

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

**Holding a Criminal Term
Grand Jury Sworn in on December May 2, 2008**

UNITED STATES OF AMERICA	:	CRIMINAL NO.
	:	
	:	GRAND JURY ORIGINAL
	:	
v.	:	UNDER SEAL
	:	
	:	VIOLATIONS:
	:	
	:	
MUSTAFA ABDUL ALJAFF,	:	18 U.S.C. § 371 (Conspiracy);
a.k.a. MITCH MOUSA,	:	18 U.S.C. § 2320 (Trafficking in
MARWAH FELAHY	:	Counterfeit Goods or Services);
a.k.a. MARWAH ALJAFF,	:	18 U.S.C. § 1341 (Mail Fraud);
and NEIL FELAHY,	:	18 U.S.C. § 2 (Aiding and Abetting;
	:	Causing an Act to be Done)
	:	
Defendants.	:	

INDICTMENT

The Grand Jury charges that:

COUNT ONE - CONSPIRACY

INTRODUCTION

At all times material to this Indictment:

Integrated Circuits

1. An integrated circuit also referred to as “IC”, “chip” or “component” is a form of semiconductor. It is an electronic circuit consisting of components and connectors contained on a semiconductor chip. Usually packaged in a plastic or ceramic case, an integrated circuit is a sophisticated, highly miniaturized, solid-state circuit in which all the elements of the circuit are integrated together on a single semiconductor substrate. Integrated circuits contain tiny resistors,

capacitors and transistors on each chip and function as amplifiers, oscillators, timers, counters, computer memory or microprocessors. Integrated circuits form the basis of all modern electronic products. Integrated circuits are used in a variety of applications including consumer electronics, transportation, medical, aircraft, spacecraft, and military. Counterfeit integrated circuits can result in product malfunctions or product failures and can also cause serious bodily injury including electrical shock, electrocution, and/or death. Counterfeit integrated circuits can also cause significant property damage.

2. Failure of an integrated circuit can result in one of two conditions called “open” circuit” or “short circuit.” “Open circuit” means that electrical current is not permitted to flow as intended. A machine with an open circuit may fail to function or it may fail to turn the unit or its features on. “Short circuit” means that electrical current is permitted to flow at times and in places it is not intended to flow or should not flow. A machine with a short circuit left in the “off” position may randomly turn back on or the power switch may fail to turn the unit off.

3. Markings on integrated circuits that indicate that the part is “military grade” signify that the part has been specially manufactured, among other things, to withstand extreme temperature ranges and high rates of vibration. Legitimate manufacturers subject such parts to specialized testing not used in the production of “commercial grade” parts. Military grade integrated circuits are sold to the U.S. military at a price higher than commercial grade, because of the special manufacture and additional testing required. Such parts have special markings that identify them as military grade. Some commercial grade parts have military applications.

4. A “critical application item,” is a part that is critical to the safe operation, equipment effectiveness or mission performance of a military system.

Trademarks

5. A “trademark” is a word, phrase (such as a logo), symbol or design (such as an icon), or a combination thereof, which identifies and distinguishes the source of the goods of one particular manufacturer from those of other manufacturers. A trademark is often a valuable asset, equated with the “good-will” of a business organization, which can influence consumers in purchasing decisions. A “word mark” and a “mark drawing” are types of trademarks.

6. A trademark serves a variety of purposes. First, it avoids product confusion by allowing consumers to have confidence that two products for sale bearing the identical trademark were manufactured by the same company and will be of the same quality. Second, it permits consumers to make an informed choice to purchase a name-brand good based upon past experience, word-of-mouth, brand loyalty, and advertising impact. Third, it enables consumers who experience a problem with the name-brand product they’ve purchased to seek recourse through the actual manufacturer by returning the goods to the seller or seeking warranty or other recourse through the original equipment manufacturer (“OEM”). Fourth, it allows the trademark owner to distinguish and protect its products by giving that company exclusive rights as the trademark owner. This permits the legitimate trademark owner to recoup investments of time, money, labor, and creativity and to profit from its endeavors in bringing a particular product to market.

7. When a counterfeit mark is used in the trafficking of goods and the mark is identical or substantially indistinguishable from the mark registered on the principal register of the U.S. Patent and Trademark Office, such a counterfeit mark is likely to cause confusion, mistake, and deception with consumers.

