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News Release

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Eight sentenced for trafficking counterfeit sportswear

Earlier today in federal court in Fergus Falls, eight individuals were sentenced for trafficking counterfeit goods, including NFL and NHL jerseys as well as Nike sportswear. United States District Court Judge John R. Tunheim sentenced all eight on one count of trafficking in counterfeit goods. The eight defendants were charged on July 20, 2010, in a superseding indictment. Christopher Walter Ashmore was convicted on January 20, 2011, while the other seven pleaded guilty.

Charles Freddie Thompson, age 41, of Long Prairie, was sentenced to 12 months and one day in federal prison and ordered to pay \$181,673 in restitution.

Patricia Ann Thompson, his wife, age 39, of Long Prairie, was sentenced to five years of probation and ordered to pay \$13,047 in restitution.

Darrell Leroy Thompson, his father, age 68, of Long Prairie, was sentenced to three years of probation and ordered to pay \$8,275 in restitution.

William Clifford Bakken, age 67, of Plymouth, was sentenced to three years of probation and ordered to pay \$5,403 in restitution.

Robert Anthony Ingebretson, age 50, of Alexandria, was sentenced to three years of probation and ordered to pay \$4,662 in restitution.

Frederick Allen Degerstrom, age 34, of Duluth, was sentenced to five years of probation and ordered to pay \$10,092 in restitution.

James William Braun, Jr., age 42, of Milaca, was sentenced to three years of probation and ordered to pay \$3,125 in restitution.

Ashmore, age 39, of Bemidji, was sentenced to six months in federal prison and ordered to pay \$26,482 in restitution.

According to evidence presented at Ashmore's trial, between February of 2009 and December of 2009, he conspired with others to traffic counterfeit sportswear. He received the counterfeit goods from Charles Thompson, intending to resell them to customers in his store,

Homerun Sports, in Bemidji. On December 4, 2009, Ashmore possessed approximately 192 items of counterfeit sportswear in his store.

In their plea agreements, the other defendants in this case admitted that from September of 2007 through December of 2009, they conspired to traffic in counterfeit trademarked sports' apparel. Charles Thompson ordered the counterfeit apparel from his suppliers in China and elsewhere and had the items shipped to his residence as well as to other residences. He also had an agreement with Bakken, Ingebretson, and others to purchase the counterfeit apparel, knowing it would be resold for a profit. In addition, Charles Thompson recruited others to help him wire money to China for payment of the counterfeit goods.

One of those recruited was his wife, who admittedly wired money to China for payment of counterfeit sportswear on 21 occasions between January 22, 2008, and July 10, 2009, totaling \$51,975. In addition, on November 23, 2009, she accepted delivery at her residence of 11 parcels from China, containing a total of 133 counterfeit NFL jerseys.

Bakken admitted purchasing the counterfeit items from Charles Thompson in order to resell them for a profit. On November 23, 2009, he was present at Charles Thompson's residence when law enforcement officers executed a search warrant. At the time, he admitted he was in the act of purchasing approximately \$2,500 worth of counterfeit apparel. Police found 146 counterfeit items in Bakken's vehicle.

In his plea agreement, Ingebretson admitted participating in the conspiracy from December of 2008 through December of 2009. In addition, he admitted that 123 counterfeit NFL jerseys, 13 counterfeit NHL jerseys, and four counterfeit NFL t-shirts were seized at his Alexandria-based store, Sportsminded, on December 1, 2009.

In his plea agreement, Degerstrom admitted purchasing counterfeit sportswear from Charles Thompson on a recurring basis, the purpose being to resell the apparel to others for a profit. On November 6, 2009, law enforcement seized 709 counterfeit items from Degerstrom's store, Fred and Mark's Sports World, in Duluth. Degerstrom was subsequently convicted and sentenced in state court for those counterfeit items. After November 6, 2009, however, Degerstrom continued to sell counterfeit sportswear on the e-Bay Internet site. On April 23, 2009, authorities executed a search warrant at Degerstrom's residence and seized 68 counterfeit items.

In his plea agreement, Darrell Thompson admitted agreeing on behalf of his son to receive counterfeit items at his residence. That merchandise came from China and elsewhere. On November 23, 2009, he accepted 11 parcels from China, which contained a total of 155 counterfeit items. In addition, authorities intercepted a package addressed to Darrell Thompson that contained 49 counterfeit NFL jerseys.

One related defendant, who was charged separately, Adam Courtland, age 39, of North Mankato, is scheduled to be sentenced in federal court in Minneapolis on May 3, 2011. Courtland, who was charged on September 29, 2010, pleaded guilty on November 3, 2010, to one count of conspiracy to traffic counterfeit goods. In his plea agreement, Courtland admitted receiving counterfeit sports apparel from Charles Thompson and then re-selling it in his sporting goods shop.

Following today's sentencings, Mike Feinberg, Special Agent in Charge of U.S.

Immigration and Customs Enforcement's Homeland Security Investigations ("ICE HSI") in Bloomington, said, "The creation, smuggling and sale of counterfeit goods are not victimless crimes. Products that are produced and sold illegally are a threat to the health and safety of the public, harm trademark holders, are distributed by organized crime groups and are then sold to the detriment of local businesses and communities who derive no financial gain from illegal sales. ICE HSI is committed to an aggressive approach toward enforcing the nation's intellectual property rights laws."

These cases are the result of an investigation by ICE HSI. They are being prosecuted by Assistant U.S. Attorney Jeffrey S. Paulsen.

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