

March 23, 2010

Ms. Victoria A. Espinel
United States Intellectual Property Enforcement Coordinator
Office of Management and Budget
Old Executive Office Building
Washington, D.C. 20502

Submitted via: intellectualproperty@omb.gov

Dear Ms. Espinel,

The Semiconductor Industry Association (SIA) is pleased to respond to your Request for Public Comments on the IP Enforcement Joint Strategic Plan. The SIA is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. The chip industry employs 185,000 people in the U.S. The semiconductor industry is America's second-largest exporting industry (and largest on average over the last 5 years), and 12th largest importing industry.¹ More information about the SIA can be found at www.sia-online.org.

SIA's comments will focus on the growing problem of semiconductor counterfeiting and the threat to the reliability of a wide variety of electronic products including those we depend on for our health and safety and our critical infrastructure. However SIA would like to first urge that the Joint Strategic Plan **give a high priority to preventing compulsory licensing of semiconductor technology**. Semiconductor companies make significant investments in research and development to make the most complex manufactured product on the planet, with feature sizes measured in nanometers (billionths of a meter). As a result, seven of the top ten corporate patent recipients are major semiconductor producers, and 15% of all U.S. corporate patents are from SIA member companies.² The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Article 31 includes special provisions to limit compulsory licensing of semiconductor technology, provisions that were included at the insistence of President Clinton. The U.S. must resist attempts by foreign governments to interpret these limitations narrowly and thereby undercut the substantial R&D investments made by U.S. semiconductor companies.

¹ Source: International Trade Commission database, (industry defined at a six digit North American Industry Classification System level).

² U.S. Patent and Trademark Office data for 2008, semiconductor producers underlined: IBM (4169), Samsung Electronics (3502), Canon (2107), Microsoft (2026), Intel (1772), Toshiba (1575), Fujitsu Ltd (1475), Matsushita (1469), Sony (1461), Hewlett Packard (1422)

Part I – Threat Analysis

Semiconductors are used in a wide variety of applications, many of which have safety/health and critical infrastructure applications. Semiconductors are in automotive electronics, including traction control, antilock brakes, and airbags. Semiconductors are in medical equipment including medical imaging, heart defibrillators, and monitors. Semiconductors are used in aircraft for navigation and flight control (*“please turn off all portable electronics until the pilot has indicated that it is safe to use them”*). Semiconductors drive the computers, telecommunications and the internet and are thus at the heart of critical infrastructure systems including electric grids, mass transit traffic controls, cell phone networks, global positioning satellite (GPS) systems, nuclear power plants, air traffic control, and banking/financial systems.

In response to increased counterfeiting of semiconductors and the resulting impact on the reliability of a wide variety of electronics systems, the SIA established an Anti-Counterfeiting Task Force (ACTF) in June 2006.³ Since then the SIA ACTF activities have included:

- working with U.S. Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and U.S. Attorney’s Office in the District of Columbia to seize counterfeits and arrest counterfeiters;
- educating a variety of government agencies about the counterfeiting problem;
- publishing, with assistance from Rochester Electronics, an SIA Authorized Distributor Directory to help purchasers avoid counterfeits -- See <http://www.authorizedcomponents.com> ;
- helping the Semiconductor Equipment and Materials International (SEMI) to develop a standard to encourage the use of “license plates” on shipping containers so potential buyers can authenticate the contents of the container.
- working with the Quality Brands Protection Committee (QBPC) and the Reliable Electronics Component Suppliers (RECS) association in China and with its related sponsoring government agencies to help promote legitimate businesses that do not produce, distribute and/or enable the sale of counterfeit and remarked products.

³ Current ACTF members are: Advanced Micro Devices, Altera, Analog Devices, Fairchild Semiconductor, Freescale Semiconductor, IDT, Infineon, Intel Corporation (Chair), Intersil Corporation, Micron Technology, NXP Semiconductor, On Semiconductor, QUALCOMM, Rochester Electronics, Spansion, ST Microelectronics, Texas Instruments, and Xilinx. In addition, the National Electronics Distributors Association (NEDA) and Semiconductor Equipment and Materials and International (SEMI) are regular invited guests.

