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December 2, 2010

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THREE CONSPIRATORS PLEAD GUILTY TO SMUGGLING HUNDREDS OF THOUSANDS OF DOLLARS IN COUNTERFEIT GOODS MANUFACTURED IN ASIA THROUGH THE PORT OF BALTIMORE

Smuggled Counterfeit Coach Hand Bags

Baltimore, Maryland - Kin Yip Ng, a/k/a James Lee, age 43, of Whitestone, New York; Lidan Zhang, a/k/a Mrs. Li, age 39, of the People's Republic of China; and Josephine O. Zhou, age 32, of Brooklyn, New York have pleaded guilty to conspiring to smuggle into the United States counterfeit shoes, handbags and wrist watches manufactured in Malaysia and China and trafficking in counterfeit goods. Ng pleaded guilty today, Zhou pleaded guilty yesterday and Zhang pleaded guilty on November 30, 2010

The guilty pleas were announced by United States Attorney for the District of Maryland Rod J. Rosenstein and Special Agent in Charge William Winter of U.S. Immigration and Customs Enforcement, Office of Homeland Security Investigations.

According to their guilty pleas, from 2008 to 2010 the defendants conspired to smuggle counterfeit Coach hand bags manufactured in China and elsewhere into the United States for sale. Part of the sales proceeds were returned to manufacturers and middlemen in China to pay for additional counterfeit goods.

The defendants and their co-conspirators paid thousands of dollars in smuggling fees to an undercover business located in Maryland to clear counterfeit clothing and accessories through U.S. Customs at the Port of Baltimore and deliver the goods to customers in the United States. On October 15, 2009, Zhou received a container loaded with approximately 25,000 counterfeit Coach hand bags through the undercover business. On December 10, 2009, Ng and Zhang received a container loaded with approximately 25,000 counterfeit Coach hand bags through the undercover business. The defendants admit that the counterfeit hand bags were sold to other vendors and to the general public.

The defendants admit that the loss attributable to the counterfeited merchandise was between \$400,000 and \$1 million. As part of their

plea agreements, Zhang agrees to forfeit \$49,000 seized at the time of her arrest in March 2010 and a BMW sedan; and Ng agrees to forfeit a minivan.

The defendants face a maximum sentence of five years in prison for the conspiracy and a maximum of 10 years in prison for trafficking in counterfeit goods. U.S. District Judge William M. Nickerson scheduled sentencing for Ng on March 3, 2011 at 11:00 a.m.; for Zhang on February 24, 2011 at 10:00 a.m.; and for Zhou on February 23, 2011 at 2:15 p.m.

United States Attorney Rod J. Rosenstein thanked ICE for their investigative work and commended Assistant United States Attorneys James G. Warwick and Justin Herring, who are prosecuting the case.
