

FOR IMMEDIATE RELEASE:

Wednesday, May 25, 2005

ILLEGAL BITTORRENT SITE THAT CARRIED STAR WARS IS SHUT DOWN

Feds Squash Elite Torrents' Illegal On-Line Movie Swapping Operation

Los Angeles - - The U.S. Departments of Justice and Homeland Security today announced that they have shut down one of the world's largest BitTorrent websites, *Elite Torrents*. Carrying out what is known as Operation D-Elite, U.S. Immigration and Customs Enforcement (ICE) and the Federal Bureau of Investigation (FBI) executed search warrants against prominent members in *Elite Torrents'* membership. *Elite Torrents* was one of the first peer to peer networks to post an illegal copy of *Star Wars: Episode III - Revenge of the Sith* before the movie officially opened in theaters last Thursday.

"Today's actions are bad news for Internet movie thieves and good news for preserving the magic of the movies," said Motion Picture Association of America, Inc. (MPAA) President and CEO Dan Glickman. **"Shutting down illegal file swapping networks like *Elite Torrents* is an essential part of our fight to stop movie thieves from stealing copyrighted materials. We hope and fully expect that people will spend this Memorial Day weekend sharing the motion picture experience with their families and not stealing movies from the Internet."**

Elite Torrents received 8.5 million hits a day and was frequented by over 100,000 users daily. The site posted several thousand movie titles including *House of Wax*, *Kingdom of Heaven*, *Unleashed*, *Monster-in-Law*, *The Hitchhiker's Guide to the Galaxy* and *Kicking and Screaming*. It also carried many television shows including the full seasons of "Desperate Housewives" and "Lost". Operation D-Elite is being conducted jointly by ICE and the FBI as part of the Computer and Technology Crime High Tech Response Team ("CATCH") which is a San Diego task force of specially trained prosecutors and law enforcement officers who focus on high-tech crime. Federal and state member agencies of CATCH include ICE, the FBI, the Department of Justice, the San Diego District Attorney's Office, San Diego Police Department, the San Diego Sheriff's Department, and San Diego County Probation. The Operation was coordinated and will be prosecuted by the Justice Department's Computer Crime and Intellectual Property Section, with the assistance and support of Computer Hacking and Intellectual Property (CHIP) coordinators in San Diego and U.S. Attorneys' Offices in Arizona, Illinois, Kansas, Ohio, Pennsylvania, Texas, Virginia and Wisconsin.

Former Deputy Assistant Attorney General in the Department of Justice and current Senior Vice President for Worldwide Anti-Piracy at MPAA John Malcolm said **"I applaud the work of ICE, the FBI, CATCH and the San Diego Computer and Technology Crime High Tech Response Team for close coordination on Operation D-Elite. Their hard work in pursuit of these movie thieves will help preserve jobs in the entertainment industry and protect the quality of movies for everyone. Protecting the movies means protecting American ideas."**

DEFENDANT'S
EXHIBIT

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The MPAA has been successful in bringing down more than 90% of the BitTorrent type sites it has filed lawsuits against. Earlier this year, LokiTorrent was put out of the business of facilitating illegal movie swapping. In early May, the MPAA brought lawsuits against six new sites focused largely on facilitating the illegal swapping of television shows. Four of those six sites have already shut down, including the very popular <http://www.shuntv.net/> and <http://www.btefnet.net/>. The MPAA will continue its efforts to work with governments and law enforcement officials to shut down BitTorrent sites across the world from Sacramento to Stockholm.

Glickman said that the MPAA estimates that the film industry lost approximately \$3.5 billion to movie piracy in 2004, a total that does not include losses due to illegal file sharing online. According to a Smith Barney study, that number is expected to jump to \$5.4 billion in 2005. By deeply cutting into revenues, movie piracy limits the choices for consumers at the box office. Sixty percent of all movies never recoup their production and marketing costs which average well over \$100 million. Piracy also hurts the hundreds of thousands of individuals, whose jobs depend on a vital movie industry, including sound and lighting technicians, carpenters, and theatre and video store employees.

About the MPAA:

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. These members include: Buena Vista Pictures Distribution; Metro-Goldwyn-Mayer Studios Inc.; Paramount Pictures; Sony Pictures Entertainment Inc.; Twentieth Century Fox Film Corporation; Universal Studios from Universal City Studios; and Warner Bros. Entertainment Inc.