Semiconductor counterfeiting is increasing, is costly to the industry and its customers, and has potential health/safety and critical infrastructure impacts.

In May 2007 the SIA ACTF surveyed its companies regarding the counterfeiting problems they had experienced. Among the responses were:

- Company A: Over 100 part numbers have been counterfeited in last 3 years.
- Company B: 19 cases reported involving 97,000 units.
- Company C: Since June 2006, there have been 4 seizures of counterfeits of our products by U.S. Customs; units seized ranged from 6000 to 60,000.
- Company D: We estimate that 2-3 percent of purchases of 'our brand' are counterfeit
- Company E: A broker website indicated 40,000 of our devices available but our company had only made less than 200 units of that device with the specified date code. This was a high average-selling-price device with each unit worth hundreds of dollars.

The most common problem is remarked product. The counterfeiter scrapes off the mark from the package and puts on a new mark – perhaps a different brand, a faster speed, or a different part number. Other problems experienced are incorrect die (the silicon chip inside the package), inferior packaging materials, reproduction of chip designs, packages without die, and different labels on packages. In some cases, such as the semiconductor package without a die inside, the system would fail before it left the factory and “only” involve the scrapping or refurbishing of an electronic circuit board with a value that may be far in excess of the cost of the semiconductor component. In other cases where the wrong chip was inserted in systems that were designed for a chip of a different speed or warranted to operate at a wider temperature range, the failure may be more costly as the system becomes inoperable after the system is deployed by the customer. Potentially more dangerous than an electronic system that fails is one with faulty operation, e.g. where a counterfeit sensor might not sense when a parameter reached a dangerous level or an amplifier might not amplify an electronic signal as expected, leading the electronic system to output the wrong data.

False ROHS (Restriction on Hazardous Substances) notifications have also been a problem. This could result in a lead-containing product being certified as a lead-free ROHS compliant device, or a lead-free ROHS compliant device being sold as a product that contains lead. The latter is of particular concern since leaded solders are needed for reliability purposes in satellite/space applications.

While the military/aerospace market is relatively small – less than one percent of the world market, this market segment has a disproportionate share of reported counterfeit problems because it is especially profitable to counterfeiters. Military/aerospace parts often have more testing so they can be warranted as reliable under a wider range of situations (e.g. they must operate at the below freezing temperatures of a plane flying at 30,000 feet) than commercial parts, and are thus higher priced. The price differential between commercial and military/aerospace parts is an attractive incentive to

counterfeiters to remark commercial parts with military part numbers. Several companies have reported that they have learned of counterfeits of their military grade semiconductors. In one case, US CBP brought a suspicious part to the attention of an SIA member company. The company verified the part was counterfeit, and asked the Defense Supply Center Columbus (DSCC) for a list of weapons systems that use that part. DSCC provided a list of three Army, 20 Air Force, and 82 Navy systems, including fighters, helicopters, missiles, ships, mine countermeasure equipment, and navy vessel nuclear power plants.

In another case, a medical equipment company sent a SIA member company a defective part with the company's logo on the package. The SIA company verified that it did not manufacture the defective part – the part was a counterfeit. Had the counterfeit part not been caught, it was destined to be used in a heart defibrillator machine where a reliability problem had the potential for tragic consequences.

As will be described below, the ACTF has worked closely with the U.S. Customs and Border Protection, and since November 2007, a total of 1.6 million counterfeit Integrated Circuits have been seized by CBP.

Part II Recommendations

The SIA ACTF has three recommendations for the Joint Strategic Plan: allowing greater sharing of information about a potential counterfeit with the trademark owner, starting a national enforcement initiative on semiconductor anti-counterfeiting, and requiring that contractors of military/aerospace and critical infrastructure products certify that the semiconductors in those products came from the original manufacturer or authorized sources.

