



The United States Attorney's Office

Southern District of Texas

News Release

Jan. 4, 2008

TWO CHARGED WITH SELLING COUNTERFEIT COMPUTER PRODUCTS

(HOUSTON, Texas) - A federal grand jury recently returned an indictment charging Michael Edman, 36, of Richmond, Texas, and Robert Edman, 28, of San Clement, Calif., with trafficking in counterfeit Cisco products, United States Attorney Don DeGabrielle announced today.

The indictment was returned Dec. 19, with the defendants scheduled to make their initial appearance Jan. 11, 2008, at 2:00 p.m. before United States Magistrate Judge Stephen Smith. The Edmans are charged with conspiring to traffic in counterfeit computer products: Robert Edman is charged with seven substantive counts of trafficking in counterfeit Cisco products while Michael Edman is charged with five substantive counts of the same.

Cisco is a company that manufactures and sells computer hardware with an emphasis on hardware that allows computers to network with other computers. According to the indictment, between August 2002 and July 2004, the Edmans, while working for a California company, began purchasing counterfeit Cisco products from an individual in China, whom the indictment designates as an unindicted coconspirator. The indictment further alleges in July 2004, Michael Edman caused a company named Syren Technology to be registered in Fort Bend County, Texas. After the creation of Syren, Robert Edman continued to receive shipments of counterfeit Cisco products from the unindicted co-conspirator in China, including a 2006 shipment to an Edman residence in Richmond, Texas, which contained approximately 650 empty counterfeit Cisco boxes and product labels. The indictment alleges Robert Edman and the unindicted co-conspirator in China engaged in e-mail correspondence about how to avoid customs inspection of the shipments and about the process for placing serial numbers on the counterfeit products. After receiving the shipments from China, both Edmans then sold the counterfeit Cisco products to retailers of network products in the United States. According to the indictment, the Edmans shipped some of the counterfeit Cisco products directly to the Marine Corps, Air Force, Federal Aviation Administration, FBI, defense contractors,

universities and financial institutions. These entities had purchased the product from a computer retailer serving as a middleman which in turn purchased the products from the Edmans (a process known as “drop shipping”).

The conspiracy charge carries a maximum term of imprisonment of five years with substantive counts of trafficking in counterfeit products each carrying a maximum prison term of 10 years. All of the counts carry a maximum fine of \$250,000.

The case was investigated by Immigration and Customs Enforcement and is being prosecuted by Assistant United States Attorney Gregg Costa.

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