

Important Customer Information

for TEC Cable TV Customers

Theft of cable services is the reception of any services offered over a cable system without paying for the system. Cable theft is a widespread problem that results in revenue losses to the cable industry, totaling several billions of dollars per year. By depriving cable operators of substantial revenue, people who steal cable adversely affect cable companies' ability to provide their customers with high quality products and services.

Cable theft is illegal under federal law, as well as state law. Federal statutes provide for stiff penalties against people who steal cable services, including possible criminal prosecution. In addition, federal law provides cable companies with civil remedies, such as the opportunity to sue people who steal cable services for money damages and injunctive relief. Because cable theft has a significant impact on cable companies, it is taken very seriously.

Theft of cable services are broken down into two types:

Passive Theft

Passive theft occurs when someone moves into a new residence or business facility, notices that the premises receives cable services without an account, but does not take any steps to become a subscriber or have the service disconnected.

Active Theft

Contrary to the common understanding of cable theft - that it involves only the theft of cable television services - cable theft also includes:

Broadband Internet Abuse

Uncapping of Modems – The vast majority of broadband Internet users do not need more bandwidth than is provided by most cable operators as part of standard residential subscriptions. Some dishonest users, though, will hack into their modem and uncap their bandwidth limits. Some people uncap their own modems, and others who do not possess the necessary skills receive assistance from others who do. Individuals who uncap their modems and steal excessive bandwidth slow down their neighbors transmission rates.

WiFi Theft

WiFi theft occurs when someone installs a wireless network in a residence or business location and intentionally enables others to receive broadband service for free over their wireless network.

Wireless networking is a great product, but when using a wireless network subscribers should always secure their home networks from unauthorized users. Unsecured wireless networks allow others to access a subscriber's network and potentially see all of the subscriber's personal files, allow potential criminals and terrorists to send untraceable communications or allow an individual to download illegal materials, such as copyrighted or obscene material that would lead back to the subscriber's modem.

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Assisting Others to Steal Cable is Illegal

It is not only illegal to steal cable services, it is also illegal to assist others to steal cable services. In fact, federal law provides for criminal penalties and civil remedies against people who willfully assist others to steal cable services. Such assistance can take the form of distributing "pirate" cable television descrambling equipment, assisting others to make unauthorized connections to cable systems, promoting the free use of one's wireless broadband network, or assisting others to hack into their modems and uncap them.

Primary Theft

Primary theft of cable services involves instances where someone does not subscribe to any cable services but makes (and/or maintains) an unauthorized connection to a cable company's cable system. This type of theft can occur when someone takes affirmative steps to connect his or her residence or business to the system, or has someone make the connection for them. It can also involve surreptitiously using someone else's wireless network to gain access to the Internet, or signing up for cable service using a false identity with no intention of paying for the service.

Secondary Theft - Premium/Pay-Per-View Cable Television Services Theft

Most cable companies scramble "premium" and "pay-per-view" cable television programming services to ensure that only subscribers who order and pay for such services receive them. Premium programming services, which include channels such as Showtime and Cinemax, are available for monthly fees over and above standard subscription fees. Pay-per-view programming services are movies and other events that are billed on a per-event fee basis. Cable companies provide converter-descramblers to subscribers who subscribe to premium services, or who want the ability to order pay-per-view services. Such equipment is made available for modest monthly rental fees.

Throughout the United States and abroad, people and companies manufacture, modify and/or sell cable boxes and other equipment that are designed to descramble premium and pay-per-view cable television services without authorization. The manufacturing, modification and sale of such equipment is illegal under federal and state statutes. The use of such equipment is similarly illegal.

Subscription Fraud

Subscription fraud occurs when an individual signs up for cable services, provides false information to receive services and has no intention of paying for those services. Subscription fraud is theft!

What You Can Do?

Cable theft affects Video, Inc.'s ability to provide its subscribers with quality services. For example, illegal connections that do not comply with our standards and use of illegal descramblers, which are often of poor quality, affect picture quality over entire systems. In addition, people who steal cable services get for free what others have to pay for, which drives up costs to paying subscribers. Lastly, widespread theft of cable services jeopardizes the jobs of thousands of employees with the cable industry and content providers, people just like you who depend on the abilities of their employers to run effective businesses in order to protect their jobs.

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If you are aware of any instances of cable theft, you can do something about it.

Federal Statutes

Unauthorized reception of cable service

- (a) Unauthorized interception or receipt or assistance in intercepting or receiving service; “assist in intercepting or receiving” defined
 - (1) No person shall intercept or receive or assist in intercepting or receiving any communications service offered over a cable system, unless specifically authorized to do so by a cable operator or as may otherwise be specifically authorized by law.
 - (2) For the purpose of this section, the term “assist in intercepting or receiving” shall include the manufacture or distribution of equipment intended by the manufacturer or distributor (as the case may be) for unauthorized reception of any communications service offered over a cable system in violation of subparagraph (1).
- (b) Penalties for willful violation
 - (1) Any person who willfully violates subsection (a)(1) of this section shall be fined not more than \$1,000 or imprisoned for not more than 6 months, or both.
 - (2) Any person who violates subsection (a)(1) of this section willfully and for purposes of commercial advantage or private financial gain shall be fined not more than \$50,000 or imprisoned for not more than 2 years, or both, for the first such offense and shall be fined not more than \$100,000 or imprisoned for not more than 5 years, or both, for any subsequent offense.
 - (3) For purposes of all penalties and remedies established for violations of subsection (a)(1) of this section, the prohibited activity established herein as it applies to each such device shall be deemed a separate violation.
- (c) Civil action in district court; injunctions; damages; attorney’s fees and costs; regulation by States or franchising authorities
 - (1) Any person aggrieved by any violation of subsection (a)(1) of this section may bring a civil action in a United States district court or in any other court of competent jurisdiction.
 - (2) The court may - (A) grant temporary and final injunctions on such terms as it may deem reasonable to prevent or restrain violations of subsection (a)(1) of this section; (B) award damages as described in paragraph (3); and (C) direct the recovery of full costs, including awarding reasonable attorneys’ fees to an aggrieved party who prevails.
 - (3)(A) Damages awarded by any court under this section shall be computed in accordance with either of the following clauses:
 - (i) the party aggrieved may recover the actual damages suffered by him as a result of the violation and any profits of the violator that are attributable to the violation which are not taken into account in computing the actual damages; in determining the violator’s profits, the party aggrieved shall be required to prove only the violator’s gross revenue, and the violator shall be required to prove his deductible expenses and the elements of profit attributable to factors other than the violation; or
 - (ii) the party aggrieved may recover an award of statutory damages for all violations involved in the action, in a sum of not less than \$250 or more than \$10,000 as the court considers just.
 - (B) In any case in which the court finds that the violation was committed willfully and for purposes of commercial advantage or private financial gain, the court in its discretion may increase the award of damages, whether actual or statutory under subparagraph (A), by an amount of not more than \$50,000.
 - (C) In any case where the court finds that the violator was not aware and had no reason to believe that his acts constituted a violation of this section, the court in its discretion may reduce the award of damages to a sum of not less than \$100.
 - (D) Nothing in this subchapter shall prevent any State or franchising authority from enacting or enforcing laws, consistent with this section, regarding the unauthorized interception or reception of any cable service or other communications service.