Phil's world is full of nasty numbers. Antipiracy organizations like the Software Publishers Association and Business Software Alliance estimate that more than US\$5 million worth of software is cracked and uploaded daily to the Net, where anyone can download it free of charge. A running scoreboard on the BSA Web site charts the industry's losses to piracy: \$482 a second, \$28,900 a minute, \$1.7 million an hour, \$41.6 million a day, \$291.5 million a week. A lot of that is garden-variety unlicensed copying and Far East-style counterfeiting. But an estimated one-third leaks out through warez world, which can be anywhere there's a computer, a phone, and a modem.

This is bad news for the business. Think of the lost revenue! The lost customers! "It's a frightening scenario out there," says Martin Smith, Novell's product-licensing manager for Europe, the Middle East, and Africa. "We are seeing a very, very rapid development of crime on the Internet."

He's not being paranoid: look at the thousands of messages that pour through alt.binaries.warez.ibm-pc and the other Usenet sites that are the warez world's pulsing heart. In a typical week, you'll see Microsoft Office Pro and Visual C++, Autodesk 3D Studio MAX, SoftImage 3D, SoundForge, Cakewalk Pro Audio, WordPerfect, Adobe Photoshop 4.0 - virtually every high-end package in existence. All this plus impossibly early betas and alphas. Add a smattering of mundane Web tools, Net apps, registered shareware, games, and utilities, and you have everything for the forward-looking computer user. Warez world's volumes are impressive, too - a good 65 Mbytes a day of freshly cracked, quality new releases, chopped into disk-sized portions (to make it from one hop to the next without clogging the servers), compressed, and uploaded. Postings can vary from a few bytes (for a crack) to hundreds of megabytes. The nine main warez sites alone account for 30 to 40 percent of the traffic on Usenet, an average of more than 500 Mbytes in downloads every 24 hours, according to OpNet.

Bad news indeed for Phil and his friends, gazing at those endless dollar signs. But warez world's leading citizens say that filthy lucre is beside the point - at least for them and the hungry collectors they supply.

"No money ever exchanges hands in our forum," says California Red, one of a half dozen of the Mad Hatter's Inner Circle colleagues gathered for an IRC chat.

"We're on the nonprofit side of the warez feeding chain," insists another, TAG (The Analog Guy).

"It's a trade. You give what you have, get something you need. No money needed," adds Clickety.

"We're not in it for the money. I would never sell something I got from warez," California Red reiterates.

"Never made a dime," says Mad Hatter.

Even Phil admits these are not the people responsible - not directly, anyhow - for the 500-Mbyte, \$50 bundled software CD-ROMs from Asia that are the industry's most prominent nightmare. Warez crackers, traders, and collectors don't pirate software to make a living: they pirate software because they can. The more the manufacturers harden a product, with tricky serial numbers and anticopy systems, the more fun it becomes to break. Theft? No: it's a game, a pissing contest; a bunch of dicks and a ruler. It's a hobby, an act of bloodless terrorism. It's "Fuck you, Microsoft." It's about having something the other guy doesn't. It's about telling him that you have something he doesn't and forcing him to trade something he has for something you don't.

In other words, it's an addiction. Listen to a typical dialog on an IRC warez trading channel:

"What you got?"

"Cubase three."

"What's that?"

"A music program."

"I got it. What else?"

"No, but it's Cubase three-oh-three - the latest bugfix."

"Shit. Gimme."

"It's not a patch. It's another seven meg download."

"Don't care. I want it."

Warez traders scour the newsgroups every night, planting requests, downloading file parts they don't need. Warezheads feel unfulfilled unless they've swelled their coffers by at least one application a day. They don't need this Java Development Kit tool, or that Photoshop plug-in - the thrill is in creating the new subdirectory and placing the tightly packed and zipped file cleanly, reverently, into the collection. They may even install it. Then toy absentmindedly with its toolbars and palettes before tucking it away and never running it again.

Look at Michael, an 18-year-old warez junkie who's also into weight lifting. In the evenings, while his friends pursue women, he's either at the gym or home at his machine, combing the planet for the latest dot releases of 3D Studio MAX. "I bought a Zip drive so I could store it all. The SoftImage rip is 20 disks. It took me three months to get the entire set." A directory called WAREZ on his D:/ drive has \$50,000 worth of cracked software, more than any one person could ever use, ludicrous amounts of applications. The more high-end and toolbar-tastic the app, the better. Without technical support or manuals, he hasn't a clue how to use most of it. But it's there and will stay there. "Warez give you a weird kind of feeling," he says. "You end up collecting programs you don't need and never use. Just so you can say, 'I've got this or I've got that.' Or 'My version of Photoshop is higher than yours."

Mad Hatter knows the feeling. "It's an obsessive game. We see it every day - people begging for something to 'finish their collection.'" He's not much better himself. "When I was out of work on disability, I was totally motivated by the thrill of massive uploads, uploading at least 40 Mbytes a day for four months straight." Fellow Inner Circle member Clickety used to spend 12 hours a day online until college got "awful heavy." Another, Abraxas, spends 6 to 10 hours online on weekdays, 12 to 16 on weekends. But Mad Hatter - who runs the semi-tongue-in-cheek, semi-poker-faced discussion group alt.support.warez.recovery - is making progress: he's down to 30 Mbytes a day. "My computer is online 24 hours a day," he says. "A warez pirate is always online."