



NEWS RELEASE

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IMPORTER CONVICTED OF BRIBERY AND TRAFFICKING IN COUNTERFEIT EXERCISE EQUIPMENT MADE IN CHINA

A federal jury today convicted a Southern California woman, Chunchai Yu, also known as Katherine Yu, of bribery and trafficking in counterfeit exercise equipment, including counterfeit Malibu Pilates, Bowflex, Beachbody, and Ab Circle Pro equipment, after a trial before United States District Judge Percy Anderson.

“This verdict should serve as a warning to those engaged in product counterfeiting and other types of commercial piracy,” said Claude Arnold, special agent in charge for U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations in Los Angeles. “Intellectual property crimes like these not only result in the loss of untold U.S. jobs and revenues, but the importation of substandard or tainted products also poses a serious threat to consumers’ health and safety.”

Since approximately 2007, Yu, 47, of Chino, California, operated a business that imported exercise equipment from China into the United States. Two of Yu’s shipping containers were detained in July 2009 for containing counterfeit equipment. The evidence at trial demonstrated that after this occurred, Yu offered, and later paid, a bribe for the return of her containers to an undercover agent posing as an official with U.S. Customs and Border Protection (CBP). Yu continued to import counterfeit exercise equipment until she was arrested in February 2010. The retail value of the seized counterfeit exercise equipment totaled approximately \$580,000. The counterfeit trademarks on such goods included those of products legitimately manufactured by Nautilus, Inc., Guthy-Renker Corp., Product Partners, LLC, and Fitness Brands, Inc.

Sentencing is scheduled for September 27, 2010, at 8:30 a.m. Defendant faces a maximum sentence of 90 years in prison and fines totaling \$12.5 million.

This case is the product of an investigation by the Department of Homeland Security, U.S. Immigration and Customs Enforcement Homeland Security Investigations, U.S. Customs and Border Protection, and the Office of Professional Responsibility.

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