

Virginia woman sentenced to 5 years in prison for importing and selling counterfeit Cisco computer equipment



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WASHINGTON - A Virginia woman was sentenced today to 60 months in prison for leading a sophisticated conspiracy to import and to sell counterfeit Cisco-branded computer networking equipment, laundering criminal proceeds and obtaining her citizenship through fraud. This case was investigated by U.S. Immigration and Customs Enforcement's (ICE) [Homeland Security Investigations \(HSI\)](#).

At sentencing, U.S. District Court Judge Gerald Bruce Lee also ordered Chun-Yu Zhao, 43, of Chantilly, Va., to pay \$2,709,238 in restitution and to pay a \$17,500 fine. Zhao was also ordered to serve three years of supervised release following her prison term.

In addition, Judge Lee stripped Zhao of her U.S. citizenship and ordered that the following assets be forfeited to the United States: four homes in Maryland and northern Virginia and three condominiums in Chantilly with a total value of more than \$2.6 million; a Porsche Boxster, Porsche Cayenne and Mercedes sedan; and seven bank accounts containing more than \$1.6 million. Zhao has been in federal custody since her July 22, 2010, arrest by HSI special agents.

In May 2011, following a three-week trial, a federal jury convicted Zhao of 16 felony counts, including conspiracy to commit importation fraud and to deal in counterfeit goods, importation fraud, dealing in counterfeit goods, obtaining citizenship by fraud, making false statements to law enforcement and money laundering. According to court documents, Zhao and her family members and other co-conspirators in China agreed to lie on declaration forms and to sell shipments of counterfeit Cisco-branded computer networking equipment.

Zhao and her co-conspirators used counterfeit labels and packaging to mislead consumers into believing that they were purchasing genuine Cisco products. To evade detection, Zhao and her co-conspirators used various names and addresses in importation documents and hid millions of dollars of counterfeiting proceeds through a web of bank accounts and real estate held in the names of Zhao's family members. Zhao also fraudulently obtained U.S. citizenship based on lies on her citizenship application.

The case was investigated by HSI, as well as the General Services Administration, Office of the Inspector General. U.S. Customs and Border Protection made a criminal referral to HSI after intercepting counterfeit products from China destined for addresses associated with Zhao, her business and her family.

The HSI-led [IPR Center](#) is one of the U.S. government's key weapons in the fight against criminal counterfeiting and piracy. As a task force, the IPR Center uses the expertise of its 19 member agencies to share information, develop initiatives, coordinate enforcement actions, and conduct investigations related to 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.

