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Three jailed after North West counterfeiting conspiracy

- *Ringleaders of music, film and games counterfeiting scam jailed after amassing tens of thousands through sale of fake CDs, DVDs, games and extensive benefit fraud*
- *First sentencing from Operation Zealot which resulted in 29 arrests in 2006*

The UK's music, film, and games industries today welcomed the sentences handed down to the ringleaders of a North West counterfeiting operation.

The trial ended at Liverpool Crown Court yesterday, all eight defendants having pleaded guilty at the first opportunity.

Ringleaders Barry Powell and Mark Quincey were imprisoned for 12 and 15 months respectively for their role in the six-month scam that also involved an extensive benefit fraud.

His Honour Judge Morrow QC also handed down a 9-month prison sentence to fellow ringleader Sarah Haynes, a mother of two.

In handing down the sentence, the judge said:

"I want to send a deterrence message to any people who may think counterfeiting is an easy way to make a lot of money"

UK record industry body the BPI brought a private prosecution, together with the Department for Work and Pensions (DWP), after a joint investigation with film industry enforcement body FACT and games industry enforcement body ELSPA.

The court heard that the criminal operation operated as a well-organised illegal business and was run from the homes of the ringleaders. Supplying local markets and car boot fairs, it generated in excess of £40,000 in criminal proceeds during its 6-month operation.

The defendants had also claimed between £20,000 illegally in state benefits. The convicted may now lose all their assets under the Proceeds of Crime Act.

These defendants were arrested along with 21 others as part of a massive police operation codenamed "Zealot" in March 2006. These prosecutions are pending.

Involving 135 officers, and coordinated with the BPI, FACT, ELSPA and the DWP, Zealot was believed to be one of the biggest multi-agency anti-counterfeiting police operations in British history.

The Zealot raids ended a conspiracy that had involved the supply of counterfeit CDs and DVDs to markets beyond Liverpool and across the North West of England.

BPI investigators estimated that 70% of the fakes were sold at Liverpool's two worst piracy hotspots, Stanley Dock and Walton Market, with another 30% sold on to smaller units in the Liverpool area. The DWP had estimated that some of the counterfeit stalls in Liverpool had been turning over £4,000 a day.

BPI Chief Executive Geoff Taylor said:

"Music fans should not be taken in. Buying illegally copied CDs from these stalls not only cheats artists and the record labels that invest in them, it also helps to fund other criminality."

"These defendants were caught as part of a wider investigation into music piracy and benefit fraud in the North West, and although their operation was well organised they were by no means the biggest players in the region. This result shows that the courts will not hesitate to hand down strong sentences to deter this area of crime."

"Excellent work by our enforcement units, the DWP and police has ensured that these individuals face a significant term in prison, consistent with the seriousness of their offences."

Kieron Sharp, FACT Director General, said:

"This was an organised criminal network operating across a large area and generating sizeable profits from its illegal activities."

"There is often a strong association from the sale of stolen film product such as pirate DVDs with other criminality and we are grateful for the work done by the Department for Work and Pensions, Lancashire and Merseyside Police and our music and games industry colleagues in targeting and bringing to justice these individuals."

Department for Work and Pension anti-fraud Minister James Plaskitt said:

"This is an excellent example of our success at tackling benefit fraud when we work closely with our partners. No ifs, No buts - all benefit theft is a crime and those found breaking the law face serious consequences."

Michael Rawlinson, managing director of ELSPA, said: *"ELSPA would like to thank everyone involved for their work and helping to protect local traders and the general community from the effects of pirated goods. Our investigators will continue to work closely with other trade bodies and enforcement agencies. The simple fact about piracy of video games, music and films is illegal and punishable by fines, Community Service and jail sentences. No matter which way you look at counterfeiting it is nothing more than theft. Counterfeiters are only out for one thing: money. And because of this consumers who buy counterfeit games have no recourse under law for faulty goods."*

About The Defendants

BARRY POWELL

The owner of the stall, and ringleader of the operation. Sentenced to: Twelve months imprisonment for copyright offences and one month for benefit fraud - to run concurrently.

MARK QUINCEY

The second ringleader; involved in manufacturing and selling the counterfeit discs. Sentenced to: Twelve months imprisonment for copyright offences and three month for benefit fraud - to run consecutively.

SARAH HAYNES

Common law wife of Barry Powell, another ringleader. Sentenced to: Nine months imprisonment for copyright offences and two months for benefit fraud - to run concurrently.

PHILIP BROCKLEHURST & GARY CLARKE

Market stall sellers, who each received 3 months for copyright offences, and a further 1 month for benefit fraud (suspended for 12 months), plus 150 hours unpaid work.

ELVIO ANTONIO PERESTRELLO

Market stall seller handed a 200-hour community service order.

SUSAN POWELL (AKA BROCKLEHURST),

Market stall seller handed a 100-hour community service order.

CHRISTOPHER HAYNES

Market stall seller handed a 100-hour community service order.