



Department of Justice

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DEPARTMENT OF JUSTICE HOSTS INTELLECTUAL PROPERTY RIGHTS SUMMIT TO DISCUSS COUNTERFEITING AND PIRACY In PASADENA, CA

Latest IP Criminal Cases in Los Angeles Concern Misbranded Aircraft Parts

PASADENA, California – The Department of Justice, in partnership with the National White Collar Crime Center, today is hosting an Intellectual Property Rights Summit that is bringing together representatives from federal, state and local law enforcement to meet with the holders of copyrights and other intellectual property rights to discuss ways to combat counterfeiting and piracy.

The Summit, which is being coordinated by the Justice Department's Bureau of Justice Assistance, is part of a nationwide strategy to combat intellectual property crimes through close coordination with state and local law enforcement partners, as well as international counterparts.

“Intellectual Property crimes are theft, and we will punish it accordingly,” said United States Attorney André Birotte Jr. “These criminals and criminal organizations steal jobs from Americans and threaten our health and safety by introducing substandard goods, from airline parts to medicine, into our stores.”

On the eve of the summit, the owners of two Southland businesses were charged with fraud in connection with selling electron tubes that are used in a variety of critical commercial and military applications, including aircraft, medical devices, radar and weapons systems.

Steven Jay Sanett, the president and chief executive officer of Penta Financial, Inc., doing business as Penta Laboratories in Chatsworth, was charged yesterday with mail fraud and fraud involving aircraft parts. Sanett, 58, of Hidden Hills, California, is accused of providing customers with different electron tubes than those they had ordered by falsely representing the origin, source and condition of the electron tubes. Sanett allegedly instructed Penta employees to prepare labels, packaging and paperwork bearing false or misleading information about the electron tubes. In addition to removing and replacing the original manufacturers' logos and part numbers, Sanett is alleged to have directed Penta employees to ship refurbished electron tubes instead of new ones.

The two counts in the criminal information filed against Sanett carry a maximum statutory penalty of 30 years in federal prison.

In the second case filed yesterday, Jeremy Madvin, the owner of American Business Alliance, Inc., doing business as Omni-Wave Electronics in Westlake Village, California, was charged with wire fraud in connection with electron tubes it acquired from Penta and then fraudulently sold to the federal government for use in various military and non-military applications. Madvin, 42, of Westlake Village, is accused of submitting bids on federal contracts through the Department of Defense's web-based procurement clearinghouse and providing false information regarding the origin, source, labeling and original packaging of the electron tubes. The wire fraud charge against Madvin carries a statutory maximum penalty of 20 years in federal prison.

The Sanett and Madvin cases are the product of an investigation by the Department of Defense, Defense Criminal Investigative Service; the Department of Transportation, Office of Inspector General; and Department of Homeland Security, U.S. Immigration and Customs Enforcement. The cases are being prosecuted by Assistant United States Attorney Eric D. Vandeveld, (213) 894-2576.

The United States Attorney's Office in Los Angeles has brought a number of other intellectual property cases this year.

On Tuesday, Aaron Tipnis, 69, was charged with stealing trade secrets from his then-employer, AeroVironment, Inc. of Monrovia, California. Tipnis, an electrical engineer, had access to trade secret information regarding AeroVironment's line of battery testers and chargers, and Tipnis provided that information to an employee of a competitor. Tipnis has agreed to plead guilty to the charge that carries a statutory maximum sentence of 10 years in federal prison.

On Monday, Gilberto Sanchez, 48, of The Bronx, New York, was arraigned on an indictment that charges him with uploading "X-Men Origins: Wolverine" to the Internet months before the movie's release in theaters. After Sanchez pleaded not guilty in the case, a federal judge scheduled a trial for November 16.

In another case involving the entertainment industry, Neil John Brimelow, 37, of Gulfport, Mississippi, was charged in April with manufacturing and selling counterfeit DVDs of the television show "Family Guy." Last week, prosecutors notified the Court of Brimelow's intent to plead guilty to federal charges in United States District Court in Mississippi.

In July, Jun Yang, 28, was sentenced to 18 months in prison for importing counterfeit watches into the United States. Yang drove a rental truck to pick up the counterfeit watches from a shipping company, realized he was being followed, and then attempted to abandon the truck at the Westfield Santa Anita shopping mall, where he was arrested. When imposing a sentence, United States District Judge Stephen V. Wilson declared counterfeiting to be a crime of theft and moral turpitude.

In July, Chunchai Yu, 47, of Chino, was convicted by a jury of attempting to import counterfeit exercise equipment and of attempting to bribe a Customs official into releasing the equipment to her. She is scheduled to be sentenced on October 25.

In June, the owners of Elegance Fashion Mart on East Olympic Boulevard in Los Angeles, Il Keun Oh (also known as James Ken Oh), 57, and his wife, Jacqueline Oh, 55, along with Jacqueline Oh's brother, Joon Yeop Kim, 47, a manager at the store, pleaded guilty to selling counterfeit jewelry, some of which contained high levels of lead.

In a case involving computer hardware, Yongcai Li, 37, was sentenced in January to 30 months in prison for bringing counterfeit Cisco computer equipment from China to the United States. Li sold the counterfeit hardware to suppliers in the United States who then sold them to unsuspecting buyers. When imposing sentence, Judge S. James Otero announced that counterfeiting was out of control and that a message of deterrence has to be sent.

The United States Attorney's Office has also brought several cases against defendants who sold various counterfeit drugs, including Viagra and Cialis, and counterfeit handbags.

In what will be only the fourth criminal trial in the nation pursuant to the Digital Millennium Copyright Act (it will be the third trial in this area handled by the United States Attorney's Office in Los Angeles), Matthew Crippen is scheduled to go on trial October 12 for allegedly modifying Microsoft Xbox machines to allow them to play pirated video games.

These cases are part of a larger effort led by the Department of Justice Task Force on Intellectual Property (IP Task Force). Attorney General Eric Holder created the IP Task Force to combat the growing number of domestic and international intellectual property crimes, protect the health and safety of American consumers, and safeguard the nation's economic security against those who seek to profit illegally from American creativity, innovation and hard work. The IP Task Force seeks to strengthen intellectual property rights protection through heightened criminal and civil enforcement, greater coordination among federal, state and local law enforcement partners, and increased focus on international enforcement efforts, including reinforcing relationships with key foreign partners and U.S. industry leaders. To learn more about the IP Task Force, go to <http://www.justice.gov/dag/iptaskforce/>.