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VALLEY COUPLE CHARGED WITH CRIMINAL COPYRIGHT AND TRADEMARK VIOLATIONS FOR DISTRIBUTING COUNTERFEITED MICROSOFT SOFTWARE

Defendants Obtained Software and Distributed it Throughout the United States

SACRAMENTO - United States Attorney McGregor W. Scott, Sacramento County Sheriff John McGuinness, and Resident Agent-in-Charge Tom Loutenstock, United States Department of Homeland Security, Immigration and Customs Enforcement, announced today that ASIF KHAN, 30, and SABREENA KHAN, 27, of Salida, California were arrested and charged with conspiracy, criminal copyright infringement, trademark violations, and mail fraud. The charges stem from the defendants' alleged illegal distribution of copyrighted Microsoft software throughout the United States.

This case is the product of an extensive/joint investigation by the Sacramento Valley High Tech Crimes Task Force, which is comprised of more than thirty federal, state, and local law enforcement agencies, including the United States Department of Homeland Security, Immigration and Customs Enforcement and the United States Postal Inspection Service. Microsoft also cooperated and assisted law enforcement with the case.

According to Assistant United States Attorney Robin R. Taylor, who is prosecuting the case, the criminal complaint alleges that from approximately June 20, 2006, through the present, ASIF KHAN and SABREENA KHAN, unlawfully distributed counterfeit software valued at more than \$119,000 from two residential locations in Salida, California where more than 180 additional counterfeit units were seized. The defendants, without authorization, sold counterfeited Microsoft Software, including Microsoft Office 2003 Professional, which contains products such as Microsoft Word, Microsoft Excel, and Microsoft Power Point. The product retails for \$499. The defendants sold the product over the Internet at Web sites such as eBay and iOffer, for below its retail value.

ASIF KHAN and SABREENA KHAN appeared today before Magistrate Judge Dale A. Drozd for an initial appearance and a detention hearing.

If convicted of mail fraud, the defendants face a maximum penalty under federal law of 20 years in prison and a fine of \$250,000. For the criminal trademark violations, the defendants face a maximum of ten years in prison, a fine of \$2 million, or both, for a first offense. For the criminal copyright infringement, the defendants face a maximum of five years in prison, and a fine of \$250,000. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of

variables, and any applicable statutory sentencing factors.

The charges are only allegations and the defendants are presumed innocent until and unless proven guilty beyond a reasonable doubt.

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