CBP Information Sharing with Trademark Owners

Much of what the U.S. semiconductor industry learned about the extent of counterfeiting in this sector was due to the efforts of one U.S. Customs Officer who educated himself about semiconductors and sent photos of suspected counterfeits to the trademark brand owner companies. The U.S. industry learned that the problem was more pervasive than expected, and, citing the ubiquity of semiconductors including applications that impact health and safety, asked the U.S. Customs and Border Protection (CBP) to place a higher priority on seizing counterfeit semiconductors.

In response to this request, CBP engaged in Operation Infrastructure, and on February 22, 2008 announced jointly with the European Commission Tax and Customs Directorate that more than 360,000 counterfeit integrated circuits and computer network components had been seized.⁴ Following this success, at SIA's request, CBP initiated Operation Infrastructure II, and announced on November 20, 2008 that it had seized 420,000 counterfeit ICs and computer networking components - see Attachment 1

⁴ http://www.cbp.gov/xp/cgov/newsroom/news_releases/archives/2008_news_releases/feb_2008/02222008.xml

Operation Infrastructure was never formally closed, and that since the operation began a total of 1.6 million counterfeit Integrated Circuits have been seized.

This early work set the stage for the SIA to assist the U.S. Attorney's Office in the District of Columbia which has led to arrests and two guilty pleas.⁵ See Attachment 2.

CBP officers often require the assistance of trademark owners to determine whether a suspect product is genuine or counterfeit. The genuineness of semiconductors can be difficult or impossible to determine by the naked eye. As a result, CBP officers need a strong working relationship with trademark owners who have highly proprietary and confidential engineering drawings and manufacturing databases.

In the past, CBP officers shared identifying information with the trademark owners to assist in making the genuine/counterfeit determination. Identifying information may have included the serial number of the product, date of manufacture stamped on the product, lot code, batch number, universal product codes (UPC), or other unique information found on the products or packaging ("Identifying Information"). The trademark owner could, for example, inform CBP that even though a product's label successfully mimicked the genuine article, the label's lot code number was inconsistent with the package's date of manufacture and therefore the product is counterfeit. With such assistance, in the past, CBP was able to make informed and confident seizure determinations. Since CBP emailed the photos to companies, the companies could quickly respond, minimizing delays in the release of legitimate goods.

Unfortunately, we understand that Customs officers were informed in August 2008 that they could potentially be prosecuted for allegedly violating the Trade Secrets Act (18 U.S.C. §1905) and were specifically instructed to not share Identifying Information with trademark owners. Not unexpectedly, many CBP officers followed this advice leading to an immediate and dramatic decrease in the number of detentions and seizures by Customs.

The information that is being withheld from trademark owners is information on the surface of the product (such as serial number, lot number, etc.) or digital information inside the product (such as memory readings)—all information that is available to the buyer in the United States. That information is not "secret." Thus, it appears that the new rule unnecessarily hinders Customs' enforcement efforts to secure the border from importation of counterfeit products.

The SIA ACTF recommends that the Joint Strategic Plan include actions to allow CBP to share Identifying Information with trademark owners in order to assist in making a determination about whether a product is counterfeit or genuine. Long term a legislative solution may be necessary, but the Joint Strategic Plan should also explore whether an executive order for counterfeits involving health/safety or critical

⁵ http://www.justice.gov/usao/dc/Press_Releases/2009%20Archives/October/09-252.pdf and http://www.justice.gov/usao/dc/Press_Releases/2010%20Archives/January/10-010.pdf

infrastructure applications might also be possible as an emergency measure in the short term. Any legislative or administrative solution should explicitly:

- (1) authorize CBP to disclose to trademark owners a detailed description of the goods being detained, including information on the packaging of the goods such as model, serial number, lot, batch, part, universal product codes (UPC), or expiration date.
- (2) authorize CBP to provide to trademark owners photographs, depictions, images, and/or samples of the goods being detained that do not mask identifying information about the goods.
- (3) state that such authorizations allow any CBP officer or employee to make such disclosures to trademark owners without violating the Trade Secrets Act (18 U.S.C. §1905).

