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TEXAS MAN SENTENCED TO 41 MONTHS IN PRISON FOR SELLING COUNTERFEIT SOFTWARE WORTH $1 MILLION ON WEB SITES

WASHINGTON - Timothy Kyle Dunaway, 24, of Wichita Falls, Texas, was sentenced today to 41 months in prison by U.S. District Court Judge Reed O'Connor in Wichita Falls for selling counterfeit computer software through the Internet in violation of criminal copyright infringement laws, Acting Assistant Attorney General Rita M. Glavin of the Criminal Division and Acting U.S. Attorney James T. Jacks for the Northern District of Texas announced. The software sold by Dunaway had a combined retail value of more than $1 million.

Dunaway was also sentenced to two years of supervised release and ordered to pay $810,257 in restitution. Judge O'Connor also ordered Dunaway to forfeit a Ferrari 348 TB and a Rolex watch purchased with illegal proceeds of the scheme. Dunaway pleaded guilty in Wichita Falls on Oct. 30, 2008, to one count of criminal copyright infringement for selling pirated business software through the Internet.

According to court documents, from July 2004 through May 2008, Dunaway operated approximately 40 Web sites that sold a large volume of downloadable counterfeit software without authorization from the copyright owners. Dunaway admitted he operated computer servers in Vienna, Austria and Malaysia. Agents of U.S. Immigration and Customs Enforcement (ICE), working in cooperation with foreign law enforcement, seized Dunaway's international computer servers. According to court documents, Dunaway promoted his illicit scheme by purchasing advertising for his Web sites from major Internet search engines. Throughout the entire course of the scheme, the defendant processed more than $800,000 dollars through credit card merchant accounts under his control.

The case is part of the Department of Justice's ongoing initiative to combat the sale of pirated software and counterfeit goods through commercial Web sites and online auction sites such as eBay. To date, the Department has obtained 33 convictions involving online auction and commercial distribution of counterfeit software. The Department's initiative to combat online auction piracy is just one of several steps being undertaken to address the losses caused by intellectual property theft and hold responsible those engaged in criminal copyright infringement.

The case is being prosecuted by Trial Attorney Marc Miller of the Criminal Division's Computer Crime and Intellectual Property Section as well as Assistant U.S. Attorneys Alex C. Lewis and Diane Kozub for the Northern District of Texas. The case was investigated by the multi-agency Intellectual Property Rights Coordination Center, the ICE Cyber Crimes Center and the Dallas office of ICE.

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