

# MUSIC PIRACY

**Serious, Violent  
and  
Organised Crime**





representing the  
recording industry  
worldwide

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## INTRODUCTION

The growth of international organised crime has been facilitated by numerous factors, including the burgeoning global economy and the establishment of worldwide financial markets. The free movement of goods, services and people, essential to legitimate commerce, has also enabled international crime gangs to flourish.

The international nature of organised crime poses problems for both commerce and investigators alike. The music industry, like other industries in the intellectual property sector, is targeted by criminals who use the profits from piracy to fund diverse illicit activities.

Evidence is available, and case studies in this leaflet demonstrate, the connections between music piracy and other crimes, such as people trafficking, money laundering, violence, drug smuggling and terrorism.

## ORGANISED CRIME

Organised crime is not impeded by national borders, diverse legal systems and languages. It has been defined by many law enforcement bodies, including Interpol and the UK National Criminal Intelligence Service, as;

**“Constituting any enterprise, or group of persons, engaged in continuing illegal activities which has as its primary purpose the generation of profits, irrespective of national boundaries”.**

The characteristics typical of organised crime groups, and their activities, are listed on the right and may be present in any group, or activity, to a greater or lesser degree. The presence, or absence, of these characteristics will allow a qualitative analysis to be conducted as to the existence of an organised crime group and/or organised crime activities, in intellectual property crime.

An appreciation and common understanding of organised crime will enhance cooperation between the

### CHARACTERISTICS OF ORGANISED CRIME GROUPS AND THEIR ACTIVITIES

- Collaboration by a minimum of three people.
- Criminal activity which has, or is intended to be, continued over prolonged period.
- Commission of serious criminal offences, or offences which, taken as a whole, are of considerable importance.
- Motivated by the pursuit of profit or power.
- Operations are international, national, or regional.
- Uses violence or intimidation.
- Uses commercial or other business like structures.
- Engages in money laundering.
- Exerts influence upon politics, the media, public administration, judicial authorities or the economy.

music industry, governments and law enforcement. This will promote the effective use of limited resources against organised crime groups which, if unchecked, have the potential to undermine state and commercial institutions.

## ORGANISED CRIME AND MUSIC PIRACY

The manufacture and distribution of illegal music carriers is, in many instances: an **"enterprise... engaged in continuing illegal activities, which has as its primary purpose the generation of profits."** Violence, intimidation, and corruption are often encountered, and in a number of countries international and domestic intellectual property right legislation is repeatedly and flagrantly breached.

There is absolutely no doubt that in many situations the theft of intellectual property constitutes an organised and serious crime. The nature and context of the activity must be examined.

It should come as no surprise to governments and law enforcement agencies that the prospect of huge profits for a small capital outlay and very small potential penalties, in a poorly regulated environment, is attractive to the criminal and is exploited in an organised and determined fashion. This lack of risk is a major incentive for criminal gangs whose only motive is profit. The manufacture and traffic of illegal music products, both domestically and internationally, is therefore often an organised crime activity.

Groups engaging in such activities may be established hierarchical criminal organisations, such as the Mafia, or they may be less formalised and only associate for the duration of a particular enterprise. The evidence of organised crime involvement is incontrovertible. Confirmed links to international drug trafficking, illegal firearms, money laundering, massive tax and revenue evasion and more recently the funding of terrorist activities have been established. In

some developing areas whole economies are being distorted internally, leading to loss of revenue and the failure of legitimate domestic enterprise to flourish.

## LINKS TO TERRORIST GROUPS

The most extreme form of organised crime affecting society today is that of terrorism. The clandestine nature of terrorist organisations requires large sums of money to maintain operatives in the field and for the purchase of arms and explosives. Evidence and intelligence is available to prove that these groups are involved in the fabrication, distribution and sale of counterfeit music and other intellectual property infringing material to raise funds for their operations.