As noted in Part II of the Federal Register notice, an objective of the Joint Strategic Plan is to assist other countries to more effectively enforce IPR. Returning to the close cooperation that the SIA ACTF and CBP had prior to August 2008 will allow CBP to take advantage of an opportunity to assist and coordinate with other customs offices as a result of work by the World Semiconductor Council and Government Authorities Meeting on Semiconductors. In September 2009, customs experts from China, Chinese Taipei, the European Union, Japan, Korea and the United States met and agreed to undertake, as appropriate, enforcement measures against semiconductor counterfeiting and report in two years.

A national enforcement initiative on semiconductor anti-counterfeiting

In the last few years, SIA and the ACTF members have had inquiries about semiconductor counterfeiting from NASA, the DOD, GSA, Secret Service, and DOJ. In many cases, the agencies were not aware of work by other agencies in their department, other departments or CBP and ICE.

Knowledge of semiconductor technology, business models, supply chains, and counterfeiting tactics is critical to any enforcement action. Having this knowledge centralized can improve efficiency in the enforcement operations.

SIA recommends that the Department of Justice and ICE provide resources for a national initiative to arrest and prosecute those who counterfeit semiconductors or trade in counterfeits, and other key agencies should identify lead individuals to participate in the initiative. The 1.6 million seizures through the CBP's Operation Infrastructure demonstrate the effectiveness of a focused, coordinated national initiative. The Department of Justice should consider housing the national semiconductor anti-counterfeiting initiative with the U.S. Attorney for the District of Columbia given the office's experience with semiconductor counterfeit prosecutions (See Attachments 2).

Require Authorized Sources for Government procurement

The best way for a buyer to avoid counterfeits is to purchase from the original manufacturer or authorized sources. Cost pressures have, unfortunately, encouraged some buyers to purchase lower priced counterfeits that, as explained in the Part I discussion on military/aerospace parts, have not had the extensive testing or warranty assurances of genuine parts.

It is important to note in this context that, while the government will buy semiconductors as spare parts or special needs, in the vast majority of cases the Government buys electronic hardware; e.g. a computer, satellite, airplane, or medical equipment; from a prime contractor, who buys semiconductors or buys subsystems from subcontractors who in turn buy the semiconductor. In order for the government to avoid failed equipment resulting from counterfeit semiconductors, the government must ensure that its prime contractors are not buying electronics subsystems from subcontractors that are using counterfeit semiconductors.

To help ensure that government missions are not thwarted by electronics failures due to counterfeit semiconductors, the **SIA recommends that the Federal Acquisition Regulations be amended to require that agencies and government contractors purchase from the original manufacturer or an authorized distributor or authorized reseller. Agencies and government contractors should also ensure that all solicitations and contracts require the offeror or contractor represent that the products being sold does not contain counterfeit semiconductors.**

Any definition of "Electronic components" should explicitly include semiconductors but exclude semiconductor component elements such as software, parts, and raw materials. Semiconductors include both integrated circuits and discrete semiconductor devices such as transistors and rectifiers.

We thank you for your work on the IP Enforcement Joint Strategic Plan and look forward to working with you on the appropriate details to ensure an effective plan and implementation program.

Sincerely

A handwritten signature in black ink, appearing to read "Daryl Hatano", with a long horizontal flourish extending to the right.

Daryl Hatano
Vice President, Public Policy
Semiconductor Industry Association
181 Metro Drive, Suite 450
San Jose, CA 95110

Attachment 1

420,000 Counterfeit Computer Parts Seized in CBP Enforcement Operation

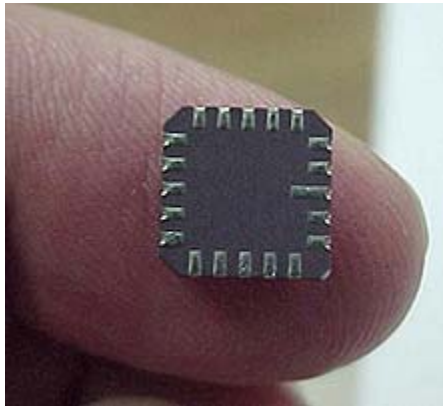
(Thursday, November 20, 2008)

[contacts for this news release](#)

Washington - Customs and Border Protection working to protect businesses and consumers from counterfeit and pirated goods, targeted and seized more than 420,000 imports of counterfeit integrated circuits and computer network components bearing 50 different counterfeit trademarks in a CBP enforcement operation in May and June.