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FEDERAL LAW ENFORCEMENT ANNOUNCES OPERATION D-ELITE, CRACKDOWN ON P2P PIRACY NETWORK

First Criminal Enforcement Against BitTorrent Network Users

WASHINGTON, D.C. - Acting Assistant Attorney General John C. Richter of the Criminal Division, Homeland Security Assistant Secretary for Immigration and Customs Enforcement Michael J. Garcia, and Assistant Director Louis M. Reigel of the FBI's Cyber Division today announced the first criminal enforcement action targeting individuals committing copyright infringement on peer-to-peer (P2P) networks using cutting edge file-sharing technology known as BitTorrent.

This morning, agents of the FBI and U.S. Immigration and Customs Enforcement (ICE) executed 10 search warrants across the United States against leading members of a technologically sophisticated P2P network known as Elite Torrents. Employing technology known as BitTorrent, the Elite Torrents network attracted more than 133,000 members and, in the last four months, allegedly facilitated the illegal distribution of more than 17,800 titles including movies and software-which were downloaded 2.1 million times.

In addition to executing 10 warrants, federal agents also took control of the main server that coordinated all file-sharing activity on the Elite Torrents network. Anyone attempting to log on to Elitetorrents.org today will receive the following message: "This Site Has been Permanently Shut Down by the Federal Bureau of Investigation and U.S. Immigration and Customs Enforcement."

"Our goal is to shut down as much of this illegal operation as quickly as possible to stem the serious financial damage to the victims of this high-tech piracy-the people who labor to produce these copyrighted products," said Acting Assistant Attorney General Richter. "Today's crackdown sends a clear and unmistakable message to anyone involved in the online theft of copyrighted works that they cannot hide behind new technology."

"Internet pirates cost U.S. industry hundreds of billions of dollars in lost revenue every year from the illegal sale of copyrighted goods and new online file-sharing technologies make their job even easier," said Assistant Secretary Garcia. "Through today's landmark enforcement actions, ICE and the FBI have shut down a group of online criminals who were using legitimate technology to create one-stop shopping for the illegal sharing of movies, games, software and music."

"The theft of copyrighted material is far from a victimless crime," said Assistant Director Reigel of the FBI. "When thieves steal this data, they are taking jobs away from hard workers in industry, which adversely impacts the U.S. economy. The FBI remains committed to working with our partners in law enforcement at all levels and private industry to identify and take action against those responsible."

Building on the success of Operation Gridlock, a similar takedown announced by federal law enforcement last August that has already led to the felony convictions of three P2P copyright thieves, Operation D-Elite targeted the administrators and "first providers" or suppliers of copyrighted content to the Elite Torrents network. By utilizing BitTorrent, the newest generation of P2P technology, Elite Torrents members could download even the largest file such as those associated with movies and software-far faster than was possible using more traditional P2P

technology.

The content selection available on the Elite Torrents network was virtually unlimited and often included illegal copies of copyrighted works before they were available in retail stores or movie theatres. For example, the final entry in the Star Wars series, "Episode III: Revenge of the Sith," was available for downloading on the network more than six hours before it was first shown in theatres. In the next 24 hours, it was downloaded more than 10,000 times.

Operation D-Elite is being conducted jointly by ICE and the FBI as part of the Computer And Technology Crime High Tech Response Team (CATCH), a San Diego task force of specially trained prosecutors and law enforcement officers who focus on high-tech crime. Federal and state member agencies of CATCH include the ICE, the FBI, the Department of Justice, the San Diego District Attorney's Office, San Diego Police Department, the San Diego Sheriff's Department, and San Diego County Probation.

Operation D-Elite was coordinated and will be prosecuted by the Justice Department's Computer Crime and Intellectual Property Section, with the assistance and support of Computer Hacking and Intellectual Property (CHI) coordinators in San Diego and U.S. Attorneys' Offices in Arizona, Illinois, Kansas, Ohio, Pennsylvania, Texas, Virginia and Wisconsin.

The Motion Picture Association of America provided valuable assistance to the investigation.

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2005 Press Releases



THIS SITE



HAS BEEN PERMANENTLY SHUT DOWN THE FEDERAL BUREAU OF INVESTIGATION U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

**Individuals involved in the operation and use of
the Elite Torrents network are under investigation
for criminal copyright infringement**

It is unlawful to reproduce or distribute copyrighted material, such as movies, software or games, without authorization - even when done for free over the Internet. Individuals who willfully distribute or download copyrighted material risk criminal prosecution under 18 U.S.C. 2319. First-time offenders convicted of criminal copyright laws will face up to five years in federal prison, restitution, forfeiture and