

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Joseph A. Dickson

v. :

Mag. No. 12-6735

AREF ABUHADBA and  
[REDACTED]

: **CRIMINAL COMPLAINT**  
: **FILED UNDER SEAL**

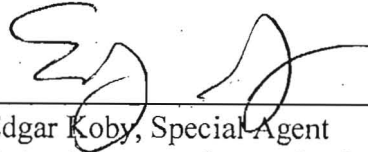
I, Edgar Koby, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

**SEE ATTACHMENT A**

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this Complaint is based on the following facts:

**SEE ATTACHMENT B**

continued on the attached page and made a part hereof.



Edgar Koby, Special Agent  
Federal Bureau of Investigation

Sworn to before me, and  
subscribed in my presence

November 7, 2012 at  
Newark, New Jersey

HONORABLE JOSEPH A. DICKSON  
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

**ATTACHMENT A**

From at least as early as in or about 2003 through in or about 2010, in Essex County, in the District of New Jersey and elsewhere, defendants

**AREF ABUHADBA and**

**[REDACTED]**

did knowingly and intentionally conspire and agree with each other and others to intentionally traffic or attempt to traffic in goods and services, to wit: counterfeit Nike sneakers and counterfeit Walt Disney Company blankets, and knowingly used a counterfeit mark on or in connection with such goods, the use of which was likely to cause confusion, to cause mistake, and to deceive, contrary to Title 18, United States Code, Section 2320(a).

In violation of Title 18, United States Code, Section 371.



5. In addition to distributing and selling counterfeit goods, ABUHADBA was also responsible for collecting money from customers, and wiring the proceeds of the scheme to CC#1 in the PRC and elsewhere. For his participation, ABUHADBA received a fee of up to \$42,000 for each container that was successfully imported into the United States pursuant to the scheme described above. In the event that a container was seized by law enforcement, however, ABUHADBA was sometimes responsible for a portion of the costs of the goods in the seized container.

### **The Defendants' Use of E-Mail in Furtherance of the Conspiracy**

6. During the course of the conspiracy described above, ABUHADBA, [REDACTED], and CC#1 communicated frequently using e-mail concerning their trafficking in counterfeit goods. I have reviewed a number of e-mails between CC#1 and ABUHADBA discussing, among other things: (a) the prices for counterfeit goods such as counterfeit Nike sneakers; (b) ABUHADBA's commission for receiving containers containing counterfeit goods in the United States; (c) potential customers for counterfeit goods in the United States and elsewhere; and (d) seizures of containers sent by CC#1 to ABUHADBA containing counterfeit goods by United States authorities. I have also reviewed e-mails between CC#1, ABUHADBA and [REDACTED] discussing the delivery of containers of counterfeit goods within the United States.

7. For example, in one e-mail dated January 26, 2010 on which ABUHADBA was copied, CC#1 wrote the following to a prospective customer providing an overview of CC#1 and ABUHADBA's business together:<sup>1</sup>

The shoes factory is making samples now and they need several days. I will send you the samples as soon as I get them.

By the way, I have to give you some reminds. There are many bad guys in the shoes and bags business. Some of them will send you very good quality samples with very low prices or some fo them even go to the store to buy real shoes or bags and send them to you. You will think their samples are very very good and prices are also very very nice. Then you confirm the order and wire the deposit. The value of each 40 h.q. container is around usd150000 to usd200000 for shoes and the value of each 20 foot container is around usd150000 to usd200000 for bags. They will wait for one month and tell you the goods was finished and ask you to send them the balance. When they received the balance, they will disappear. This business is not like normal business, once you received bad quality shoes or bags not as the samples, you will lose not only a lot of money, but also your customer. Sometimes, you can't tell bad quality and

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<sup>1</sup> With respect to e-mails quoted herein, all typographical and grammatical errors are in the original e-mails.

good quality for the shoes and bags from their appearance. The factory will play many games you are not expert. I am in the shoes business almost 5 years now and the factories know me very well for my very very strict inspection and quality requirement. Nobody dare to play game with me. Also, I have co-operated with Aref for almost 8 years from 2003. I really hope you can be very very careful with other suppliers. I don't want to see any of your lost.

8. In another February 2010 e-mail from CC#1 to the same, potential customer on which ABUHADBA is copied, CC#1 forwards four photographs of samples of counterfeit Nike sneakers.

9. With respect to █████, I have reviewed a number of e-mails between █████, ABUHADBA, and CC#1 discussing █████'s distribution of containers of counterfeit goods throughout the United States. In one e-mail between CC#1 and █████ in November 2007 – apparently at the outset of █████'s involvement in the above-described conspiracy, █████ wrote to CC#1 inquiring about the containers from the PRC that he would be delivering to ABUHADBA in the United States: “What are those commodities in each container ?” To which, CC#1 responded: “FAKE NIKE SHOES.” █████ further inquired: “Are there any problems to clear customs in the name of United Closeout/Aref ?” To which, CC#1 responded: “Aref said he met big problem now. He can import the containers.”

