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FORMER FOLSOM RESIDENT PLEADS GUILTY TO TRAFFICKING IN COUNTERFEIT MERCHANDISE

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that KA KIT LAM, 38, of San Jose, Calif. (formerly of Folsom, Calif.) pleaded guilty today before United States District Judge William B. Shubb, Jr. to one count of trafficking in counterfeit goods and services.

This case is the product of an extensive investigation by the U.S. Customs and Border Protection and the U.S. Immigration and Customs Enforcement.

According to Assistant United States Attorney Kyle Reardon, who is prosecuting the case, on December 6, 2006, an officer with the U.S. Customs and Border Protection (CBP) examined a shipment of 56 boxes of merchandise. These boxes contained counterfeit trademark protected merchandise, including purses, wallets, shoes, earrings, chains, and charms bearing the marks of Gucci, Louis Vuitton, Chanel, Coach, Dolce & Gabbana, Christian Dior, Juicy Couture, Tiffany, Disney, and Hello Kitty. The shipment was sent to Nu Concept Corporation, with an address of 1120 Avon Way, Folsom, California. Nu Concept Corporation was owned by LAM and operated out of his home. The value of the counterfeit items seized by the CBP in December 2006 was estimated to be \$58,335. The retail value of those items had they been real was estimated to be \$1,209,400.

On July 23, 2007, federal agents executed a search warrant at 1120 Avon Way, Folsom. During the search, agents found 14 boxes of counterfeit goods. Agents also found a “stamper.” A stamper is an item used to affix counterfeit name tags to counterfeit items. Agents also found shipping documents and other forms connected to LAM’s purchase of counterfeit goods and shipment of those goods into the United States.

During subsequent statements to ICE agents, LAM admitted to importing counterfeit merchandise into the United States and selling and attempting to sell that counterfeit merchandise. LAM told agents that he traveled to China in May 2006 and bought 400 noncounterfeit purses, which he sold at a market in San Francisco. While selling these purses, customers asked LAM if he could get them counterfeit purses.

In September 2006, LAM returned to China and purchased approximately \$8,000 in counterfeit merchandise. These items contained counterfeit marks for the designer brands identified above. LAM knew that these items were counterfeit because of the very low price that he was paying for them; however, LAM intended to sell them in spite of the fact that the items would be confused for genuine merchandise. These items were shipped by LAM in October 2006 and seized by CBP upon their arrival into the United States in December 2006.

Noncounterfeit, nonbranded items in this shipment were delivered to LAM.

In November 2006, LAM received a shipment of name tags and authentication cards from China. By using a stamper, LAM affixed counterfeit labels onto noncounterfeit, nonbranded items to make them appear genuine. The authentication cards were intended to be put into the newly counterfeited items in order to deceive customers into believing that the items were genuine. LAM affixed these tags in order to sell the items at local markets. The items to which LAM affixed these labels were the noncounterfeit items that CBP allowed to be delivered to LAM in December 2006.

LAM is scheduled to be sentenced by Judge Shubb on June 1, 2009, at 8:30 a.m. He faces a maximum of 10 years in prison, three years of supervised release, and a fine of \$2,000,000. 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.

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