



Department of Justice

U.S. Attorney's Office
Southern District of Texas

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BROTHERS PLEAD GUILTY TO SELLING COUNTERFEIT CISCO PRODUCTS TO BUREAU OF PRISONS

(HOUSTON) – Michael Edman, 38, and Robert Edman, 29, both formerly of Richmond, Texas, have pleaded guilty to selling counterfeit Cisco products to the Federal Bureau of Prisons, United States Attorney Tim Johnson announced today. The Edmans admitted to the facts set forth in the factual basis and entered their respective guilty pleas to one count of trafficking in counterfeit goods this morning before United States District Judge Vanessa Gilmore.

Cisco Systems is an American company that manufactures and sells computer hardware with an emphasis on hardware, such as network cards, that allows computers to network with other computers.

The Edmans came to the attention of federal law enforcement in February 2006 when a customs officer at the Federal Express facility in Anchorage inspected a shipment from China containing 1800 empty Cisco boxes and Cisco labels addressed to Robert Edman in Richmond, Texas. In shipping counterfeit computer goods, it is a known practice to send the more valuable parts separately from the counterfeit packaging. That way, if the counterfeit packaging is discovered, as in this case, only the packaging is seized and not the separately shipped and more valuable computer parts. On Feb. 23, 2006, based on this inspection and other information, federal agents delivered a package of the empty Cisco boxes and labels to Robert's residence in Richmond and then executed a search warrant. Robert Edman told agents he routinely purchased Cisco products from an individual in China who goes by the name "Tony." Bank records subsequently obtained during this investigation revealed that Robert Edman had wired Tony approximately \$437,000 for more than a year prior to the search warrant.

Investigation further revealed Robert Edman operated a business under the name Syren Technology and sold parts purporting to be genuine Cisco networking products either directly or through drop-shipping (a process in which an end user purchases products through a middleman who, in turn, fills the orders by purchasing the products from the Edmans) to various customers. Those customers included the Marine Corps, Air Force, FBI, Federal Aviation Administration, Department of Energy, as well as defense contractors, universities, school districts and financial institutions. Michael Edman also operated a business using the name Syren that sold technology products. Michael provided a total of \$69,000 in funding to Robert to buy counterfeit parts from "Tony" in China on two occasions after Michael had learned Tony was having shipments seized by customs. In August 2005, Michael Edman

obtained network cards from Robert to drop ship to the Bureau of Prisons (BOP). After the launch of the criminal investigation, the BOP was able to retrieve some of these network cards and Cisco engineers confirmed the cards were counterfeit.

At sentencing, scheduled for Jan. 4, 2010, they face up to 10 years in prison and a fine of up to \$2,000,000. The Edmans remain free on bond pending their sentencings.

The case was investigated by Immigration and Customs Enforcement and is being prosecuted by Assistant United States Attorney Gregg Costa.

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