Government Contracting

8. A “CAGE (Commercial and Government Entity) Code” is a unique, 5-digit alpha-numeric sequence that identifies companies doing or wanting to do business with the federal government. CAGE codes are used to support a variety of governmental functions, including providing a standardized method of identifying a specific facility at a given location, for pay processes, and for sources of supply. All CAGE codes are assigned and maintained by the Defense Logistics Information Service (DLIS), Battle Creek, Michigan.

9. The Defense Contract Management Agency (DCMA) is the Department of Defense component that works with Defense suppliers to ensure that DOD supplies and services are delivered on time, at the projected cost, and that they meet all performance requirements. When specified in a contract, DCMA performs quality assurance inspections and accepts products, on behalf of the Department of Defense. When this inspection is performed at the place of manufacture, it is known as “origin - ” or “source acceptance.” However, some Department of Defense contracts provide for “destination acceptance” instead of origin acceptance. When a contract provides for destination acceptance, the contractor ships the parts to the destination set forth in the contract. The organization that receives the parts is responsible for acceptance of the parts.

10. Department of Defense contracts may require the contractor to provide a “Certificate of Conformance.” This certificate is a written document, completed by the contractor, which certifies, among other things, that the parts being provided conform to the contract requirements.

The Defendants and Their Companies

11. DCMA administered certain contracts with companies owned and operated by the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown.

12. The defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, have engaged in the interstate trafficking of counterfeit goods, that is integrated circuits bearing counterfeit marks, in a variety of ways. They acquired integrated circuits bearing counterfeit marks from sources of supply within The People's Republic of China ("China"), imported them into the United States, and sold them to the public via the Internet. They also obtained trademark-branded integrated circuits from sources currently unknown, scraped, sanded or grinded off the original markings, painted the devices in a process referred to as "black topping," and remarked the devices with that or another trademark thereby fraudulently indicating, among other things, that the devices are of a certain brand, newer, higher quality, faster or are military grade.

13. Since on or about July 18, 2002, and continuously thereafter, defendant **MARWAH FELAHY** owns and operates BeBe Starr Consulting, Inc., serving as the Chief Executive Officer ("CEO"), Secretary, and Chief Financial Officer ("CFO"). The stated type of business for this company is "consulting services." The street address of the principal executive office and principal

business office is 176 Sidney Bay Drive, Newport Coast, California 92657.

14. Since on or about January 2, 2004, and continuously thereafter, defendant **MUSTAFA ABDUL ALJAFF** owns and operates Red Hat Distributors, Inc. (also known as “RH Distributors,” and “Red Hot Distributors,”) serving as the CEO, Secretary, and CFO. The stated type of business for this company is “consulting services.” The street address of the principal executive office and principal business office and the mailing address is 27 Stone Pine Drive, Newport Coast, California 92657. Since on or about November 3, 2005, and continuously thereafter, Marwah Felahy became the Secretary, the type of business for this company was changed to “interior design,” and the address for the principal executive office and principal business office was changed to 10 Tideline Bluff Drive, Newport Coast, California 92657. In or about February 2006, a business bank account was opened for Red Hat Distributors, Inc. From inception of the account and continuously thereafter, the defendants **MUSTAFA ABDUL ALJAFF** and **MARWAH FELAHY** were the authorized signatories on the bank account. In or about July 2007, defendant **NEIL FELAHY** was added as a signatory to the bank account and he was removed in or about January 2009.

15. Since on or about January 14, 2005, and continuously thereafter, defendants **MUSTAFA ABDUL ALJAFF** and **MARWAH FELAHY** (then known as “Marwah Aljaff”) own and operate Force-One Electronics, Inc. From the time of incorporation, defendant **MARWAH FELAHY** served as CEO and defendant **MUSTAFA ABDUL ALJAFF** served as Secretary and

CFO. On or about November 8, 2005, and continuously thereafter, defendant **MUSTAFA ABDUL ALJAFF** became the CEO and defendant **MARWAH FELAHY** became the Secretary. The stated type of business for this company was originally “sales of electronic parts.” On or about November 8, 2005, the stated type of business was changed to “domestic stock.” Originally the address for the principal executive office and principal business office was 176 Sidney Bay Drive, Newport Coast, California 92657. On or about November 8, 2005, both addresses were changed to 10 Tideline Bluff Drive, Newport Coast, California 92657. In or about February 2006, a business bank account was opened for Force-One Electronics, Inc. From inception of the account and continuously thereafter, defendants **MUSTAFA ABDUL ALJAFF** and **MARWAH FELAHY** were the authorized signatories on the bank account. In or about October 2007, defendant **NEIL FELAHY** was added as a signatory to the bank account and he was removed in or about January 2009.