In the United Kingdom and the Irish Republic, the investigation of paramilitary groups, on both sides of the sectarian divide, by law enforcement agencies has provided a great deal of intelligence about the operations of those groups. There is no doubt that a significant proportion of their funding stems from the sale of counterfeit product.

Intelligence gained from IFPI investigations has also uncovered connections between organised crime gangs involved in music piracy in South America who are suspected to be linked to Middle Eastern terrorist organisations. Examples of CDs and CDRs carrying propaganda messages from extremist groups have been found in Argentina, Mauritius, Pakistan and Paraguay. It is certain that these discs emanate from the same source as much illegal music in those regions.

## THE MUSIC INDUSTRY AND LAW ENFORCEMENT: A CHALLENGE

Governments, judicial systems and law enforcement agencies seek to

define, identify and tackle organised crime as it has the potential to destroy the fabric of society. Serious and organised crime groups must be accorded a priority proportionate to the growing threat, and increased resources allocated to the fight against organized crime.

Given the range of governmental responsibilities, and the limit to their resources, it is inevitable that these public guardians do not always identify and pro-actively tackle organised crime activities. Consequently, it becomes the responsibility of industries prone to organised crime influence and activity to alert and educate the public guardians. The music industry is a case in point.

## THE NATURE AND EXTENT OF MUSIC PIRACY

The advent of the optical disc (CD, CDR, DVD et al) radically altered the nature of music piracy. There is massive manufacture and international traffic of illegal optical discs.

**Annual pirate sales approach two billion units, worth an estimated US \$4 - \$5 billion**, while globally, 2 in 5 recordings are pirate copies. Total optical disc manufacturing capacity (all formats) - is approximately 30 billion units.

Manufacturing capacity massively exceeds legitimate demand. This creates a business environment ripe for exploitation by criminal syndicates. Production costs may be as little as US\$0.25¢, whilst retail value normally exceeds US\$2.50 and can reach US\$15.00. Given that the pirate producer has few or none of the overheads associated with genuine production, the profit margin is substantial.

The whole area of intellectual property crime, which now includes the digital and electronic environment, has become much more significant in the current fast moving commercial world. The challenge to law enforcement



agencies to cope with serious and organised criminal activity in this environment encompasses all optical disc and new media related businesses and activities. In partnership with business, law enforcement can achieve much in protecting the public from what is an insidious and growing threat - the theft and destruction of property and businesses through counterfeiting.

The potential market for, and profit from, music piracy is enormous and growing, however, the criminal sanctions for breach of copyright and trademark legislation bear little relation to the extent and nature of the criminality involved and are of minimal deterrent value. The huge illegal profits made are inevitably used to entrench the position of the pirates; to secure manufacturing and distribution networks through violence, intimidation and corruption and to subvert state institutions and processes. For this reason recourse to more weighty criminal charges e.g. racketeering, conspiracy or fraud should be considered; this approach has been successfully employed in a number of jurisdictions against organised crime.

The challenge to all intellectual property industries is to inform the relevant law enforcement agencies of the criminal potential of piracy and counterfeiting. In certain jurisdictions music piracy is already an organised crime activity and the activity is not confined to domestic markets, it is international. In those jurisdictions in which music piracy is not yet clearly an organised crime activity, the potential profits will surely attract hierarchical and entrepreneurial criminal organisations.

## A STRATEGY

IFPI Enforcement unit has established a global structure to investigate music counterfeiting and to take action against offenders. This investment by the music industry has already paid dividends. Relations with other optical disc industry groups and with international law enforcement agencies have developed very

positively. However to optimise success, law enforcement agencies must recognise the criminal potential of international music piracy and increase the resources dedicated to combat it.

The law enforcement response has to be proportionate and cost-effective. It cannot be so unless the problem is recognised and fully appreciated. The function of IFPI must be to increase the awareness of law enforcement agencies and assist them in tackling the problem on a national and international basis.

