



## **PRESS RELEASE**

**For immediate release: 14<sup>th</sup> November 2007**

### **DVD COUNTERFEITING DUO SENTENCED TO A TOTAL OF FOUR YEARS AND SIX MONTHS FOR RUNNING AN ILLEGAL FACTORY WORTH £5 MILLION A YEAR**

Yesterday [18.02.08] a DVD counterfeiting duo have been sentenced to a total of four years and six months for running an illegal factory worth £5 million a year.

The case, a long and highly complex prosecution, is the first of its kind for the Film Piracy Unit since it was established in 2006, funded by FACT [Federation Against Copyright Theft].

Long Lin [aged 33ys] of no fixed abode was sentenced to 15 months imprisonment and Xiao Zhong Shi [aged 28ys] from Lopen Rd, Edmonton N18 was sentenced to three years and three months for conspiracy to contravene the Copyright and Design Act and the Trade Marks Act.

On 11.05.06 the Film Piracy Unit executed a search warrant at an address in Barton Close, Hackney. Inside the house there was evidence of a fire in the kitchen. The London Fire Brigade established that this fire was due to an overloaded electrical circuit. The occupants had left in a hurry, leaving behind a counterfeiting DVD factory, several personal belongings and a large stash of Machetes.

Paperwork found at Barton Close, led police to Long Lin and Xiao Zhong Shi as key organisers in the DVD factory - extensive equipment from DVD copiers to colour printers were in various rooms in the property indicating that the house was an organised and structured operation, in which individual rooms were allocated for certain roles.

Officers from the Film Piracy Unit were able to start investigating Shi's financial trail through bank details found at the Barton close address. They were also able to identify Lin from the residential lease to the property.

On 4.10.06 enquiries led police to an address in Stellman Close, Hackney Downs, E5 where the suspects appeared to have re-established the factory they abandoned in Barton Close. Vast quantities of blank DVD's, counterfeit DVD's, DVD's and other paraphernalia associated with a DVD factory were found at the address.

Several Chinese nationals were arrested at Stellman Close and over £9,000 in cash seized. Shi claimed that the money had come from a large casino win, stating he had only stayed in the ground floor of the premises and had no idea that the DVD factory was upstairs in the Stellman Close property.

However, police surveillance on Shi's home address, revealed him taking delivery of approx 3,500 blank DVD's. He was also seen delivering large black bin liners to addresses in Peckham, New Cross, Lewisham, Walthamstow and Stamford Hill suggesting that he was distributing merchandise across southeast London.

On 13.12.06 a warrant was executed on the home address of Shi, at Lopen Road, Edmonton. The address contained 10 disc copying burner towers, disc printers and approx 18,000 counterfeit DVD's including titles such as 'Casino Royale', which had not yet been on general release. Titles also included pornography including bestiality.

The factory is believed to have been able to produce in the region of 14,500 discs per day when running at full capacity, potential earnings being in the region of £43,000 per day.

Shi was arrested with his vehicle, near to his home address. On searching the car, officers found a hidden pouch containing passports of two Chinese nationals. In the bedroom Shi was believed to be residing in, they found several machetes and samurai swords. DVD's were also found in several addresses in Peckham, where Shi was seen visiting with large black bags. The addresses were being used as storage facilities.

Shi was charged 30.04.07 and Lin was charged 22.11.07 on with conspiracy to contravene the provisions of the Copyright Design and Patents Act 1988, contrary to section 1 (1) of the criminal law act 1977 and conspiracy to contravene the provisions of the Trade Marks Act 1994, contrary to section 1 (1) of the Criminal Law Act 1977. They both pleaded guilty on the 8.02.08 at Southwark Crown court.

Kieron Sharp, FACT Director General, said;

"The sentencing in this case reflects the serious and organised nature of the criminality. These two individuals were involved in the manufacture, distribution and sale of millions of knock off DVDs and the criminal profits will have been ploughed back into organised criminal networks in the UK and overseas.

"FACT has been working closely with the Met to target more of those implicated in this highly lucrative trade. "

DCI Sean Wanless, Specialist and Economic Crime Command at the Met said:

"This was a highly professional organised criminal Network, operating at a huge profit. Today's verdict highlights yet again that these people will be caught and put out of business. Film piracy is not just about buying cheap DVD's on the street - we found lethal weapons in their property and often these gangs are linked to serious and organised crime and human exploitation."

The Film Piracy Unit look at money laundering offences and use legislation available under the Proceeds of Crime Act 2002 to take the cash out of this type of crime

The Met's Film Piracy Unit was launched on 23.02.06 by the Met's Specialist and Economic Crime Command, in partnership with FACT. The Film Piracy Unit uses new methods to combat film piracy, utilising the skills and experience of financial investigators to tackle those at the very top of the organised criminal networks.

To report any suspected criminal activity of this nature call Crimestoppers anonymously on 0800 555 111.

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### **About FACT**

The Federation Against Copyright Theft (FACT) is the UK's leading trade organisation established to protect and represent the interests of the film and broadcasting industry against copyright and trademark infringements. Established in 1983, FACT works closely with statutory law enforcement agencies to combat the growth of pirate DVDs, film and other forms of broadcast material including the increasing threat from online/internet-based piracy. FACT has been accepted as a prosecution authority and engages in criminal prosecutions in its own right. The maximum penalty for offences of audio-visual piracy is 10 years imprisonment and/or an unlimited fine. Proceeds of Crime Act legislation now also enables confiscation of assets and goods obtained through criminal activity.

The UK audio-visual sector lost £495m in 2007 due to piracy.  
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