Lynnwood Company, Owner, and Executives Indicted

Local News

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Lynnwood, WA - A Lynnwood, Washington electronics company, its owner, and two company executives and a Chinese company and its representative were indicted last week in U.S. District Court in Seattle for conspiracy to traffic in counterfeit goods, announced U.S. Attorney Jenny A. Durkan. According to the indictment, Connectzone.com LLC had websites that advertised and sold computer networking products including products bearing trademarks owned by U.S. companies Cisco, but the investigation revealed the company obtained its products from multiple foreign suppliers of counterfeit goods including a Chinese firm, Xiewei Electronics.“Protecting the intellectual property of American companies is critical to job growth and economic recovery—especially in our high tech industries,” said U.S. Attorney Durkan. “I commend the dedicated investigators who uncovered this scheme.”The Connectzone.com LLC defendants include: Daniel Oberholtzer, 50, of Lynnwood, the company owner; Warren Lance Wilder, 46, of Auburn, the sales manager; and Edward Vales, 31, of Seattle, the production manager. Shenzhen Xiewei Electronic LTD, headquartered in Shanghai, China, and its representative Mao Mang, aka “Bob Mao,” are also indicted.

The indictment alleges that as early as 1997, while the company was operating as Electro Products Incorporated, it was distributing counterfeit equipment manufactured in China. The indictment alleges that Daniel Oberholtzer, Lance Wilder, and Edward Vales would advise Bob Mao and Xiewei Electronics and other Chinese companies regarding how to manufacture products that would look like genuine Cisco trademarked goods. Some of the goods would be labeled “samples” when shipped to the U.S. to try to deceive U.S. Customs officials. The U.S.-based conspirators falsely advertised the counterfeit goods as genuine and offered it for sale at a much lower price than genuine Cisco equipment. The indictment describes the various e-mails sent between the conspirators as they ran their scheme. In addition to the conspiracy count, the indictment also charges two counts of mail fraud and four counts of trafficking in counterfeit goods. “Counterfeiting high dollar goods can be very lucrative for enterprising criminals,” said Brad Bench, special agent in charge of HSI-Seattle. “Their illicit activities ultimately come at the expense of trademark owners and consumers. They don’t contribute to research and development, and the knockoffs they sell generally don’t match the quality and safety of genuine items.”Conspiracy to traffic in counterfeit goods is punishable by up to ten years in prison and a $2 million fine; mail fraud is punishable by up to 20 years in prison and trafficking in counterfeit goods is punishable by up to 10 years in prison. The charges contained in the indictment are only allegations. A person is presumed innocent unless and until he or she is proven guilty beyond a reasonable doubt in a court of law.This case is being investigated by the Seattle-Tacoma Border Enforcement Security Task Force (BEST) led by U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigation (HSI) with the Seattle Police Department, the Port of Seattle Police Department, and assistance from U.S. Customs and Border Protection Office of Field Operations (CBP OFO). BEST Seattle is composed of full-time members from HSI; CBP OFO; the U.S. Secret Service; the Port of Seattle Police Department; the U.S. Coast Guard Investigative Service; and the FBI. The BEST investigates smuggling and related crimes and

combats criminal organizations seeking to exploit vulnerabilities at the Seattle and Tacoma seaports and adjacent waterways.The case is being prosecuted by Assistant United States Attorney Norman Barbosa.