



# News Release

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## Tax Recovery and Criminal Enforcement (TRaCE) Task Force

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**For Immediate Release**

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### **TRaCE Arrests Suspect for Counterfeit, Pirated Movies**

**Sacramento** – A Tax Recovery and Criminal Enforcement (TRaCE) Task Force investigation led to the December 17th arrest of Anthony Vitaliano, 57, of Vallejo, on six felony counts of counterfeiting, six felony counts of piracy and an aggravated white collar crime enhancement. He was booked and posted \$50,000 bail. His arraignment is set for January 13, 2015, in Department 63 of the Sacramento County Superior Court.

In February 2014, agents with the U.S. Immigration and Customs Enforcement’s Homeland Security Investigations (HSI), San Francisco office contacted TRaCE to initiate a criminal investigation of Vitaliano. For more than three years, Vitaliano received thousands of counterfeit, pirated DVD movies and TV series imported from Hong Kong at his Vallejo home. Agents found Vitaliano then sold the movies through multiple eBay accounts throughout the United States. Many of the movies violated trademarks of Disney, 20th Century Fox, Warner Brothers, CBS, CW, PBS, ABC, and Showtime.

On March 18, 2014, with the assistance the Motion Picture Association of America, TRaCE agents executed a search warrant at Vitaliano’s home, seizing numerous counterfeit, pirated DVDs and computer equipment. TRaCE investigators identified and analyzed DVD shipment records and several PayPal accounts. Documents revealed that between 2011 and 2013, Vitaliano sold more than 10,000 counterfeit, pirated DVDs and TV series with a wholesale cost of more than \$150,000 and a retail value of more than \$300,000.

“Underground economic activity in the film industry costs our state \$3.27 billion dollars each year,” said Board of Equalization Chairman Jerome E. Horton. “This latest arrest should put criminals who evade taxes and engage in piracy and counterfeiting on notice.”

[The TRaCE Task Force](#) is made up of investigators from the Board of Equalization, California Attorney General’s Office, Franchise Tax Board, Employment Development Department, Alcoholic Beverage Control, Federal Bureau of Investigation, and HSI. The partnership was formed in 2014 to investigate criminal elements of the underground economy engaged in manufacturing, importation, distribution, and the sale of pirated intellectual property, as well as other crimes resulting from the evasion of business and income taxes.

[TRaCE’s central intake system](#) for reporting a crime related to tax evasion, labor fraud, piracy, counterfeiting, and human trafficking is accessible via the Web or any mobile device instantly. Help TRaCE take down the underground economy – Report it, don’t ignore it!

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The Tax Recovery and Criminal Enforcement Task Force (TRaCE) is comprised of public officials from the Department of Justice, Board of Equalization, Franchise Tax Board, Department of Alcoholic Beverage Control, Employment Development Department, Federal Bureau of Investigation and U.S. Immigration and Customs Enforcement’s Homeland Security Investigations.

The mission of the TRaCE Task Force is to combat organized elements of the underground economy engaged in the manufacture, importation, distribution, and sale of pirated intellectual property, and other economic crimes resulting in the evasion of business, payroll and/or income taxes.

For more information on other taxes and fees in California, visit [www.boe.ca.gov/trace/](http://www.boe.ca.gov/trace/).

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