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8 ARRESTED IN ROCKFORD ON FEDERAL CHARGES OF WIRE FRAUD AND TRAFFICKING IN COUNTERFEIT GOODS

ROCKFORD -- PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; JOE SMITH, Special Agent-in-Charge of the United States Department of Agriculture-Office of Inspector General, Midwest Region-Chicago; GARY J. HARTWIG, Special Agent-in-Charge of the Chicago Office of the Department of Homeland Security, Immigration and Customs Enforcement; ROBERT D. GRANT, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; ALVIN PATTON, Special Agent-in-Charge of the Chicago Office of the Internal Revenue Service - Criminal Investigation Division; and CHET EPPERSON, Rockford Police Chief, Rockford Police, today made the following announcement:

Yesterday federal and local law enforcement officers arrested 3 Rockford residents on federal charges of trafficking in counterfeit goods, and 4 Rockford residents on charges of wire fraud, and today, 1 more Rockford resident was arrested on the charge of wire fraud. The charges announced today were the result of the law enforcement agencies named above cooperating in a law enforcement investigation that began in June 2009.

Two criminal complaints were filed yesterday charging 3 defendants with trafficking in counterfeit goods. As set forth in those complaints, in June 2009, law enforcement had been notified that several stores in Rockford, Illinois, were believed to be selling counterfeit Nike products. Only licensed retailers may sell certain trademarked brands. During the course of the investigation, merchandise purportedly made by Nike, Timberland, Ed Hardy, Louis Vuitton, Christian Audigier, Ralph Lauren, Gucci, Coach, Prada, and other manufacturers, were either observed at and/or purchased from various stores, including Westside Grocery, 3001 West State Street and Fashion Show, 2904 B West State Street, both in Rockford. Upon inspection of the items purchased during the course of the investigation, it was determined that all items were counterfeit and bore counterfeit marks.

Five of the criminal complaints filed yesterday and today charged 5 defendants with wire fraud. As set forth in those complaints, in 1997, the United States Department of Agriculture, through the State of Illinois Department of Public Aid, began converting from a traditional paper food stamp coupon system to what is known as Electronic Benefit Transfer card system. In Illinois, this system is known as "LINK card benefits." With

limited exceptions, these benefits may only be exchanged or redeemed for approved food products, and cannot be redeemed for non-food products or for cash. During the investigation, numerous purchases of non-food items were made using LINK cards. In addition, on numerous occasions, people were allowed to redeem LINK benefits for cash. The 5 defendants charged with wire fraud in connection with the LINK benefits were employed by or worked at Rockford Food and Liquor Store, 1725 Kishwaukee Street, Lucky Food Mart, 425 15th Avenue, City Food Mart, 2506 West Auburn Street, Sal's Food Mart, 2704 West State Street, AFIF Gas (formerly Auburn Amoco), 3721 West Auburn Street, and Westside Grocery, 3001 West State Street, all in Rockford.

The 3 Rockford men charged in complaints with trafficking in counterfeit goods were:

No. 10 CR 50081: **MOHAMMAD HAMAD**, 42.

No. 10 CR 50082: **MOHAMMAD HARIZ**, 19, and **ABDUL HARIZ**, 21.

The 5 Rockford men charged in complaints with wire fraud are:

No. 10 CR 50083: **NASSIR ALI**, 41.

No. 10 CR 50084: **HAITHAM HARIZ**, 24.

No. 10 CR 50085: **ABDULAZIZ SAEED ABDULLAH MOHAMMED**, 36.

No. 10 CR 50086: **KASSIM HARIZ**, 44.

No. 10 CR 50087: **SALEH QUHSHI**, 37.

The probe culminated on December 14 and 15, 2010, with the arrests.

“The trafficking and sale of counterfeit goods, as alleged here and if later proven to be true, is by no means a victimless crime,” said Gary Hartwig, Special Agent-in-Charge of ICE Office of Homeland Security Investigations in Chicago. “Trademark piracy robs Americans of jobs, harms legitimate businesses, and introduces sub-standard products into the U.S. marketplace. Our nation's counterfeiting laws are in place to protect the consumer, as well as those who hold the rights to the products.”

The Office of Inspector General at USDA is responsible for conducting investigations into fraud and criminal conduct affecting the Department's nutrition assistance programs. “We were very pleased with the assistance and support we received from our partners in the Rockford Police Department and other federal agencies in this investigation. The number of subjects involved in this investigation and the type of illegal activity that was occurring required sustained coordination and focus by the team we put together,” said Joe Smith,

Special Agent-in-Charge of the United States Department of Agriculture-Office of Inspector General, Midwest Region in Chicago.

Seven of the defendants have already been brought before Magistrate Judge P. Michael Mahoney for an initial appearance and all 7 were released on bond. They are set to return to federal court on January 5 and 6, 2011. The eighth defendant is scheduled to appear before Magistrate Judge Mahoney at 3:00 p.m. today for his initial appearance.

The cases were investigated by the Chicago offices of the United States Department of Agriculture - Office of the Inspector General, Department of Homeland Security Investigations - Immigration and Customs Enforcement, by the Rockford office of the Federal Bureau of Investigation, and the Rockford office of the Internal Revenue Service - Criminal Investigation Division, and the Rockford Police Department. The cases are being prosecuted in United States District Court by Assistant United States Attorney JOHN G. McKENZIE.

Members of the public are reminded that a criminal complaint is only a charge and is not evidence of guilt. Each defendant is entitled to indictment by a federal grand jury and a fair trial at which the government will have the burden of proving guilt beyond a reasonable doubt.

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