**Governments and law enforcement agencies must confront these issues:-**

**(a) their responsibility to develop strategic intelligence on intellectual property crimes;**

**(b) to assess whether such criminal activity constitutes organised crime in their territory or contributes to organised crime activity elsewhere in the world; and**

**(c) to ensure that the resources deployed to combat piracy are proportionate to the existing and potential problem.**

The duty of industry is to provide governments and law enforcement agencies with an overview of the current and potential problem and to encourage them to confront the issues. There is an industry responsibility to support enforcement through developing strategic and tactical intelligence and, where appropriate, initiating civil actions.

## INTERPOL

On 16 July 2003, the Secretary General of Interpol, Mr Ronald Noble, addressed the United States House Committee on International Relations about the links between intellectual property crimes and terrorist financing. He stated:

**"The link between organised crime groups and counterfeit goods is well established. But Interpol is sounding the alarm that Intellectual Property Crime is becoming the**

**preferred method of funding for a number of terrorist groups. There are enough examples now of the funding of terrorist groups in this way (intellectual property crime) for us to worry about the threat to public safety. We must take preventative measures now."**

**(<http://www.interpol.int/Public/ICPO/speeches/SG20030716.asp>)**

To combat this recognised threat, Interpol has created the Interpol Intellectual Property Crime Action Group (IIPCAG) - a coalition of representatives from police, customs, inter-governmental organisations and private sector associations - as a forum to coordinate and enhance international action against intellectual property crime.

## WORLD CUSTOMS ORGANISATION

The World Customs Organisation (WCO), and member National Customs Administrations are crucial allies in the fight against intellectual property crime, as the offences of smuggling and piracy are intimately linked. In recognition of the importance of intellectual property crime, the WCO formed an Intellectual Property Rights Strategic Group, with international business ([www.wcoipr.org](http://www.wcoipr.org)).

## CONCLUSION

The 2004 assessment of the United Kingdom, National Criminal Intelligence Service, in regard to serious and organised crime, states;

**"Intellectual property crime is taking place on a vast scale globally. Advances in technology have facilitated it's growth, by enabling the speedy reproduction of high quality counterfeit goods, the best of which are difficult to differentiate from the genuine articles. The counterfeiting of CDs, DVDs and other digital media, much of it done in the Far East, is well-publicised, but the counterfeiting of all types of goods**

from designer clothes to pharmaceuticals is also rife. Many serious and organised criminals are involved, either in the manufacture of counterfeit products, or in their distribution, attracted by the high profits and the low risk of detection, and no doubt conscious of the fact that the penalties for intellectual property crime offences are rarely more than minimal. Meanwhile, there remains a public perception of intellectual property crime as a victimless crime, despite the fact that certain counterfeit products, such as car or aircraft parts, pharmaceuticals and alcohol, pose a direct risk to the public. Where serious and organised criminals are involved, it is reasonable to assume that a proportion of the profits is used to fund other serious crimes”.

The industry and law enforcement agencies have a common interest in combating music piracy, in particular those areas that are controlled by organised crime. It is essential to strengthen the partnership between industry and enforcement agencies at all levels. Effective partnership will depend upon recognition of mutual professionalism and commitment.

The international music industry is determined to protect itself from the depredations of organised crime and to meet its wider social responsibility of cooperating with the authorities to eliminate opportunities for organised crime to profit and flourish. We are committed to investing substantial resources to this end. We believe that all responsible governments and law enforcement agencies, both international and national, will wish to cooperate in eliminating the organised crime of piracy from our industry and our societies.



# PRÉCIS OF RECENT EXAMPLES INDICATING 'ORGANISED CRIME' INVOLVEMENT IN MUSIC PIRACY

## AFRICA

- August to December 2003 - South Africa

Six containers carrying a total of 1.5million pirate music CDs were suspended from circulation by the South African authorities. The discs, which were manufactured in South East Asia and were en route to Nigeria, had been falsely described in manifests.

- September 2001- South Africa

During a raid on an address in Durban, counterfeit CDs were seized from a syndicate of Pakistani nationals. A search of the premises also revealed documentation indicating allegiance to Al Qaeda and Osama Bin Laden.

