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Underground Economy Task Force Cracks Down on Illegal Sales of Counterfeit Box Office Hit DVDs

‘Sex Tape,’ ‘Dawn of the Planet of the Apes,’ and ‘Captain America’ Among Titles Seized

Sacramento – The California State Board of Equalization (BOE) today announced the arrest of suspect, Eloxia Johnson, 40, on four felony counts for counterfeiting DVDs of recent, high-dollar movies which he sold at a popular East Bay flea market. Johnson was arrested on August 2, 2014 and booked into the Contra Costa County jail on \$80,000 bail.

A two month undercover investigation led by agents of the Tax Recovery and Criminal Enforcement (TRaCE) task force revealed that Johnson was frequenting local movie theaters with a handy-cam and videotaped first-run movies. He would then sell them out of the back of his SUV at the Berkeley Flea Market at the Ashby BART station for \$3 a title.

Johnson was arrested en route to the flea market with more than 1,000 DVDs of various hit titles, including “Sex Tape,” “Dawn of the Planet of the Apes,” “Captain America,” “Lucy,” and “Transformers – Age of Extinction.” TRaCE agents also served a search warrant at Johnson's home where they seized more than 10,000 DVDs and CDs, high-tech computer equipment, and more than \$4,000 in cash.

Johnson is one of many who operate in the underground economy, avoiding their true tax responsibilities at the expense of all Californians. The underground economy is attacking many professions, including the film industry, which estimates an annual loss of about \$3.27 billion dollars to counterfeiting and piracy.

TRaCE includes agents of the Board of Equalization, California Department of Justice, Franchise Tax Board, Employment Development Department, Department of Alcoholic Beverage Control, Federal Bureau of Investigation, and Department of Homeland Security Investigation. TRaCE is a statewide task force created in 2014 to combat organized elements of the underground economy that result in the evasion of business and income taxes, including engaged in the manufacturing, importation, distribution and sale of pirated intellectual property.

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The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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