



The United States Attorney's Office

Office of Public Affairs

Cincinnati Man Pleads Guilty to Selling More Than \$1 Million in Counterfeit Tax Preparation Software

FOR IMMEDIATE RELEASE

Tuesday, June 7, 2011

WASHINGTON – A Cincinnati man pleaded guilty yesterday to selling more than \$1 million worth of counterfeit financial and tax preparation software through an Internet auction site, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division; U.S. Attorney Carter Stewart for the Southern District of Ohio; Tracey E. Warren, Acting Special Agent in Charge for the Internal Revenue Service-Criminal Investigation (IRS-CI); Dugan T. Wong, Assistant Inspector in Charge for the U.S. Postal Inspection Service; and J. Mark Batts, Acting Special Agent in Charge for the FBI's Cincinnati Division.

Brandon C. Davis, 31, pleaded guilty before U.S. District Judge Herman J. Weber in the Southern District of Ohio to one count of mail fraud, one count of copyright infringement and two counts of filing a false income tax return.

According to court documents, Davis purchased by downloading or on a CD, Quicken and Turbo Tax software manufactured by Intuit Inc., with accompanying labels and packaging that were protected by copyright. Davis copied the original software multiple times to CDs, without permission, and created counterfeit packaging and labeling for the CDs. According to court documents, Davis sold the counterfeit Intuit software on eBay, received payment and then mailed the counterfeit software to the purchaser via the U.S. Postal Service. Within the packaging, Davis sometimes included a false disclaimer claiming that he was merely acting as a broker for another seller. Davis also falsely represented on the online eBay auctions that he was selling original Intuit software, but instead he sold counterfeit Intuit software, usually at prices below manufacturer's suggested retail price.

Davis failed to report the income from the counterfeit software sales when he filed his income tax returns for 2008 and 2009.

At sentencing, Davis faces maximum penalties of 20 years in prison for the mail fraud charge, five years in prison for the copyright infringement charge and up to three years in prison for each tax charge. Davis agreed to a money judgment and tax lien of \$80,074 and to pay restitution in an amount to be determined by the court. He also agreed to forfeit all computer items used to manufacture and distribute the fake software, a 2006 Hummer and \$192,117 that was seized from his bank accounts. Sentencing is scheduled for Sept. 22, 2011.

The case is being prosecuted by Assistant U.S. Attorney Timothy S. Mangan of the Southern District of Ohio and Trial Attorney Tara M. Swaminatha of the Criminal Division's Computer Crime and Intellectual Property Section.

The enforcement action announced today is an example of efforts being undertaken by the Department of Justice Task Force on Intellectual Property (IP Task Force). 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 .