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CABLE COMPANYS RESPONSIBLE FOR THEFT OF SERVICE

A 1986 Showtime/The MOvie Channel study that showed the cable industry itself responsible for half the theft of service (1.4 Billion/year), in the country may have understated the extent of the problem, according to panelists at a recent NCTA convention session on cable piracy.

Jerimy Stern, ex director of the OCST (Office of Cable TV Theft) which is a joint venture funded by the NCTA and the MPAA (Motion picture Assc. of America) stated that many cases of unauthorized reception occur through error or omission on the part of the cable companys and not through any willful, malicious or criminal intent on the part of the viewer.

Loosely managed "Hot Disconnects" programs are the primary problem. The "Hot" cable is left in the home to simplify reconnection when the new resident moves in.

One panelist described a "tap verification" audit he did of 18,000 homes, in which they found 332 basic and 1w=2 unauthorized hookups. After identifying a pirate, a "sales specialist" was sent out to sign him up. They found 23% were willing, making the program highly profitable.

Cable companys are now following this lead and are setting up their own "tap audit" programs.

The OCST has also become active in the prosecuting of dealers of pirate decoders (currently a highly profitable business) using third party resources of the FBI and Customs Service. Customs is trying to cut the flow of off shore decoders (Tiawan) being imported. Civil suits are being used sparingly because of their high cost, the possibility of receiving nothing in return and the possibility of countersuits for false prosecution. When a suit is won the PR people are quick to publicize it thru the media.

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