

CONSUMER FACT SHEET

CABLE TELEVISION THEFT

Unauthorized interception of cable television service is illegal and a serious problem in the Commonwealth and the United States. Outlined below are the most commonly asked questions regarding theft of cable television services.

What is cable theft?

Cable theft is the receipt of cable services without the express authorization of a cable television operator. There are two types of cable theft: active and passive. Active cable theft occurs when someone knowingly and willfully makes an illegal physical connection to the cable system or attaches modified equipment that allows unauthorized receipt of cable programming. Two examples are splicing into a neighbor's cable service and using a so-called "black box" to obtain cable programming. Passive cable theft occurs when a consumer receives services due to faulty cable operator procedures. If you receive cable services that you did not order or pay for, you should immediately notify your cable operator.

What is a black box?

A black box is a cable television descrambling device that receives, converts, and decodes scrambled signals without proper authorization from the cable operator. This illegal device is also referred to as a descrambler or decoder, and uses similar technology as a converter or set-top box that is authorized by the cable operator. It is against the law to use a black box to obtain cable service in this manner. Both state and federal laws prohibit the reception of cable service through the unauthorized use of such equipment.

Why is the use of a black box illegal?

A cable company transmits signals to a subscriber's home. It uses a cable television descrambling device to control the flow of cable service. Signals are scrambled at a main control center and transmitted over the cable system in an encrypted form. A subscriber's converter box then descrambles these signals so that the viewer can watch the programming. A cable operator is the only one who can authorize descrambling so that only those consumers subscribing to a particular level of service will receive the programming. This means that if your neighbors use a black box, they are receiving premium programming without paying for it, while you pay for it every month.

Does this mean that I should be wary of advertisements for descramblers in magazines and on the Internet?

Yes. Most of these advertisements contain a disclaimer stating that the device should not be used unless proper authorization is obtained from the cable operator and used in accordance with applicable laws. However, state and federal prosecutors have been increasingly successful in bringing criminal and civil actions against people that buy these advertised descramblers, and prosecutors have not been required to prove that the descramblers have actually been used to steal cable services. Law enforcement authorities and cable operators work in conjunction to track the manufacture and distribution of illegal devices through these ads, and customers can be held liable for the illegal possession or use of such equipment.

Why should I be concerned with cable theft?

First, because it is illegal under state and federal law and you may be prosecuted. Second, because illegal connections can lower the quality of your picture. Third, because added service calls, additional system maintenance, and lost revenue can increase everyone's cable rates. Indeed, theft of cable service costs the cable industry an estimated 6.6 billion dollars per year, not including the revenues lost from pay-per-view movies. This increases the cable operator's cost of doing business and may increase your rates. Consequently, the honest customer ends up paying for those who illegally receive services for free.

What can happen if I obtain cable service illegally?

- ?? Under federal law, those who are caught stealing cable can be criminally fined up to \$1,000, imprisoned for up to six months, or both.
- ?? If the violation is willful and for commercial advantage or private financial gain, federal law allows for additional fines for the first offense up to \$50,000 and imprisonment of 2 years, or both. For subsequent offenses, federal law provides for additional fines up to \$100,000 and imprisonment of 5 years, or both.
- ?? A cable operator can also seek civil remedies or damages up to \$10,000.
- ?? Under Massachusetts law provides for fines of up to \$3,000, imprisonment for up to 2 1/2 years, or both for theft of cable services valued at less than five thousand dollars. Fines of up to \$10,000, imprisonment up to 10 years, or both are provided for fraudulently obtaining services equal to or greater than \$5,000 in value.

What can happen to those who manufacture or distribute converter boxes without proper authorization?

- ?? Under federal law, commercial manufacturers or distributors of equipment intended to be used for the unauthorized reception of cable service can be criminally prosecuted. A violation of this law may result in fines of up to \$50,000 or imprisonment for up to 2 years, or both, and any subsequent offense carries a fine up to \$100,000 or imprisonment up to 5 years, or both.
- ?? Under Massachusetts law, the illegal manufacture or distribution of equipment designed to fraudulently obtain telecommunications services can result in fines of up to \$30,000, imprisonment for up to 15 years, or both.

Does a cable operator have any other legal recourse?

Yes. A cable operator may be able to sue a subscriber for breach of contract. When a subscriber signs up for service he or she agrees not to tamper with, modify, or change the cable operator's equipment without express authorization. Splitting cable wires or attaching a black box can alter the cable equipment owned by the operator and can affect reception, thereby affording the cable operator justification for a breach of contract action.

A cable operator may also pursue a civil action for conversion. Under this legal theory, an individual who connects an unauthorized device to the operator's cable equipment is stealing programming that is owned by the company, resulting in damage to the company.

Can cable operators detect cable theft?

Yes. Many cable operators have equipment that can detect signal theft from outside your home. In many instances, a technical problem, such as a neighbor's poor reception, may point to an illegal hook-up. In this case, the illegal hook-up can generate a service call from a neighboring subscriber. A cable technician can then determine whether the cause of the poor reception is due to signal theft in the area.

Additionally, federal investigations uncover distributors of illegal descramblers and in the process obtain sales lists from those distributors that identify all of the people who have bought these illegal descramblers. Once it obtains this information, the cable operator is free to pursue all people who have purchased this illegal equipment.

What are cable companies doing to combat cable theft?

Cable operators have joined with federal law enforcement agencies and state and local prosecutors to identify distributors and purchasers of illegal cable devices so that they can determine who is stealing cable programming.

What can I do if I know someone who is stealing cable services?

You should contact your cable operator if you know of anyone who is stealing cable service. Some cable operators have hotlines which allow you to call anonymously and leave the name or address of someone you suspect is stealing cable service.

Where can I get more information on cable theft?

You should contact your local cable operator. Also, the National Cable & Telecommunications Association has an office of Cable Signal Theft and additional information can be found on their website at www.ncta.com. In addition, you call or can write to us at the Cable Television Division.

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