16. Since on or about June 14, 2006, and continuously thereafter, defendant **MUSTAFA ABDUL ALJAFF** owns and operates MVP Micro, Inc. From the time of incorporation, defendant **MUSTAFA ABDUL ALJAFF** served as CEO, Secretary, and CFO. The stated type of business for this company is “electronics consulting service.” Originally the address for the principal executive office and principal business office was 3100 North Bristol, Suite 450, Costa Mesa, California 92626. In or about July 2006, a business bank account was opened for MVP Micro, Inc. From inception of the account and continuously thereafter, defendant **MUSTAFA ABDUL ALJAFF** was the authorized

signatory on the bank account. In or about July, 2007, defendant **MARWAH FELAHY** was added as a signatory to the bank account. In or about October 2007, defendant **NEIL FELAHY** was added as a signatory to the bank account and he was removed in or about January 2009. Since on or about April 26, 2007, and on information and belief, continuously thereafter, defendant **NEIL FELAHY** has served as the manager of MVP Micro, Inc.

17. Since on or about July 7, 2006, and continuously thereafter, defendant **MUSTAFA ABDUL ALJAFF** owns and operates Labra, Inc. From the time of incorporation, defendant **MUSTAFA ABDUL ALJAFF** served as CEO, Secretary, and CFO. The stated type of business for this company is “electronics consultant.” The address for the principal executive office and principal business office is 3100 North Bristol, Suite 450, Costa Mesa, California 92626. On or about May 24, 2007, the name of the business was changed to Labra Electronics, Inc. On or about July 29, 2008, the name of the business was changed to Becker Components, Inc. In or about August 2006, a business bank account was opened for Labra, Inc. From inception of the account and continuously thereafter, defendants **MUSTAFA ABDUL ALJAFF** and **MARWAH FELAHY** were the authorized signatories on the bank account. In or about October 2007, defendant **NEIL FELAHY** was added as a signatory to the bank account and he was removed in or about January 2009.

18. Since on or about September 2, 2008, and continuously thereafter, defendant **MARWAH FELAHY** owns and operates Pentagon Components, Inc., serving as the CEO,

Secretary, and CFO. The stated type of business for this company is “sale of electronic parts.” The street address of the principal executive office and principal business office is 176 Sidney Bay Drive, Newport Coast, California 92657. On or about April 27, 2009, the stated business purpose was changed to “electronics distribution.”

19. At all times relevant herein, defendant **MARWAH FELAHY** has received tens of thousands of dollars in “consulting fees,” from MVP Micro, Inc., payable to BeBe Starr Consulting, Inc. via checks and wire transfers.

20. The defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, utilized numerous business entities through which they operated their integrated circuit counterfeiting business operations. Those business entities include: MVP Micro, Inc.; Labra Inc., Labra Electronics, Inc., and Becker Components, Inc.; Red Hat Distributors, Inc. (also used by the defendants as “RH Distributors, Inc.” and “Red Hot Distributors,” Inc.); Force-One Electronics, Inc.; BeBe Star Consulting, Inc.; and Pentagon Components, Inc.

21. At all times relevant herein, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, used the address of 17332 Von Karman Avenue, Suites numbered 110, 115, and 160, Irvine, California 92614 for the importation, manufacture, advertisement, sales, and distribution of integrated circuits bearing counterfeit marks.

22. At all times relevant herein, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, operated a number of websites advertising numerous brand-name integrated circuits for sale. Those websites, available to anyone accessing the Internet, include www.mvpmicro.com, www.labrainc.com, www.rhdistributors.com, and www.pentagoncomponents.com.

