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### **NINE ARRESTED ON CHARGES OF TRAFFICKING IN COUNTERFEITED MERCHANDISE**

*Searches and Seizures Made at Multiple locations in Northern California*

SACRAMENTO - United States Attorney McGregor W. Scott, Placer County Sheriff Edward Bonner, and Resident Agent-in-Charge, Scott Gillingham, United States Secret Service, announced today that nine people were arrested in a coordinated takedown of loosely affiliated dealers of allegedly counterfeited products in Northern California. The products included UL power strips, bags, wallets, jewelry, watches, and clothing. The arrests, which followed a several months undercover operation, were based on nine criminal complaints filed by the United States Attorney's Office in Sacramento. In connection with the arrests, law enforcement also served 12 search warrants on multiple retail locations, residences, cars, trailers, warehouses, and other locations in Sacramento and San Joaquin Counties. Agents with the Federal IRS Financial Crimes Task Force assisted with the searches and arrests, and executed two seizure warrants for bank accounts.

These cases are the product of joint investigations by the **United States Secret Service; Placer County Sheriff's Office; Internal Revenue Service-Criminal Investigation; Immigration & Customs Enforcement ("ICE"); Galt Police Department; Sacramento County Sheriff's Office** and **Sacramento Police Department**. The trademark holders cooperated with law enforcement in investigating these cases.

The following individuals have been arrested: QI JIN CHEN, aka Jimmy Chen, 36; SUNSHINE PASQUALE, 37; MARIA "PALA" BROSNAN, 68; KYONG YONG KIM, 60; JUN Last Name Unknown, FERNANDO Last Name Unknown, GRIS Last Name Unknown, RAYMOND MAO; and LISA YEH. QI JIN CHEN is charged with trademark violations and structuring financial transactions. The complaint alleges that he sold a volume of counterfeited merchandise, including UL power strips at the Galt Flea Market, and elsewhere. QI JIN CHEN, is also alleged to have imported a volume of counterfeited items, which he stored in warehouses and a residence in the Stockton-area. It is further alleged that he illegally structured approximately \$132,921.50 into United Commercial Bank to circumvent bank reporting requirements. The other defendants were charged in separate criminal complaints with trafficking in counterfeited goods, including counterfeited bags, wallets, jewelry, watches, clothing, as well as trademarked emblems, labels, and badges.

In announcing the takedown, United States Attorney McGregor Scott stated, "These cases reaffirm that the continued success in combating future high-tech and intellectual property violations lies in the cooperation of federal, state, and local law enforcement. The counterfeiting problem has become a global concern and presents social and safety problems that adversely effect our global, and local, economies."

The cases are being prosecuted by Assistant United States Attorney Robin R. Taylor of the Cyber Hacking and Intellectual Property Unit ("CHIP Unit") in Sacramento. Other Intellectual Property Rights Cases recently prosecuted by the CHIP unit include:

- (1) Aiao Chen, 40, of Sacramento, who pleaded guilty on August 4, 2008, to selling counterfeited products, including counterfeited handbags and wallets on the K Street mall in Sacramento, bearing the trademarks of designers including Coach, Louis Vuitton, Chanel, Burberry, Dooney & Burke, and Dolce and Gabbana. Chen was sentenced to three-years of felony probation and home confinement on October 14, 2008;
- (2) Ismael Diagne, 39, of San Francisco, who pleaded guilty on July 15, 2008, to selling counterfeited handbags, wallets, and sunglasses, including products bearing the trademarks of Coach, Gucci, Prada, Louis Vuitton, Hermes, Dolce and Gabbana, Dooney & Burke, Chanel, Fendi, and Chloe. Diagne operated in Placer County. Judgement and Sentencing is scheduled for November 4, 2008, before the Honorable John A. Mendez, United States District Court Judge;
- (3) Eric Xu, 37, of Sacramento, was charged on August 28, 2008, with selling counterfeited handbags, wallets, and other merchandise bearing the trademarks of Gucci, Coach, Chanel, Prada, and Dolce & Gabbana. The case is pending;
- (4) Michelle Bunfill, 48, of Granite Bay, was charged on September 16, 2008, with selling counterfeited handbags, wallets, and sunglasses, and other merchandise bearing the trademarks of Gucci, Coach, Prada, Burberry, Kate Spade, Chanel, and others. The case is pending; and
- (5) Tu Kim, 47, of Sacramento, was charged on October 17, 2007, with selling counterfeited sports jerseys bearing the trademarks of the National Basketball Association ("NBA") and the Los Angeles Lakers basketball team. The case is pending,

Those convicted of federal criminal trademark violations face a maximum of 10 years in prison, a fine of \$2 million, or both, for a first offense. A defendant faces a fine of not more than \$5 million, and a maximum of 20 years in prison, or both, for a second offense. The counterfeited items are also subject to forfeiture. A conviction for structuring financial transactions over \$100,000 carries a maximum penalty of 10 years in prison and a \$500,000 fine.

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

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