- November 2001 - Mauritius

Street hawkers selling counterfeit music products were also offering video CDs containing footage of the World Trade Centre exploding and a message from Bin Laden. These propaganda discs were seized on the orders of the Police Commissioner in Mauritius, who feared that they might foment public unrest.

## EUROPE (WEST)

- January 2004 - England and Wales

A series of raids were conducted in UK cities, resulting in the arrest of nine individuals for organising the distribution of massive quantities of illegal material (music, films, software and paedophilia) on the internet. The syndicate downloaded material and burnt it onto CDRs for mail order and car boot sales.

- January 2004 - Spain

Fourteen hackers were arrested by the Guardia Civil in several Spanish cities following an investigation centred on the University of Vigo (North-West Spain) computer system. The suspects had previously 'hacked' into the computer system to take advantage of the enormous storage capacity. They discovered a 'dead space' in a computer destined for the investigation of the human genome project and used this space to hide almost 500,000 music tracks in MP3 format and thousands of film titles. They later used the high speed FTP system to transmit files to clients who paid the gang prior to being allowed to download titles.

*Smuggled CDs in Customs House, Nairobi (right) and Scanned image of 250,000 CDs in a container (far right)*







*Street seller  
in Madrid*

#### ● February 2004 - Italy

Twenty one individuals were arrested by Fiscal police officers who searched a number of locations which had been identified as part of a major piracy network run by a criminal gang located near Caserta. The investigation uncovered a wide illegal distribution network, active in the Naples area. Members of the gang arrested include individuals involved at every level of the chain, from people involved in the importation of blank CDR from South East Asia to those who managed the duplication plants, to owners of record stores selling pirate discs. The operation led to the seizure of 80 high speed CD burners, 25,000 infringing discs, inlays, printers and blank CDRs.

#### ● September 2003 - Greece

A series of coordinated raids were conducted by the police in Athens, following a lengthy investigation by IFPI and national group investigators into the duplication and distribution of large quantities of CDRs. The suspects, who were all from sub-Saharan Africa, were almost all illegal immigrants controlled by others from the same region. The raids recovered over 200,000 recorded discs and 123 CDR burners.

#### ● April 2003 - Belgium

Belgium Police raided two residential addresses and recovered 169 CDR and DVD-R burners together with sophisticated editing equipment and silkscreen printers. Thousands of recorded and blank CD-Rs were

recovered. Also found was a loaded 9mm pistol belonging to the main suspect who was wanted in Holland for counterfeiting offences. The potential recording capacity of this equipment was estimated to be over 80,000 discs a day.

#### ● February 2003 - Italy

A Mafia boss, Luigi Giuliano, described in a trial the role of organized crime in music and video piracy. Giuliano stated that the Camorra (mafia) clans earn **"100,000 Euros each week dealing with drugs, extortion, video and music piracy"**. He described in detail how organised crime manages all the illegal operations in Naples, with different gangs controlling the calls for tenders, the drugs sales, the illegal betting, and

the production of counterfeit CDs in different city areas. These "local" gangs keep part of the illegal incomes while other monies are deposited in the Camorra bosses' bank accounts. Giuliano confirmed that the Camorra gang was directly involved in the production and distribution of pirate CDs, not just controlling the area used by organised crime to run illegal activities. Giuliano told the judges that in the early 80's, during a major war between the various gangs in which dozens were killed, the "Cupola", the illegal main board of the criminal alliance, agreed on the distribution of the illegal activities to various gangs. The "pax mafiosa" which followed the agreement allowed the criminal network to increase the business in many areas including the emerging piracy business.