THE CONSPIRACY

23. From on or about September 26, 2007 and continuing thereafter until at least on or about August 21, 2009, and upon information and belief, continuing thereafter, within the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, did unlawfully, knowingly, and willfully, conspire and agree together and with each other, and with other persons both known and unknown:

A. to commit offenses against the United States, that is, Trafficking in Counterfeit Goods or Services, in violation of Title 18, United States Code, Section 2320(a); and Mail Fraud, in violation of Title 18, United States Code, Section 1341; and

B. to defraud the United States of America, and an agency thereof, that is the Department of the Navy (herein after “United States Navy”), by selling to the United States Navy, integrated circuits bearing counterfeit marks, which were in fact not what they were represented to be.

GOAL OF THE CONSPIRACY

24. It was a goal of the conspiracy that the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, would enrich the businesses through which they operated and would enrich themselves thereby deriving private and commercial financial gain by importing, obtaining control of, making, selling, and distributing and transporting in interstate and foreign commerce integrated circuits bearing counterfeit marks, one of which was further falsely represented as being “military grade.”

MANNER AND MEANS

25. In order to further the objects and goals of the conspiracy, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, used the following manners and means, among others:

- A. Beginning on or about September 26, 2007, the defendants created an integrated circuit counterfeiting operation at 17332 Von Karman Avenue, Irvine, California 92614.
- B. At all times relevant herein, the defendants created and maintained Internet websites for the advertisement of name-brand integrated circuits, including www.mvpmicro.com, www.labrainc.com, www.rhdistributors.com, www.pentagoncomponents.com.

- C. Beginning on or about September 26, 2007, the defendants acquired from sources in China, integrated circuits bearing counterfeit marks and imported them into the United States through various ports of entry.
- D. Beginning on or about September 26, 2007, the defendants thwarted detection at the U.S. ports by Customs and Border Protection Officers of the integrated circuits bearing counterfeit marks they were importing, by using various company names for the importation, including the following: “MVP Micro, Inc.,” “Red Hat Distributors,” “Red Hot Distributors,” and “RH Distributors.”
- E. Beginning on or about September 26, 2007, the defendants imported and had integrated circuits bearing counterfeit marks destined for delivery to the addresses: 17332 Von Karman Avenue, Suite 110, Irvine, California 92614 and 17332 Von Karman Avenue, [no suite number] Irvine, California 92614.
- F. On or about January 13, 2009, the defendants acquired and imported industrial machinery to aid in creating and applying counterfeit markings to integrated circuits.
- G. On or about November 2008, the defendants acquired semi-conductor grade acetone, which is a chemical used to remove markings, to clean, and to etch integrated circuits.
- H. At all times relevant herein, employees of the various companies owned and operated by the defendants scraped, sanded and grinded-off the original markings, painted the

devices in a process referred to as “black topping,” and remarked the devices with counterfeit marks, thereby fraudulently indicating that the devices were a certain brand, higher quality, newer, faster or military grade.

- I. At all times relevant herein, the defendants employed a sales staff to negotiate with potential buyers, answer questions, and fulfill orders for sales of integrated circuits from, among others, companies located within the United States and abroad and with the U.S. Government.
- J. At all times relevant herein, the defendants created false “Certificates of Conformance,” which purported that all materials shipped on the purchase order conformed to the applicable military and/or commercial specifications. The defendants further falsely claimed on the certificates that test reports or material certifications for the materials being shipped were on file with them or with their suppliers.
- K. At all times relevant herein, the defendants acquired “CAGE” codes in order to do business with the Department of Defense.
- L. Beginning on or about March 3, 2009, June 26, 2009, and July 14, 2009, and other dates known and unknown, the defendants entered into contracts with the United States Department of Defense, that is, the United States Navy and other government

agencies, for the sales of integrated circuits.

- M. At all times relevant herein, the defendants distributed integrated circuits bearing counterfeit marks in interstate commerce.
- N. At all times relevant herein, the defendants received proceeds from the sales of integrated circuits bearing counterfeit marks and deposited the monies into bank accounts which they owned and controlled.
- O. At all times relevant herein, the defendants derived private and commercial financial gain from their transactions involving integrated circuits bearing counterfeit marks.
- P. At all times relevant herein, the defendants enriched the companies through which they operated and they enriched themselves with proceeds from the sales of integrated circuits bearing counterfeit marks.