The

seizures, conducted by CBP at 11 ports of entry, have a total domestic value of \$1.3 million and an estimated retail value of \$3.5 million.



Integrated circuits or ICs and computer network components are used in a wide range of applications, many of which have health and safety or national security implications. They are used in communication and weapons systems, automobiles, aircrafts, computers, medical devices and consumer electronics.

“Like other counterfeit products, counterfeit network hardware and ICs are not built up to the standards of genuine equipment,” said Assistant Commissioner Daniel Baldwin, CBP office of international trade. “These products have a higher failure rate than genuine equipment, and

often fail upon installation, or weeks or months after installation. One threat that these fake products pose is that when they fail, the entire system in which they are embedded in can also fail, crippling vital infrastructure and products on which we depend.”

This initiative continues CBP’s ongoing effort to protect the nation from counterfeit network hardware and ICs. Previous efforts announced earlier this year include:

- An ongoing Departments of Justice and Homeland Security international initiative which resulted in more than 400 seizures of counterfeit Cisco network hardware and labels with an estimated retail value of more than \$76 million. ([Departments of Justice and Homeland Security Announce International Initiative Against Traffickers in Counterfeit Network Hardware](#))
- The first joint intellectual property rights enforcement operation undertaken by CBP and the European Union, dubbed Operation Infrastructure, which resulted in the seizure of more than 360,000 counterfeit integrated circuits and computer network components bearing more than 40 different trademarks. ([CBP, European Union Announce Results of Joint Operation to Combat Pirated Goods](#))

In fiscal year 2008, CBP seized counterfeit network hardware, ICs, computers and other critical computer components

with a domestic value of over \$4.7 million.

CBP's strategic approach to intellectual property rights enforcement is multi-layered and includes seizing fake goods at our borders, pushing the border outward through audits of infringing importers and cooperation with our international trading partners, and partnering with industry and other government agencies to enhance these efforts. CBP provides considerable resources, diverse personnel and focused training to respond to IPR issues.



Stopping the flow of fake goods is a priority for the U.S. government, and CBP has designated intellectual property rights enforcement as a Priority Trade Issue. PTIs form the core of the risk management approach outlined on the CBP Trade Strategy page. ([CBP Trade Strategy](#)) PTIs drive the investment of CBP resources and enforcement and facilitation efforts, including the selection of audit candidates, special enforcement operations, policy issuance, outreach and legislative and regulatory initiatives.

For more information on IPR issues, visit the Intellectual Property Rights page on the U.S. Customs and Border Protection Web site. ([Intellectual Property Rights](#))

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.

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Attachment 2



United States Attorney's Office
District of Columbia

Channing D. Phillips
United States Attorney

PRESS RELEASE

FOR IMMEDIATE RELEASE
Wednesday, January 13, 2010

USAO Public Affairs
(202) 514-6933
www.usdoj.gov/usao/dc

California MVP Micro, Inc. Owner Pleads Guilty in Connection with Sales of Counterfeit High Tech Parts to the U.S. Military

—Counterfeit integrated circuits sold to the United States Navy—

Washington, D.C. - Mustafa Abdul Aljaff, 30, of Newport Coast, California, pleaded guilty today to Counts One and Six of an Indictment charging him and others with Conspiracy to Traffic in Counterfeit Goods and to Defraud the United States, and Trafficking in Counterfeit Goods, announced U.S. Attorney Channing D. Phillips, Special Agent in Charge John Torres, Immigration Customs Enforcement (ICE), Washington, D.C., Special Agent in Charge Sandy Macisaac, Naval Criminal Investigative Service (NCIS), Washington, D.C., Special Agent in Charge C. André Martin, Internal Revenue Service (IRS), Criminal Investigation, Washington, D.C. Field Office, and Special Agent in Charge, Washington Regional Office, Kathryn Jones, U.S. Department of Transportation, Office of Inspector General (DOT OIG).