*Bootleg titles  
made from  
stolen tapes  
of original  
recordings*



- **January 2003 - Spain**

A series of 13 raids by the National Police in Madrid led to the arrest of 40 persons involved in the mass duplication of CDRs. The suspects many of whom were illegal immigrants from China and who had been brought to Spain by the other members of the gang were found in possession of 346 high speed burners, 168,400 blank CDRs, 24,450 recorded CDs, 39,000 DVDs, 10,500 VCDs with films, 515,000 jewel cases, 210,000 inserts and 48,000 Euros in cash. The Chinese immigrant gang utilised illegal immigrants to duplicate the discs and a number of computer shops and restaurants to launder the money generated by the pirate product.

- **January 2003 - UK/Netherlands**

Investigation by IFPI Secretariat led to the recovery of over 500 reel-to-reel tapes recorded by The Beatles during the making of the album 'Let It Be'. The tapes were stolen from Apple Records over 30 years ago and were used by bootleg distributors to replicate CDs. Three men were simultaneously arrested in the UK and the Netherlands. Follow up investigations led to a pan-European

syndicate and the subsequent seizure of over 1,250 illegal master discs (stampers) in Austria.

- **July 2002 - UK/Austria**

IFPI Secretariat investigators coordinated a unique operation culminating in simultaneous raids in London and Vienna involving officers from Scotland Yard and Austrian Police. Searches of residential premises and storage facilities resulted in the seizure of 300,000 pirate CDs, by far the largest seizure of infringing product in Austria. This case was also unique, in that it was the first time that Interpol had assisted in the international police coordination of such an operation.

## EUROPE (EAST)

- **May 2002 - Ukraine**

IFPI Kiev investigators, with assistance from the Ukrainian Tax Police, raided a private company known to associate with a well-known pirate network in Odessa. The location housed three hidden workshops where CDRs were being duplicated 24 hours a day. This is significant in demonstrating movement away from pressed disc piracy in some parts of Eastern Europe following Enforcement pressure. 50,000 pirate CDRs were seized and numerous links were found with other pirate operations across Ukraine.

- **August 2002 - Ukraine**

IFPI Kiev personnel and local police, following several weeks of investigation and surveillance, discovered an extensive pirate CDR production operation in a private apartment in Kiev. 66 CDR burners were seized along with 5,000 pirate CDRs and 28,000 blank CDRs.



*Part of a haul of 1,259 stampers, Austria*

Mass smuggling  
of blank CDRs  
into Paraguay



## LATIN AMERICA

### ● October 2003 - Paraguay

Allegations of corruption involving the illicit importation of over one million CDRs led to the resignation of the Minister of the Interior and the heads of both the Police and Customs. The circumstances leading to these resignations were that a lorry and trailer, later found to carry the CDRs were seized by Police in Puerto Villeta and taken to a police pound. The same day a suspect already under investigation for the importation of contraband CDRs contacted the head of Paraguay customs complaining about the seizure. The customs chief contacted the minister who in turn dismissed the head of the Police department responsible for the seizure. A prosecutor then ordered the release of the lorry and contents to the above mentioned suspect without further investigation. Following a press campaign, the Attorney General of Paraguay ordered an investigation and it was later confirmed that the CDRs were indeed contraband. Such were the ramifications of these allegations that the President of Paraguay issued a decree amending the treatment of the importation of blank CDRs and stated at a press conference that the resignations of the Minister and the heads of both Police and Customs had been accepted.

### ● July 2002 - Mexico

An investigation led to a police raid that was met with fierce resistance from five juveniles aged under 18. There were 5kg of cocaine in the premises along with 25 CDR burners and 16,000 pirate CDRs. Using juveniles to run CDR and drug trafficking operations is a deliberate ploy by organised crime to protect those behind the syndicate.

### ● December 2002 - Mexico

Information gathered over an extensive period by IFPI Latin America was used by police in order to raid an organised crime business supplying blank CDRs for pirate use. The principal figure involved was arrested and 12.5 million blank CDRs were seized.

