and you could be rewarded up to \$1 million! In April 2008, BSA expanded its popular Rewards program to individuals who report the sale of illegal software over the Internet including auction sites, websites, FTP, e-mail, bulletin boards, chat (IRC, ICQ, etc.), news groups, or any other unauthorized distribution of software using the Internet.

BSA offers rewards of up to \$1 million for qualifying reports received via its hotline or online reporting form. Confidential reports can be made by visiting [www.nopiracy.com](http://www.nopiracy.com) or by calling **1-888-NOPIRACY**. Reward payments are subject to eligibility requirements, the details of which are available in the website.