OVERT ACTS

26. Within the District of Columbia, and elsewhere, in furtherance of the above-described conspiracy and in order to carry out the objects thereof, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, committed the following overt acts, among others:

Operation and Formation of Businesses

- A. On or about July 18, 2002, and continuing thereafter, defendant **MARWAH FELAHY** owned and operated BeBe Starr Consulting, Inc.
- B. On or about January 2, 2004, and continuing thereafter, defendant **MUSTAFA ABDUL ALJAFF** owned and operated Red Hat Distributors, Inc., also known as “Red Hat Distributors” and “RH Distributors.”
- C. On or about January 14, 2005, and continuing thereafter, defendants **MUSTAFA ABDUL ALJAFF** and **MARWAH FELAHY** (also known as “Marwah Aljaff”) owned and operated Force-One Electronics, Inc.
- D. On or about June 14, 2006, and continuing thereafter, defendant **MUSTAFA ABDUL ALJAFF** owned and operated MVP Micro, Inc.
- E. On or about July 7, 2006, and continuing thereafter, defendant **MUSTAFA ABDUL ALJAFF** owned and operated Labra, Inc., which he subsequently renamed, “Labra Electronics, Inc.,” and then renamed “Becker Components, Inc.”
- F. On or about September 2, 2006, and continuing thereafter, defendant **MARWAH FELAHY** owned and operated Pentagon Components, Inc.

Operation of the Websites

- G. At all times relevant herein, the defendant **MUSTAFA ALJAFF** and others known and unknown, owned and operated a computer network server.
- H. At all times relevant herein, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, operated a number of websites, including: www.mvpmicro.com, www.labrainc.com, www.rhistributors.com, and www.pentagoncomponents.com advertising brand-name integrated circuits.

The Counterfeiting Operation

- I. At all times relevant herein, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, conducted an integrated circuits counterfeiting operation located at 17332 Von Karman Avenue, Irvine, California 92614.

Importation of Integrated Circuits Bearing Counterfeit Marks

- J. Between on or about September 26, 2007, and continuing until on or about March 25, 2009, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, using various company names,

imported from China on 22 separate occasions, approximately 13,073 integrated circuits bearing counterfeit marks, including military-grade markings, valued at approximately \$140,835.50, including the following:

- (1) On or about September 26, 2007, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 500 counterfeit “Fujitsu” integrated circuits, valued at \$2,500.00, from Shenzhen Guangdong, China.
- (2) On or about October 30, 2007, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 1000 counterfeit “Analog Devices, Inc.,” integrated circuits, valued at \$6,330.00, from Shenzhen Guangdong, China.
- (3) On or about March 10, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 375 counterfeit “Fujitsu” integrated circuits, valued at \$1,125.00, from Shenzhen, China.
- (4) On or about June 18, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 814 counterfeit “Atmel” integrated circuits, valued at \$716.00, from Shenzhen, China.
- (5) On or about July 8, 2008, Red Hot Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 60 counterfeit “STMicroelectronics” integrated circuits, valued at \$110.00, from Shenzhen, China.

- (6) On or about July 14, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 96 counterfeit “Altera” integrated circuits, valued at \$10,608.00, from Shenzhen, China.
- (7) On or about July 30, 2008, MVP Micro, Inc., 17332 Von Karman Ave., [no suite number] Irvine, California 92614, imported 2,880 counterfeit “Atmel” integrated circuits, valued at \$4,320.00, from Shenzhen, China.
- (8) On or about July 31, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 752 counterfeit “Intel” integrated circuits, valued at \$4,474.00, from Shenzhen, China.
- (9) On or about August 1, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 100 counterfeit “Elantec” integrated circuits, valued at \$605.00, from Shenzhen, China.
- (10) On or about August 6, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 150 counterfeit “Altera” integrated circuits, valued at \$31,599.00, from Shenzhen, China. The parts were marked as military grade.
- (11) On or about August 6, 2008, RH Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 80 counterfeit “Altera” integrated circuits, valued at \$16,800.00, from Shenzhen, China.

