Warez Wars

For the Inner Circle, cracking software is a challenge. For the wannabe underground, collecting it is an obsession. For the software industry, it's a billion-dollar nightmare.

By David McCandless

Sunday morning, 7 a.m., somewhere in US Eastern Standard Time: Mad Hatter gets up, has a glass of Seagram's Ginger Ale and a cigarette, and checks his machine, which has been running automated scripts all night. He looks for errors and then reads his email. He has 30 messages from all over the world: some fan mail, a couple of flames, a few snippets of interesting information, three or four requests - some clear, some PGP-encoded. After a quick espresso and another cigarette, he surveys the contents of a few private FTP sites, filters through a bunch of new files, and then reroutes the good stuff to his newsreader. After breakfast with the family, another wave of automated scripts kicks in. The ISDN connection hums to life. A steady stream of bytes departs his machine 128 Kbps and vanishes into the ether. By the end of the day Mad Hatter, a ringleader of the software piracy group called the Inner Circle, will have poured 300 Mbytes of illegal "warez" onto the Internet.

Monday morning, 9 a.m., Greenwich Mean Time: Phil arrives for work in Bracknell, England, in a suit and tie, just back from a few days in Switzerland. Inside Novell UK's glossy five-story headquarters, he lets himself into his office. It looks like a mad, bad bedroom - shiny desktops and derelict ones, disemboweled minitowers and battered servers, every last

expansion slot distended with DAT machines, CD-ROM burners, extra hard drives. A metal shelf unit contains a rack of monitors, some video equipment, spare keyboards. Everything is wired insanely to a single ISDN line. After a coffee, Phil boots up and skims his email. Twenty minutes later he has ceased to be Phil. For the next week, he will pretend to be a trader, a courier, a cracker, a newbie, a lamer, a lurker, a leecher. He is an undercover Internet detective, a "technical investigator." He spends his days roving the Net, finding people like Mad Hatter - and busting them.

This is a story about a universe with two parallel, overlapping worlds. One is the familiar, dull world of the software industry, with its development costs, marketing teams, profit, and loss. Phil's world, at least part of the day.

And then there is warez world, the Mad Hatter's world, a strange place of IRC channels and Usenet groups, of thrills, prestige, and fear. A world of expert crackers who strip the protection from expensive new software and upload copies onto the Net within days of its release. A world of wannabes and collectors, whose hard drives are stuffed like stamp albums, with programs they'll never use. And a world of profit pirates, who do exactly what the software makers say: rip off other people's stuff and sell it for their own benefit.

In Phil's world, software is a valuable tool that commands high prices - programs like QuarkXPress, Windows NT, and AutoCAD, costing thousands of dollars a shot. But in Mad Hatter's world, those sticker prices means nothing - except inasmuch as more expensive programs are harder to crack, and that makes them the

most desirable, spectacular trophies of all.

In Phil's world, warez are a menace. In warez world, Phil is.