### ● February 2002 - Mexico

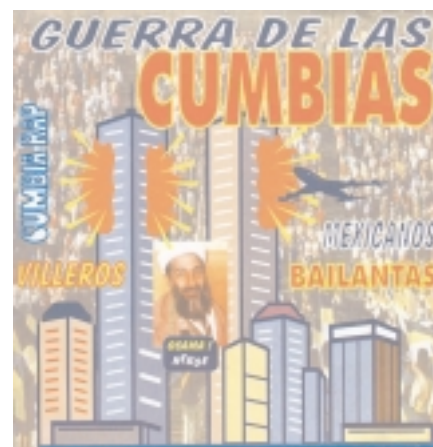
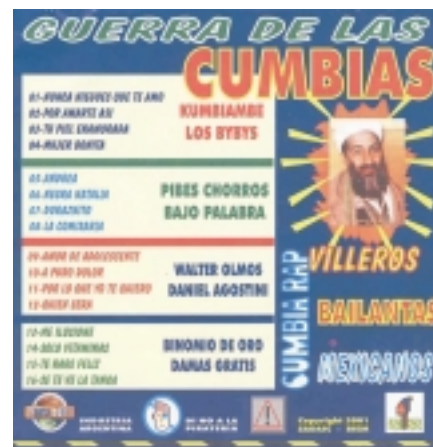
An investigation by IFPI Latin America identified 73 commercial premises suspected of pirate music activities. These were all raided with police assistance resulting in the discovery of 15 CDR burning operations and over 50 pirate product warehouses. 220 CDR burners were seized along with 832,000 pirate CDRs and 1,500,000 inlays.

### ● October 2001 - Mexico

Police raided eleven houses, three of which were linked by interconnecting

passages and tunnels, disguised by false walls. Inside they discovered a massive counterfeiting operation. In total five persons were arrested during searches, which yielded 235 CDR burners, over one million blank CDRs, 512,000 pirated CDRs and over 1,000,000 inlay cards. This illegal plant had the potential capacity to produce over 14 million CDRs annually. It is believed, that this crime syndicate have invested the profits from piracy into other activities, such as narcotics and prostitution.

Four of the persons arrested were found to be in possession of loaded 9mm pistols. During the searches a car was deliberately crashed into a Police barricade and the driver arrested. This man, an associate of the others, had been sent to the address to create a diversion to allow the others to escape. He was found to be in possession of an AK47 assault rifle and has been indicted for attempted murder.



Inlay cards from pirate compilations, Paraguay

- **February 2002 - Paraguay**

The enormous scale of CDR duplication continues to be demonstrated by the scale of the seizures of blank discs. Confidential information provided to IFPI Latin America resulted in the seizure of 13 million blank CDRs at a container station in Paraguay. The CDRs were destined for the pirate markets in Brazil and Argentina.

- **November 2001 - Paraguay**

Several CDRs, containing pirate music compilations, recovered by investigators in Paraguay contained inlay cards depicting graphic images of the exploding twin towers of the World Trade Centre, New York, and portraits of Osama Bin Laden. There is a large population of middle - eastern origin in Ciudad del Este, a city notorious in Paraguay for producing pirate products of all descriptions.

## **MIDDLE EAST & SOUTH WEST ASIA**

- **August 2003 - Egypt**

Police from Giza seized nearly two million counterfeit Arabic title music cassettes in the largest seizure ever seen in the region. In addition to the cassettes, one million inlays, six cassette duplicators and two printing machines were seized.

- **February 2002 - Israel**

IFPI investigators in Israel recovered 11 counterfeit CDs from retail outlets, which were examined at the Secretariat's Forensic facility together with exemplar discs from a new CD plant. The 11 CDs were confirmed to have been produced at the plant. The plant was raided and closed with eight arrests and the seizure of 126 master discs (stampers) and 3,500 pirate CDs.

- **November 2002 - India**

Delhi Police raided an optical disc plant and seized more than 11,000 MP3 CDs and VCDs. Also seized were

large quantities of pornographic films and 22 master discs (stampers). Given that each stamper can produce at least 60,000 copies the potential production of this site was enormous.