- (12) On or about August 8, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 600 counterfeit “TDK” integrated circuits, valued at \$2,478.00, from Shenzhen, China. The parts were marked as military grade.
- (13) On or about August 29, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 13 counterfeit “Altera” integrated circuits, valued at \$26,601.00, from Shenzhen, China.
- (14) On or about September 3, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 1,728 counterfeit “Atmel” integrated circuits, valued at \$2,592.00, from Shenzhen, China.
- (15) On or about October 23, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 300 counterfeit “National Semi” integrated circuits, valued at \$2,130.00, from Shenzhen, China.
- (16) On or about October 23, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 1000 counterfeit “National Semi” integrated circuits, valued at \$7,100.00, from Shenzhen, China.
- (17) On or about November 10, 2008, MVP Micro, Inc., 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 1000 counterfeit “Intel” integrated circuits, valued at \$6,900.00, from Chaonon Shantou, China.

- (18) On or about December 18, 2008, Red Hat Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 500 counterfeit "VIA" integrated circuits, valued at \$4,250.00, from Shenzhen, China.
- (19) On or about December 19, 2008, MVP Micro, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 500 counterfeit "VIA" integrated circuits, valued at \$4,250.00, from Shenzhen, China.
- (20) On or about December 19, 2008, RH Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 210 counterfeit "VIA" integrated circuits, valued at \$1,785.00, from Shenzhen, China.
- (21) On or about January 2, 2009, RH Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 315 counterfeit "VIA" integrated circuits, valued at \$2,677.50, from Hong Kong.
- (22) On or about March 25, 2009, RH Distributors, 17332 Von Karman Ave., Suite 110, Irvine, California 92614, imported 100 counterfeit "VIA" integrated circuits, valued at \$885.00, from Shenzhen, China.

Sale of Integrated Circuits Bearing Counterfeit Marks to Mid-West Manufacturer

- K. During March 2008, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, sold 14,000 counterfeit integrated circuits bearing the STMicroelectronics trademark, to a company located in the Mid-West United States that manufactures residential vacuum cleaners.
- L. During March 2008, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, transported in international commerce from the State of California, United States of America to Hong Kong, the 14,000 counterfeit “STMicroelectronics” integrated circuits, referenced in “K,” above.

Sales of Counterfeit Integrated Circuits to the U.S. Military

- M. First Undercover Navy Contract with MVP Micro
- (1) On or about March 9, 2009, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and others known and unknown, conducting business as “MVP Micro, Inc.” transported in interstate commerce, via UPS, from the State of California to Naval Sea Systems Command, Washington Navy Yard, Washington, D.C., integrated circuits, bearing counterfeit marks, that is the purported trademarks of Texas Instruments.

- (2) On or about March 9, 2009, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, conducting business as “MVP Micro,” transported in interstate commerce, via UPS, from the State of California to Naval Sea Systems Command, Washington Navy Yard, Washington, D.C., a Certificate of Conformance dated March 9, 2009, pertaining to the integrated circuits shipped on March 9, 2009, stating:

“It is hereby certified that all materials shipped on our purchase order conform to the applicable military and/or commercial specifications.”

N. Second Undercover Navy Contract with MVP Micro

- (1) On or about June 10, 2009, “L.D.” on behalf of RH Distributors, sent an e-mail to a U.S. Navy Contracting Officer stating:

“I am not buying these parts from a reseller. My suppliers are actual contract mfr’s who have the parts I quoted you as excess inventory, I.E [sic.] - parts that were left over after their production ended. The quantity quoted is the minimum they will sell.”

- (2) On or about June 29, 2009, “B.M.” on behalf of MVP Micro, sent an e-mail to a U.S. Navy Contracting Officer stating:
- “... Question for you. There are several MFRS for these parts, do they have to be exactly the same MFR? Part number should be the focus as the mfr is always changing as companies are being bought and sold.”
- (3) On or about July 14, 2009, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, conducting business as “MVP Micro, Inc.” transported in interstate commerce, via UPS, from the State of California to the Naval Sea Systems Command, Washington Navy Yard, Washington, D.C., integrated circuits, bearing counterfeit marks, that is the purported trademarks of National Semiconductor, Analog Devices, and Texas Instruments.
- (4) On or about July 14, 2009, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, conducting business as “MVP Micro,” transported in interstate commerce, via UPS, from the State of California to Naval Sea Systems Command, Washington Navy Yard, Washington, D.C., multiple Certificates of Conformance dated July 9, 2009, pertaining to the integrated circuits shipped on July 14, 2009, stating that, “It is hereby

certified that all materials shipped on our purchase order conform to the applicable military and/or commercial specifications.”