The guilty plea was entered before U.S. Magistrate Judge Deborah Robinson. Aljaff faces a statutory sentence for the crime of Conspiracy of up to 5 years' incarceration, a fine of \$250,000, a one-year term of supervised release, and an order of restitution. For the crime of Trafficking in Counterfeit Goods, he faces up to 10 years' incarceration, a fine of \$2,000,000, a three-year term of supervised release, an order of restitution, and an order of forfeiture and destruction for articles bearing or consisting of counterfeit marks and for any property used to commit or facilitate the commission of the offense.

As part of the plea agreement, Aljaff agreed to forfeit to the United States industrial machinery which is designed to be used in the examination, testing, packaging, de-marking, and marking of integrated circuits, computer network servers, and his integrated circuit inventory, all of which was seized from his business location in connection with the execution of a search warrant on October 8, 2009. Under the U.S. Sentencing Guidelines, Aljaff faces a sentence of as much as 46 to 57 months' incarceration, depending on certain factual issues to be decided by the sentencing court. Aljaff's sentencing will likely occur in the Summer of 2010, before the Honorable Emmet G. Sullivan, U.S. District Court Judge, before whom the case is pending.

The guilty plea arises in connection with an eleven-count Indictment, unsealed on October 8, 2009, which charges Mustafa Abdul Aljaff, 30, his sister, Marwah Felahy (formerly Aljaff), 32, and her husband, Neil Felahy, 32, all of Newport Coast, California, with Conspiracy,

Trafficking in Counterfeit Goods or Services, and Mail Fraud, in connection with their sale of counterfeit integrated circuits to the United States Navy.

As described in the Indictment and other pleadings filed with the court, integrated circuits are a type of semiconductor that function as amplifiers, oscillators, timers, counters, computer memory, and microprocessors. Integrated circuits are used in a wide array of modern electronic products including consumer electronics and transportation, medical, aircraft, spacecraft, and military applications. The use of counterfeit integrated circuits can result in product malfunction or failure, and can also cause serious bodily injury from electrocution and, in some circumstances, death. Markings on integrated circuits indicate a part is "commercial-grade," "industrial-grade," or "military grade." Military grade markings signify that the part has been specially manufactured, among other things, to withstand extreme temperature ranges and high rates of vibration. Legitimate manufacturers subject such parts to specialized testing not used in the production of differently graded parts. Military grade integrated circuits are sold to the U.S. Military at a higher price than commercial or industrial grade parts because of the special manufacture and testing required.

According to the Indictment and other documents filed with the court, Aljaff and others engaged in the interstate trafficking of counterfeit integrated circuits, in a variety of ways. First, they acquired counterfeit integrated circuits from supply sources in China, imported them into the United States, and sold them via the Internet. Second, they acquired counterfeit integrated circuits from other distributors within the United States. Third, they obtained integrated circuits then sent them to another entity where the original markings were removed and the devices were remarked with that or another trademark and other markings thereby fraudulently indicating, among other things, that the devices were of a certain brand, and were newer, higher quality or of a certain grade, including military grade. Fourth, the defendants "harvested" dies from integrated circuits then sent them to another entity where they were repackaged to appear new, including trademarks and other markings indicating that the devices were of a certain brand, higher quality or were of a certain grade.

Aljaff and others are alleged to have operated the conspiracy through a number of California companies: MVP Micro, Inc., BeBe Starr, Consulting, Inc., Red Hat Distributors, Inc. (also known as "RH Distributors," and "Red Hot Distributors"), Force-One Electronics, Inc., Labra, Inc., subsequently renamed Labra Electronics, Inc., then Becker Components, Inc., and Pentagon Components, Inc. They also operated websites related to those companies, including: www.mvpmicro.com, www.labrainc.com, www.rhdistributors.com, and www.pentagoncomponents.com.