## **NORTH AMERICA**

- **June 2003- Canada**

Toronto Police recovered more than CA\$550,000 worth of music recordings on CDR together with 14 computers, CDR and DVD-R burners and printers for falsifying inlay cards. Six persons were charged with fraudulent trading, having been identified as being responsible for supplying flea markets with pirate material.

## **RUSSIA/CIS**

- **February 2004 - Russia**

An IFPI Moscow investigation led to a search being carried out by officers of the Economic Crime Department in a clandestine DVD plant. The plant was found to contain three DVD lines with double moulding capacity and capable of manufacturing 18 million DVDs per annum. In total 25,000 completed DVDs and 800 stampers were recovered.

- **January 2002 - Russia**

An IFPI Moscow investigation with law enforcement authorities uncovered two clandestine CD warehouses in Moscow, one of which was based in a Scientific Institution under a special security regime. Both were subsequently raided and 105,000 pirate CDs were seized. Both locations supplied wholesale customers in various cities. There were six arrests.

- **May 2002 - Belarus**

Belarus Customs stopped a vehicle travelling to Ukraine and seized 11,000 pirate CDs from a hidden compartment. Subsequent forensic tests proved that the CDs had been replicated at a plant in Belarus. In August 2002, Police from the Belarus Ministry of the Interior, assisted by IFPI investigators, raided the plant



and a criminal case has been initiated. Its two replication lines, were placed under an administrative procedure, sealing the lines pending the outcome of criminal proceedings.

- **November 2002 - Russia**

Intelligence and evidence supplied by IFPI Moscow and the Secretariat's Forensic Unit instigated a raid by the Russian Interior Ministry on a major CD plant. 234,000 pirate discs were seized.

- **September 2000 - Russia**

The public relations department of the Federal Security Service (FSB), Moscow announced the elimination of a criminal organisation headed by one, Ziyaudi Terloyev. This organisation was reported to have been financing illegal rebel formations in Chechnya. Integral to Terloyev's activities was the manufacture of pirate compact discs at a plant in Noginsk, outside Moscow. During the raids this plant was closed and 5,000 pirate discs seized. Explosives, grenades, detonators and ammunition were reported seized at the suspects' residences. It was estimated that this groups average monthly earnings amounted to over \$500,000.



*Counterfeit CDRs seized in Philippines*

## **SOUTH EAST ASIA**

- **April 2003 - Philippines**

Officers from the Philippine Videogram Regulatory Board (VRB) supported by Police units, took action against street vendors selling pirate discs. During this action, in which violent protests were staged, a man linked to the vendors was shot and killed by Police. Subsequently, it was established that the dead man was the son of an alleged commander of an MILF unit, a proscribed terrorist organisation, operating in Mindanao.

- **January 2002 - Taiwan**

Following the seizure of a large

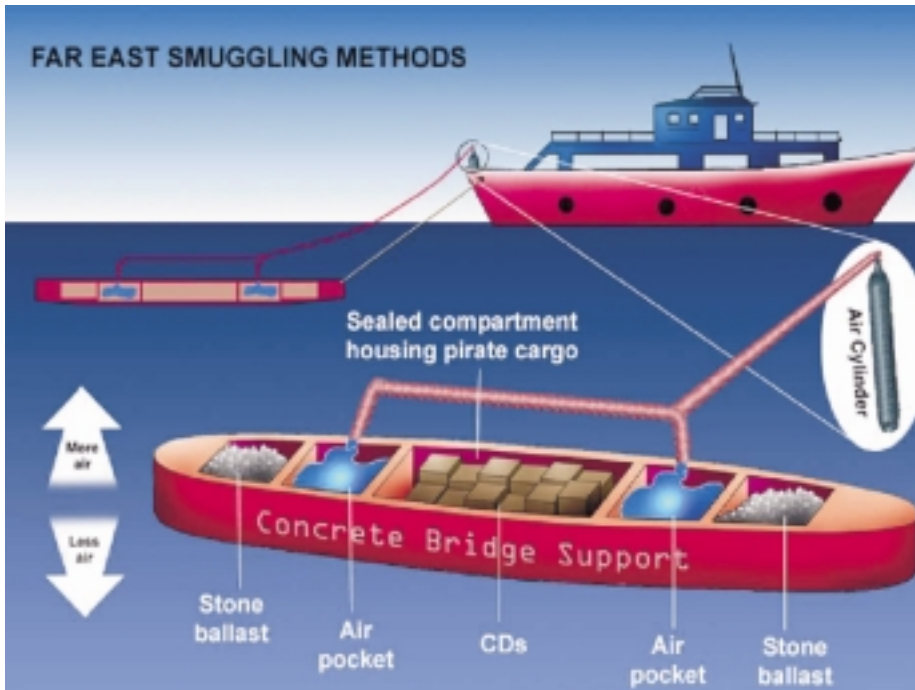
quantity of pirate CDs in Paraguay, information regarding the manufacturing source was passed to IFPI South East Asia. Further investigation identified the offending plant, which was raided with the local authorities. 19 master discs (stampers), containing Latin music repertoire, were seized along with production records showing that 100,000 CDs had been produced and shipped to Paraguay.