O. Undercover Navy Contract with Pentagon Components

On or about July 28, 2009, the defendants **MUSTAFA ABDUL ALJAFF**, **MARWAH FELAHY**, and **NEIL FELAHY**, and others known and unknown, conducting business as “Pentagon Components, Inc.” transported in interstate commerce, via FedEx, from the State of California to Naval Sea Systems Command, Washington Navy Yard, Washington, D.C., integrated circuits, bearing counterfeit marks, that is the purported trademarks of Analog Devices.

(Conspiracy, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 371, 2).

COUNTS TWO THROUGH EIGHT - TRAFFICKING IN COUNTERFEIT GOODS

COUNT TWO

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about March 12, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number OPA627AU, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Texas Instruments Corporation, registration number 3445038, which includes the word mark, "BB," a mark that has been in use since 1959, and is registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT THREE

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 22, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number AD5962-8871902MXA, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Analog Devices Corporation, registration number 1717784, which includes the mark drawing of a triangle inside a rectangle, a mark that has been in use since 1991, and is registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT FOUR

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 22, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number AD664TD-BIP/883B, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Analog Devices Corporation, registration number 1717784, which includes the mark drawing of a triangle inside a rectangle, a mark that has been in use since 1991, and is registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT FIVE

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 22, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number 3656AG, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Texas Instruments Corporation, registration number 3445038, which includes the word mark, "BB," a mark that has been in use since 1959, and is registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT SIX

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 22, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number SMJ34020AGBM40, a military grade, critical application item, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Texas Instruments Corporation, registration number 2250065, which includes the word mark "TI" inside a design of the map of Texas, a mark that has been in use since 1996, and is registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT SEVEN

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 28, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number AD5962-8871902MXA, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Analog Devices Corporation, registration number 1717784, which includes the mark drawing of a triangle inside a rectangle, a mark that has been in use since 1991, and registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNT EIGHT

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. On or about July 28, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, did intentionally traffic and attempt to traffic in goods, that is integrated circuits marked part number AD664TD-BIP/883B, while knowingly using on and in connection with such goods a counterfeit mark, to wit, a spurious mark identical to and substantially indistinguishable from a registered trademark of Analog Devices Corporation, registration number 1717784, which includes the mark drawing of a triangle inside a rectangle, a mark that has been in use since 1991, and registered for those goods on the principal register of the United States Patent and Trademark Office, the use of which counterfeit mark was likely to cause confusion, to cause mistake, and to deceive.

(Trafficking in Counterfeit Goods or Services, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 2320(a), 2).

COUNTS NINE THROUGH ELEVEN - MAIL FRAUD

COUNT NINE

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. Beginning on or about February 25, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, knowingly and wilfully devised and intended to devise a scheme and artifice to defraud the United States, and an agency thereof, that is the Department of the Navy (“United States Navy”) by obtaining money and property from the United States Navy by means of false and fraudulent pretenses, representations, and promises, as set forth, in sum and substance, below.

The Scheme and Artifice to Defraud

3. It was the object of the scheme and artifice to defraud for the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, to enrich the businesses they controlled and to enrich themselves by selling integrated circuits to the United States Navy, knowing that these parts did not meet contractual requirements and had not been tested in accordance with contractual requirements.

4. It was part of the scheme and artifice to defraud that beginning on or about February 25, 2009, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and their employees whose identities are known and unknown, responded to the United States Navy for a request for a quote and negotiated a contract price.

5. It was part of the scheme and artifice to defraud that, in fulfilling the contract, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, falsely represented that the parts they were selling met all contractual obligations. In fact, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, knew that the parts they were selling did not meet all contractual obligations and had not been tested in accordance with the contract.

6. On or about March 9, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, for the purpose of executing , and attempting to execute, the scheme and artifice, did knowingly cause a package containing integrated circuits bearing counterfeit marks purportedly of Texas Instruments, Incorporated and a fraudulent Certificate of Conformance to be delivered by a private or commercial interstate

carrier, that is UPS, according to the direction thereon, addressed to NAVAIR Prototype N00024 Office, Washington Navy Yard, D.C. 20376 from MVP Micro, 17332 Von Karman Ave., Suite 110, Irvine, CA 92614.

