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**Press Release
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Nine Indicted in Chicago in \$1 Million "Fastlane" Software Piracy Conspiracy

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CHICAGO -- A former North Carolina man who was arrested last fall and eight new defendants across the United States who allegedly were associated with the underground software piracy group known as "Fastlane" have been indicted for pirating more than \$1 million of copyrighted computer software, games, and movies through non-public Internet sites. All nine defendants were charged in a nine-count indictment that was returned late yesterday by a federal grand jury in Chicago, where the investigation was conducted, Scott R. Lassar, United States Attorney for the Northern District of Illinois, and Kathleen McChesney, Special Agent-in-Charge of the Chicago Field Division of the Federal Bureau of Investigation, announced today.

The defendants allegedly were leaders, members or associates of the group "Fastlane," which was dedicated to illegally distributing copyrighted software, games and movies over the Internet. An undercover FBI agent infiltrated the group and was asked to provide a computer to serve as one of several Internet sites used by the group to distribute copyrighted materials; the agent agreed and then monitored the group's activities on that site. The indictment alleges that the defendants used this site to upload and download copyrighted software between Jan. 7 and Sept. 20, 2000. This prosecution is believed to be the first in the nation arising from the FBI's undercover infiltration of a software piracy organization.

The undercover investigation ended on Sept. 20, 2000, when one of the defendants, Steve Deal, was arrested in Charlotte, N.C., and the FBI executed search warrants and seized computers at various locations in and around Boston, Charlotte, Dallas, Kansas City and Seattle.

All nine defendants were charged in one count of conspiracy to commit copyright infringement, and eight of the nine were charged with one count of copyright infringement. The defendants are:

Steve Deal, 36, aka "Doobie" and "Dewbie," of Trenton, N.J., formerly of Charlotte;

Bjorn Schneider, 20, aka "airwalker," "a|walker," and "aw," of Falmouth, Mass.;

Shane McIntyre, 22, aka "Crypto," of Boynton Beach, Fla.;
Tae Yuan Wang, 19, aka "Terry Wang" and "Prometh," of Bellevue, Wash.;
Kevin Vaughan, 19, aka "DaBoo," a college student in Raleigh, N.C.;
Ryan Breeding, 26, aka "river," of Oklahoma City;
James Milne, 19, aka "lordchaos" and "lc," of Shawnee, Kan.;
Glendon Martin, 25, aka "TeRRiFiC," of Garland, Tex.; and
Tony Walker, 31, aka "SyS," of San Diego, Calif.

Vaughn was the only defendant not charged with copyright infringement in addition to conspiracy. Deal was released on \$10,000 bond following his arrest last September and he, along with the others, will be summoned to appear for arraignment in U.S. District Court in Chicago.

The indictment alleges that Deal, McIntyre, Schneider and Wang had roles in managing Fastlane; that Martin, Milne and Vaughan operated computer sites where pirated software was stored; and that Breeding and Walker provided computer hardware in exchange for access to the copyrighted materials.

"The technological sophistication of software piracy groups requires creative investigative techniques," Mr. Lassar said. "Intellectual property, like any other property, deserves protection by law enforcement, and anyone who steals and distributes valuable intellectual property should understand that we are committed to using the full range of investigative tools to penetrate these organizations and prosecute their leaders and members."

According to the indictment, Fastlane was founded in November 1999 and had members in the United States and abroad. In exchange for their contributions of hardware or pirated works, members and their associates received access through the Internet to computers that stored libraries of commercially available software, games and movies, virtually all of it copyrighted. The pirated materials, known as "warez," were illegally distributed from affiliated warez sites maintained on multiple computers located throughout the country.

Among the Fastlane-affiliated warez sites was "Super Dimensional Fortress Macros," also known as "SDFM," which was operated by an undercover FBI agent from Jan. 7 to Sept. 20, 2000. At various times, the indictment alleges, Deal, Schneider, McIntyre and Wang played a role in operating SDFM. As part of the conspiracy, each defendant had access to an active account on SDFM. During its operation, the defendants made available for downloading thousands of copyrighted programs and movies, including operating systems, utilities, word processing, data analysis and spreadsheet applications, communications programs, graphics, desktop publishing and games. During its operation, more than 697 gigabytes of software were uploaded to SDFM and more than 1,900 gigabytes were downloaded. The programs, which included Microsoft Office 2000, Microsoft Windows Millennium, Adobe Framemaker v6.0, Corel Custom Photo SE, Symantec PCAnywhere and McAfee VirusScan, had a total retail value in excess of \$1 million.

Other warez sites affiliated with Fastlane included one known as "Sacred Halls" or "SH," which Milne allegedly maintained at a university in Massachusetts and remotely accessed from a computer at his home in Shawnee, Kan.; another known as "The Good News" or "TGN," which Martin allegedly maintained in Ohio and remotely accessed from a computer at his home in

Garland, Tex.; and a third known as "4:20," which Vaughan allegedly maintained at a university in North Carolina. None of these sites were available to the public.

As part of the conspiracy, the defendants communicated with each other on private Internet relay chat (IRC) channels, such as "#fastlane" and "#sdfm," and via direct IRC communication, which allowed them to have real time discussions about Fastlane activities. The members allegedly held weekly meetings on Sunday nights to discuss such matters as inviting new members and finding new sources of pirated software. Access to SDFM and other warez sites was carefully limited to authorized users entering through known Internet Protocol addresses with pre-established IDs and passwords. To conceal their activities, the defendants used screen names instead of true names and port bouncers to disguise the true Internet Protocol addresses of their computers and the computers that hosted the warez sites.

The government's investigation was conducted as part of the Justice Department's nationwide Intellectual Property Initiative, announced in July 1999. The conspiracy and copyright infringement charges in this case were brought under the No Electronic Theft Act, known as the NET Act, which was enacted in 1997 to facilitate prosecutions of Internet copyright piracy. The NET Act makes it illegal to reproduce or distribute copyrighted works, such as software programs and musical recordings, even if the defendant acts without a commercial purpose or for private financial gain.

Mr. Lassar and Ms. McChesney said four software and movie industry groups provided assistance in identifying copyrighted material and in pricing pirated programs. They are the Interactive Digital Software Association, the Business Software Alliance and the Software and Information Industry Association, all located in Washington, D.C., and the Motion Picture Association of America, based in Encino, Calif.

The government is being represented by Special Assistant U.S. Attorney Brian Hayes. The Justice Department's Computer Crime and Intellectual Property Section has provided assistance.

If the defendants are convicted, conspiracy to infringe a copyright carries a maximum penalty of five years in prison and a \$250,000 fine, and copyright infringement carries a maximum of three years in prison and a \$250,000 fine. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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