

# Department of Justice

United States Attorney William J. Hochul, Jr.  
Western District of New York

FOR IMMEDIATE RELEASE  
SEPTEMBER 30, 2010  
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## **SEVEN ARRESTED IN LARGE COUNTERFEIT MERCHANDISE TRAFFICKING OPERATION**

ROCHESTER, N.Y.-- U.S. Attorney William J. Hochul, Jr. announced today the arrest of seven people involved in a large, counterfeit merchandise trafficking operation. In addition to the arrests, agents from Homeland Security Investigations (HSI) and investigators from the Special Investigations Unit of New York State Police also simultaneously executed search warrants in the Western District of New York, Southern District of New York, Eastern District of New York and the District of New Jersey.

Arrested were Fan Zhang, 38, Deno Delregno, 48, Zhang Chi, 31, Zhang Qing Fu, 65, Chen Xiu Ying, 62, Gina Hurlbert, 54, and Suzanne Pelow, 33, all of Rochester, N.Y. Each defendant is charged in a Complaint with conspiracy to traffic in counterfeit goods. The charge carries a maximum penalty of five years in prison, a fine of \$250,000 or both.

Assistant U.S. Attorney Michael DiGiacomo, who is handling the case, stated that according to the affidavit in support of the complaint, Fan Zhang and her husband made bi-monthly trips to New York City to purchase counterfeit Coach, Dolce & Gabbana, Prada, Jimmy Choo, Burberry and Gucci purses, handbags, wallets, and sunglasses from various locations in New York City. Zhang and her husband thereafter transported the counterfeit merchandise to Rochester, and thereafter distributed and supplied numerous Western New York businesses and individuals with the counterfeit products.

Homeland Security Investigations estimates that three of the companies involved in the conspiracy imported in excess of 1,000,000 items into the United States from nine separate Chinese companies over a one year period. The goods were then distributed to various wholesalers and retailers for distribution.

"Every business owner should have the expectation that they can compete fairly in the marketplace," said U.S. Attorney Hochul. "When individuals get into the business of producing and selling "knock off" goods, it hurts not only legitimate businesses but also consumers who may not be aware they are getting a "fake." This case should also serve as a warning to buyers that if a deal for a name brand product sounds too good to be true, it probably is."

Lev Kubiak, Special Agent in Charge of Homeland Security Investigations in Buffalo said, "individuals who engage in trafficking of counterfeit goods are on notice that Homeland Security Investigations agents will use all of the investigative tools at our disposal to arrest and bring them to justice."

The arrests are the culmination of an investigation on the part of Special Agents from Homeland Security Investigations, under the direction of Lev Kubiak as well as HSI Agents from New York City and Newark, New Jersey and the Special Investigations Unit of the New York State Police under the direction of Major Matthew S. Renneman.

Over the past 36 hours, federal and state authorities also simultaneously executed search warrants in 11 locations in Rochester, the New York metropolitan area and Secaucus, NJ. Authorities stated that while a complete accounting of the seized merchandise will take several days, a total of 23 tractor trailer loads of suspected counterfeit goods were seized. In addition to the previously mentioned items other counterfeit goods seized included MLB baseball caps, watches and jewelry.

Today's arrests are part of a larger department-wide 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/>

The fact that a defendant has been charged with a crime is merely an accusation and the defendant is presumed innocent until and unless proven guilty.