(Mail Fraud, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 1341, 2).

COUNT TEN

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. Beginning on or about June 2, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, knowingly and wilfully devised and intended to devise a scheme and artifice to defraud the United States, and an agency thereof, that is the Department of the Navy (“United States Navy”) by obtaining money and property from the United States Navy by means of false and fraudulent pretenses, representations, and promises, as set forth, in sum and substance, below.

The Scheme and Artifice to Defraud

3. It was the object of the scheme and artifice to defraud for the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, to enrich the businesses they controlled and to enrich themselves by selling integrated circuits to the United States Navy, knowing that these parts did not meet contractual requirements and had not been tested in accordance with contractual requirements.

4. It was part of the scheme and artifice to defraud that beginning on or about June 2, 2009, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and their employees whose identities are known and unknown, responded to the United States Navy for a request for a quote and negotiated a contract price.

5. It was part of the scheme and artifice to defraud that, in fulfilling the contract, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, falsely represented that the parts they were selling met all contractual obligations. In fact, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, knew that the parts they were selling did not meet all contractual obligations and had not been tested in accordance with the contract.

6. On or about July 14, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, for the purpose of executing, and attempting to execute, the scheme and artifice, did knowingly cause a package containing integrated circuits bearing counterfeit marks purportedly of National Semiconductor, Incorporated, Analog Devices, Incorporated, and Texas Instruments, Incorporated, and fraudulent Certificates of Conformance, to be delivered by a private or commercial interstate carrier, that is UPS, according to the direction thereon, addressed to Commander, Naval Sea Systems Command PEO Ships, Washington Navy Yard, D.C. 20376 from MVP Micro, 17332 Von Karman Ave., Suite 110, Irvine, CA 92614.

(Mail Fraud, Aiding and Abetting, Causing an Act to be Done, in violation of Title 18, United States Code, Sections 1341, 2).

COUNT ELEVEN

1. The allegations set forth in paragraphs 1 through 22 and paragraphs 24 through 26 in Count One of this Indictment are hereby re-alleged and incorporated as if fully set forth herein.

2. Beginning on or about July 13, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, knowingly and wilfully devised

and intended to devise a scheme and artifice to defraud the United States, and an agency thereof, that is the Department of the Navy (“United States Navy”) by obtaining money and property from the United States Navy by means of false and fraudulent pretenses, representations, and promises, as set forth, in sum and substance, below.

The Scheme and Artifice to Defraud

3. It was the object of the scheme and artifice to defraud for the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, to enrich the businesses they controlled and to enrich themselves by selling integrated circuits to the United States Navy, knowing that these parts did not meet contractual requirements and had not been tested in accordance with contractual requirements.

4. It was part of the scheme and artifice to defraud that beginning on or about July 13, 2009, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and their employees whose identities are known and unknown, responded to the United States Navy for a request for a quote and negotiated a contract price.

5. It was part of the scheme and artifice to defraud that, in fulfilling the contract, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, falsely represented that the parts they

were selling met all contractual obligations. In fact, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, knew that the parts they were selling did not meet all contractual obligations and had not been tested in accordance with the contract.

6. On or about July 28, 2009, in the District of Columbia and elsewhere, the defendants **MUSTAFA ABDUL ALJAFF, MARWAH FELAHY, and NEIL FELAHY**, and other individuals whose identities are known and unknown, for the purpose of executing , and attempting to execute, the scheme and artifice, did knowingly cause a package containing integrated circuits bearing counterfeit marks purportedly of Analog Devices, Incorporated to be delivered by a private or commercial interstate carrier, that is FedEx, according to the direction thereon, addressed to Commander, Naval Sea Systems Command PEO Ships, Washington Navy Yard, D.C. 20376 from Pentagon Components, 4199 Campus Drive, Suite 550, Irvine, CA 92612. (**Mail Fraud, Aiding and Abetting, Causing an Act to be Done**, in violation of Title 18, United States Code, Sections 1341, 2).

A TRUE BILL

FOREPERSON

Channing D. Phillips/SD
ACTING ATTORNEY FOR THE UNITED STATES IN
AND FOR THE DISTRICT OF COLUMBIA