The Indictment charged that on March 3, 2009, June 26, 2009, and July 14, 2009, Aljaff and others entered into contracts with the U.S. Navy and other government agencies for the sales of integrated circuits. Subsequently, they shipped integrated circuits bearing false, counterfeit trademarks to the U.S. Navy, in Washington, D.C. During the proceedings today, Aljaff agreed that on 23 separate occasions, that he and others imported into the United States from China and Hong Kong, approximately 13,073 integrated circuits bearing counterfeit trade marks, including military-grade markings, valued at approximately \$140,835.50. Those counterfeit integrated circuits bore the purported trademarks of a number of legitimate companies, including: Fujitsu, Analog Devices, Inc., Atmel Corporation, ST Microelectronics, Inc., Altera Corporation, Intel

Corporation, Elantec Semiconductor, Inc., TDK Corporation, National Semiconductor, Inc., and VIA Technologies, Inc.

"Product counterfeiting, particularly of items for use by our armed forces, creates a risk to public safety and national security. There is also a concomitant harm to the economy and to those trademark holders whose creativity, investment of resources, and hard work brought the goods to market, said U.S. Attorney Phillips. "We will aggressively prosecute those who engage in product counterfeiting and who expose our military, other industry sectors, and the public to harm."

"This investigation demonstrates the successes that can be achieved through the collaborative efforts of the private sector and the federal government to halt the importation and distribution of counterfeit commodities," said John P. Torres, Special Agent in Charge for U.S. Immigration and Customs Enforcement (ICE), Washington Field Office. "ICE remains committed to aggressively pursuing individuals and organizations engaging in intellectual property rights crimes that threaten the safety of the American public." Kathryn Jones, Special Agent in Charge with the U.S. Department of Transportation's Office of Inspector General, added, "Working with our law enforcement colleagues and the Department of Justice, we are committed to preventing, detecting and prosecuting transportation fraud and corruption. We will continue our efforts to uncover suspect unapproved parts, prevent their use, and punish those who seek to compromise the integrity of DOT's safety program."

"NCIS continues to aggressively pursue individuals who sell counterfeit goods to the Department of the Navy, as it undermines the Navy's ability to defend the nation. The integrity of the war fighting capabilities of our country is dependent upon ensuring the highest possible quality of the systems, machines and technology used by our service members. This case represents how close coordination and partnership between NCIS, ICE and the Department of Justice can achieve success in thwarting defective material from entering the Navy's supply chain," said Sandy MacIsaac, Special Agent in Charge, NCIS, Washington Field Office, Washington D.C.

In announcing the guilty plea today, U.S. Attorney Phillips, Special Agent in Charge MacIsaac, Special Agent in Charge Torres, Special Agent in Charge Jones, and Special Agent in Charge Martin commended the work of ICE Special Agent Misty Price, NCIS Assistant Program and Operations Director for Economic Crimes, Marie R. Acevedo, NCIS Special Agents Erin Michaels and Stewart Thompson (Ret.), NCIS Forensic Auditor Stephen Green, IRS Special Agent Troy Burrus, US DOT Special Agent Jameel Bagby, and the staff of the U.S. Attorney's Office, including Paralegals Carolyn Cody, Diane Hayes, Sarah Reis, Sierra Tate, Mary Treanor, Maggie McCabe, and Assistant U.S. Attorney Sherri L. Schomstein, who is prosecuting the case. They also acknowledged the Semiconductor Industry Association, STMicroelectronics, Inc., Texas Instruments, Inc., Analog Devices, Inc., and National Semiconductor, Inc. for their cooperation and assistance. Also acknowledged were the Customs and Border Protection Officers who prevented counterfeit goods from entering the United States via stops of certain shipments at the U.S. ports of entry.

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