

NBI TEAMS UP WITH FBI

Written by Administrator
Saturday, 17 March 2012 08:38



U.S. Attorney Paul J. Fishman points out how counterfeit UGG's boots were smuggled into the country at a news conference announcing the uncovering of one of the largest counterfeit goods smuggling operations ever charged in Newark, N.J. on March 2. (Photo by Jerry McCrea)

Largest bust in U.S.

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ELIZABETH, N.J. — The Philippines' National Bureau of Investigation was commended by their American counterparts for helping dismantle a multi-million ring that smuggles counterfeit luxury fashion goods and illegal drugs into the United States.

Federal authorities have charged 29 people in four U.S. states — including their Asian mastermind nabbed in Manila.

The suspects were accused of running a \$325 million counterfeit goods ring through Port Newark-Elizabeth Marine Terminal in one of the largest knock-off smuggling busts in U.S. history, federal prosecutors in New Jersey said.

Twenty-three arrests took place Feb. 24 in New York, New Jersey, Florida, Texas and in the Philippines, as part of an international investigation, authorities said.

The rest of the suspects remain at large, they said.

Soon Ah Kow, 72, a Hong Kong businessman holding a Chinese passport but born in Malaysia and who was described as the mastermind of the ring, was arrested in Manila by agents of the NBI.

He could face life in prison if convicted, authorities said.

Kow, who was also accused of trying to smuggle millions of dollars' worth of counterfeit cigarettes into the U.S., was reportedly lured by undercover agents to fly from Hong Kong to Manila under the guise of paying him for past transactions and discussing future illegal activities.

The U.S. Department of Justice, working closely with Philippine authorities, obtained a

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provisional arrest warrant for Kow, who was arrested by Filipino agents as he stepped off his plane at the Ninoy Aquino International Airport (NAIA) Terminal 1 and was booked and detained at the NBI headquarters.

Kow is in the business of brokering international transactions of illegal goods.

Operating out of Southeast Asia, he has reportedly met with and introduced his co-conspirators to undercover federal agents on numerous occasions for the purpose of importing counterfeit goods and narcotics from Asia to the U.S.

NBI's foreign liaison chief Claro de Castro Jr. said Kow is known to have traveled using fraudulent and inaccurate documentation.

He had previously used multiple passports from different countries, de Castro added.

Kow is facing 14 counts of felony violations before a federal grand jury in the U.S. District Court of New Jersey.

He has been wanted in the U.S. since last year.

The fake goods included counterfeit Coach, Burberry, Louis Vuitton and Gucci handbags, fake Nike shoes, Ugg boots and Lacoste shirts, as well as cigarettes.

The FBI used wiretaps to unwrap the scheme, and the initial counterfeiting conspiracy led them to uncover a second scheme to import 50 kilograms of crystal methamphetamine from Taiwan.

"Had they not been caught, approximately \$300 million worth of illicit goods would have been smuggled into our country," said U.S. Homeland Security investigator James Dinkins.

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“The enormity of this case — and the fact that we followed the investigative leads directly to the source in China, where so many counterfeit goods originate — is a stern warning to counterfeiters and smugglers,” Dinkins said.

“We are vigilantly watching our ports of entry for criminal activity that undermines legitimate commerce and potentially threatens the security of the United States.”

According to the indictment, the suspects aimed to import the fake goods into the U.S. by using containers falsely associated with legitimate retailers.

The conspirators also used stolen corporate identities and false personal identification documents to help import or try to import more than 135 containers of counterfeit goods.

The brand-name insignias were concealed during shipment through various methods and, once the goods arrived in the U.S. and were moved to a warehouse, were “processed” to reveal the logos.

In one case, authorities said, fake Ugg boots were shipped with an unmarked sole that was then removed in the warehouse to reveal a sole beneath it that read “Ugg.”

From the warehouse, the goods were distributed to New York, New Jersey and elsewhere throughout the country, authorities said.

Intellectual property rights are widely flouted in China, which is home to the biggest counterfeit and piracy market in the world.

“The cost of counterfeiting is incredibly high — in the billions and billions of dollars lost to legitimate companies,” authorities said.