Department of Justice

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FOUNDER OF NINJAVIDEO PLEADS GUILTY TO CRIMINAL COPYRIGHT CONSPIRACY

WASHINGTON – Matthew David Howard Smith, 23, of Raleigh, N.C., pleaded guilty today for his role in founding a website that provided millions of users with the ability to illegally download copyright-protected movies and television programs.

The guilty plea was announced by Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division, U.S. Attorney Neil H. MacBride for the Eastern District of Virginia and U.S. Immigration and Customs Enforcement (ICE) Director John Morton.

Smith pleaded guilty before U.S. District Judge Anthony J. Trenga in the Eastern District of Virginia to conspiracy and criminal copyright infringement. At sentencing, scheduled for Dec. 16, 2011, Smith faces a maximum penalty of five years in prison on each count.

According to the court documents, Smith was one of the founders of NinjaVideo, which operated from February 2008 until it was shut down by law enforcement in June 2010. He admitted that he designed many of the operational elements of the website that enabled millions of visitors to illegally download infringing copies of movies and television programs in high-quality formats. Many of the movies offered on the website were still playing in theaters, while others had not yet been released. While visitors to the website were permitted to download infringing copies for free, they were invited to make donations, which provided them access to private forum boards that contained a wider range of infringing material. A premium member obtained the rights to request specific infringing content, which the NinjaVideo administrators would then seek to fulfill.

Smith admitted that he made agreements with online advertising entities to generate income for the website, and he and his co-conspirators collected more than $500,000 during the website's two-and-a-half years of operation.

On Sept. 9, 2011, Smith was indicted along with four other alleged co-conspirators associated with NinjaVideo. The remaining defendants are scheduled for a jury trial on Jan. 20, 2011.

The case is being prosecuted by Trial Attorney Glenn Alexander of the Criminal Division's Computer Crime & Intellectual Property Section and Assistant U.S. Attorneys Jay V. Prabhu and Lindsay A. Kelly.

The investigation was conducted by ICE's Homeland Security Investigations-led National Intellectual Property Rights Coordination Center (IPR Center). This IPR Center is one of the U.S. government's key weapons in the fight against criminal counterfeiting and piracy. As a task force, the IPR Center uses the expertise of its 19 member agencies to share information, develop initiatives, coordinate enforcement actions, and conduct investigations related to IP theft. Through this strategic interagency partnership, the IPR Center protects the public's health and safety, the U.S. economy and the war fighters.

To report IP theft or to learn more about the IPR Center, visit www.IPRCenter.gov.

This case is part of efforts being undertaken by the Department of Justice Task Force on Intellectual Property (IP Task Force) to stop the theft of intellectual property. Attorney General Eric Holder created the IP Task Force to combat the growing number of domestic and international intellectual property crimes, protect the health and safety of American consumers, and safeguard the nation's economic security against those who seek to profit illegally from American creativity, innovation and hard work. The IP Task Force seeks to strengthen intellectual property rights protection through heightened criminal and civil enforcement, greater coordination among federal, state and local law enforcement partners, and increased focus on international enforcement efforts, including reinforcing relationships with key foreign partners and U.S. industry leaders. To learn more about the IP Task Force, go to www.justice.gov/dag/iptaskforce.

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