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## NEWS

## Saxe Man Sentenced For Trafficking Counterfeit GM Diagnostic Equipment

FOR IMMEDIATE RELEASE

January 11, 2013

ALEXANDRIA, Va. – A Virginia man was sentenced today in federal court to serve one year and one day in prison for selling counterfeit General Motors (GM) automotive diagnostic devices used by mechanics to identify problems with and assure the safety of motor vehicles, announced U.S. Attorney for the Eastern District of Virginia Neil H. MacBride, Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division, FBI Assistant Director Ronald T. Hosko of the Criminal Investigative Division and Jeffrey C. Mazanec, Special Agent in Charge of the FBI's Richmond Field Office.

Justin DeMatteo, 31, of Saxe, Va., was sentenced by Senior U.S. District Judge Claude M. Hilton in the Eastern District of Virginia, following his Sept. 26, 2012, guilty plea to one count of trafficking in goods bearing counterfeit marks. In addition to his prison term, DeMatteo was sentenced to three years of supervised release and ordered to pay restitution of \$328,500 (the full amount of GM's losses). At DeMatteo's plea proceeding, the court entered a consent order of forfeiture requiring him to forfeit \$109,074 in criminal proceeds and all facilitating property and contraband seized during the execution of search warrants at his business and home on Dec. 15, 2011.

In court documents, DeMatteo admitted he sold counterfeit GM Corporation-branded "Tech 2" vehicle diagnostic systems between January and May 2011. The Tech 2 is a hand-held computer used to diagnose problems in vehicles that use electronic controls and interfaces. For newer vehicles, GM designed a new diagnostic interface – the Controller Area Network diagnostic interface (CANdi) module, which serves as an enhancement to the Tech 2 and completes the interface necessary to communicate with future on-board computer systems.

DeMatteo also admitted he offered for sale purported Tech 2 units and CANdi modules that bore counterfeit GM marks. DeMatteo sold the counterfeit Tech 2 units on eBay and accepted payment via PayPal. DeMatteo purchased the units from unauthorized manufacturers in the People's Republic of China (PRC) and in many cases had them drop-shipped directly from the PRC to U.S. customers. On Dec. 15, 2011, federal agents executed search warrants at DeMatteo's residence in Saxe and place of business in South Boston, Va. Among other things, agents seized numerous counterfeit GM Tech 2 units and CANdi modules, and various computer equipment and documents that contained evidence linking DeMatteo to the sale of the counterfeit Tech 2 units. According to the stipulated statement of facts and plea agreement, the number of Tech 2 and CANdi units sold by DeMatteo or seized during the searches totaled nearly 100. The retail price of 100 authentic products would have been more than \$380,000.

The case was prosecuted by Assistant U.S. Attorney Lindsay Kelly of the Eastern District of Virginia and Trial Attorney Evan Williams of the Criminal Division's Computer Crime and Intellectual Property Section and was investigated by the FBI's Intellectual Property Rights Unit, as part of "Operation Engine Newt," an international initiative targeting the production and distribution of counterfeit automotive products that impact the safety of the consumer, and the FBI Richmond Division.

The FBI is a full partner at the National Intellectual Property Rights Coordination Center (IPR Center). The IPR Center is one of the U.S. government's key weapons in the fight against criminal counterfeiting and piracy. The IPR Center uses the expertise of its 19 member agencies to share information, develop initiatives, coordinate enforcement actions and conduct investigations related to intellectual property (IP) theft. Through this strategic interagency partnership, the IPR Center protects the public's health and safety, the U.S. economy and the war fighters. To report IP theft or to learn more about the IPR Center, visit [www.IPRCenter.gov](http://www.IPRCenter.gov).

The sentencing announced today was the result of one of many enforcement efforts being undertaken 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 [www.justice.gov/dag/iptaskforce/](http://www.justice.gov/dag/iptaskforce/).

A copy of this press release may be found on the website of the United States Attorney's Office for the Eastern District of Virginia at <http://www.justice.gov/usao/vae>. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia at <http://www.vaed.uscourts.gov> or on <https://pcl.uscourts.gov>.

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