



Software Piracy and Small Businesses

Small businesses represent a growing and crucial segment of the U.S economy. Yet their size often limits their manpower and resources to ensure that software installed on office computers is licensed.

Each year, the Business Software Alliance (BSA) receives thousands of software piracy reports with claims of small businesses' unlicensed software use which are investigated by BSA. These claims often result in damages totaling hundreds of thousands of dollars. It can result in fines of up to \$150,000 for each software title copied and increases the risk for security and technical complications.

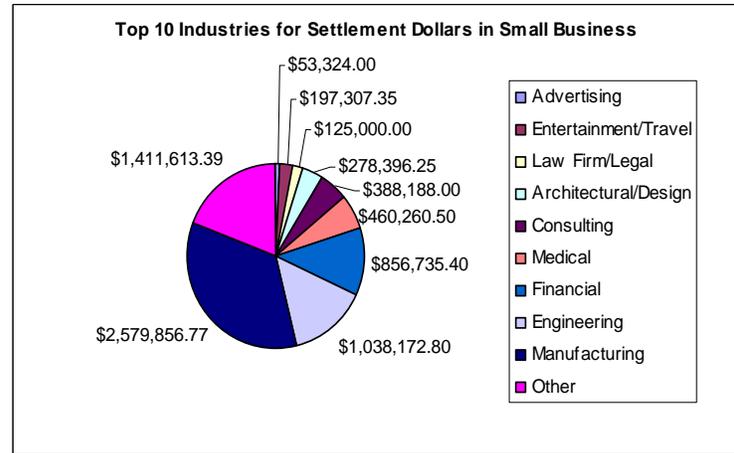
In addition, small businesses that do not use fully licensed software are more vulnerable to viruses and ineligible to receive technical support or software updates. Outdated copies of unlicensed software can sometimes produce inconsistent, inaccurate, or even unsafe results.

Software Piracy Facts

- In 2007, the United States economy lost more than \$8 billion as a result of software piracy.
- Software piracy is against the law and affects thousands of businesses nationwide, costing millions of dollars in tax revenues and lost jobs.
- 20 percent of software programs in the United States are unlicensed.
- To date, BSA has settled with U.S. companies for more than \$139.6 million.
- Most software violations result from over-installation.
- Offenders are liable under both criminal and civil law. In the most serious cases, individuals caught using or selling illegal software may face jail time.
- Since launching its Rewards Program in 2005, BSA has generated leads in every state and the District of Columbia, resulting in settlements totaling more than \$16.7 million.

Facts about Small Businesses

- In 2006 alone, small businesses paid over \$11.4 million in fines to settle software piracy claims.
- In 2006, the manufacturing industry paid more than \$2.5 million in fines, the engineering industry paid over \$1 million, the financial industry paid more than \$850,000, and medical businesses paid over \$450,000.



For information on software strategies for small businesses, please visit www.SmartAboutSoftware.org.