### **The “Discount Linen” Seizures**

10. In or about 2008, ABUHADBA directed CC#1 and █████ to ship containers containing counterfeit goods from the PRC to Discount Linen Wholesale in Paterson, New Jersey, a company registered in the name of “O.A.,” but in reality controlled by ABUHADBA. Between in or about September 2008 and in or about October 2008, a number of these containers were seized by United States Customs and Border Protection (“CBP”) inspectors, who upon inspecting them discovered that they contained counterfeit goods.

a. For example, on or about September 10, 2008, CBP inspected a container at Los Angeles/Long Beach Seaport in Long Beach, California, destined for Discount Linen Wholesale in New Jersey, which contained over 8,800 pairs of counterfeit Nike sneakers, bearing various Nike trademarks. On or about October 6, 2008, a Nike representative confirmed that the sneakers were counterfeit. On or about October 17, 2008, CBP seized the container and its contents and informed O.A. The approximate cost of the goods seized was approximately \$283,240, and their approximate retail value was \$1,188,800.

b. Subsequently, on or about September 17, 2008, CBP inspected a container at Los Angeles/Long Beach Seaport in Long Beach, California, destined for Discount Linen Wholesale in New Jersey, which contained over 10,000 pairs of counterfeit Nike Air Force One sneakers, bearing various Nike trademarks. On or about September 29, 2008, a Nike

representative confirmed that the seized sneakers were counterfeit. On or about October 1, 2008, CBP seized the container and its contents and informed O.A. The approximate cost of the goods seized was approximately \$201,600, and their approximate retail value was \$1,512,000.

11. Following the seizures described in paragraph 10, on or about December 3, 2008, ABUHADBA caused O.A. to send two separate letters from New Jersey to the CBP in Long Beach, California, concerning the seizures. In both letters, "O.A." falsely claimed "the container in question was supposed to contain blankets. However, the warehouse in China mistakenly loaded this container with different merchandise, which was not requested. Since this is not the merchandise that I ordered, you can take it into your custody."

12. ABUHADBA subsequently sent a series of e-mails to CC#1 in the PRC, directing CC#1 to write letters on factory letterhead to "Discount Linen Wholesale, with the address, and attention to" O.A. In sum and substance, ABUHADBA requested that the letters state that the seized containers were not for Discount Linen, and were mistakenly sent by the factory and that the factory was in the process of locating Discount Linen Wholesale's containers. ABUHADBA further requested that CC#1's letter state that the seized containers were destined for Jordan, and that the factory would cover the cost of reshipping them to Jordan.

13. Thereafter, on or about October 9, 2008, CC#1 sent ABUHADBA an e-mail in which he complained about ABUHADBA's reckless business practices and stated that the above-described Discount Linen seizures were his fault. Among other things, the email states that, as of the date of the e-mail, CC#1 had shipped ABUHADBA over 70 containers. In addition, CC#1 writes as follows in bold, underlined letters:

I asked you which company to use since you ever told me that I can't use A 2, A 3, Linen general or Roral Home and so on. Then I said whether to use United rug or Discount Linen? You told me to use Discount Linen!!! I shipped all the containers as your instruction. If I didn't get the instruction from you for the last three containers, do you think I am so foolish to shipp all the 3 containers in one company name? I am not so stupid since I already shipped out more than 70 containers now and I am always very care about such problem. I ever thought about this problem. But you told me to use Discount Linen, so I have to do as your instruction.

CC#1 then continues:

Please do not put your fault to others. Pls think about yourself, you did nothing whole Aug., you are in JORDAN for almost 20 days and around 10 days for your vacation. I can't find you and I had to call JJ for more information. JJ and the factories and the Customers and I, we are very very anxious for the goods importiong and delivery at that time while you were spending your holidays happily and care nothing. Is this a right way

to do such dangerous business? I ever minded you one hundred times, but did you pay any your attention for this business? I am very scared for your way to do this business with your such attitude for this business. This time you have to cover all your fault for your inadvertent work although JJ and I and the factories and the customers always work hard for this business....

**ABUHADBA's Efforts to Conceal His Criminal Conduct**

14. In or about November 2011, ABUHADBA was aware of a pending federal grand jury investigation in this District concerning his criminal conduct. In fact, on or about November 3, 2011, ABUHADBA accompanied a witness testifying before the grand jury investigating him to the federal courthouse in Newark, New Jersey.

15. On or about December 2, 2011, ABUHADBA caused a false affidavit purportedly from CC#1 to be submitted to the government. The affidavit, which was dated on or about November 11, 2011, stated, in substance and in part, that neither he nor ABUHADBA are involved in the importation and trafficking of counterfeit goods. According the affidavit, both CC#1 and ABUHADBA were duped by another party in the PRC and did not know that certain shipments destined for ABUHADBA and seized by CBP contained counterfeit goods.