- **January 2002 - Taiwan**

IFPI South East Asia investigations led to the discovery of two covert CD plants. The first yielded two CD lines, 300 pirate master discs (stampers)



*Sophisticated machinery impounded in Russia*



Submarine used for smuggling CDs



Mass duplication and distribution in Taiwan

and 50,000 infringing CDs. Evidence linked this plant with a Triad organised crime syndicate. The other operation, resulted in the seizure of one CD line, 135 stampers and 300,000 pirate CDs.

#### ● May 2001 - Taiwan

A raid on residential premises in Kaoshung City, located 70,000 suspected pirate discs and illegal firearms. Further searches, at linked premises, uncovered an arms factory running alongside a sophisticated CDR facility. In total 17 rifle barrels, seven modified handgun barrels, 10

shotgun barrels, 10 cartridge magazines, 50 bullets and other equipment were seized.

#### ● July 2002 - Hong Kong

A number of locations were searched by law enforcement authorities and a total of 149 persons arrested, including eight senior members of the Sun Yee On Triad Group. Those detained were suspected of involvement in trafficking in dangerous drugs, robbery, theft, the sale of illegal fuel, smuggling cigarettes, manufacturing pirate CDs, being members of triad societies, illegal

gambling and loan-sharking. Apart from pirate optical discs, the exhibits seized included, smuggled cigarettes, illegal fuel, marijuana, ecstasy, heroin and offensive weapons.

#### ● April 2002 - Taiwan

After prolonged surveillance, IFPI Enforcement personnel and the police raided an underground plant in Taiwan. One production line and 20 master discs (stampers) were seized. Information gleaned at this raid led IFPI investigators to another building where 100,000 pirate CDs were seized.

#### ● August 2002 - Taiwan

Raids by IFPI investigators and Taiwan's Anti-Piracy Task Force led to the seizure of two production lines, 38 master discs (stampers), 354,000 pirate CDs and 223,000 video CDs.

#### ● April 1999 - Macao

The IFPI South East Asia Regional Enforcement office had been working closely with the Macao authorities to help identify organised crime gangs smuggling pirate disks from the enclave to Hong Kong. One of the methods discovered was the storage of pirate discs in sealed oil drums in underwater locations prior to collection by smugglers, a tactic frequently deployed by high level international drug traffickers.

However, the scale of their growing sophistication was illustrated by the interception of a Mainland Chinese fishing boat, entering Hong Kong waters from Macao, by Hong Kong Police. On close inspection the vessel was found to be carrying a submerged object. When the object was floated it was found to be a 14 metre concrete bridge support, which had been modified to transport pirate optical discs. (see illustration above). When opened the 'submarine' was found to be carrying several hundreds of thousands of discs worth in excess of HK\$5 million. The crew of the fishing boat was arrested.

