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MILLION-DOLLAR AUTOMOTIVE TRADEMARK COUNTERFEITING OPERATION
BUSTED AFTER LONG-TERM PROBE
Defendant Faces Up to 15 Years in Prison

Queens District Attorney Melinda Katz announced that Fei Wu and several corporations linked to him were charged with trademark counterfeiting and money laundering stemming from the trafficking of phony custom automobile accessories for luxury brand vehicles, such as Mercedes Benz and BMW. Wu and his companies are alleged to have provided the counterfeit custom items to buyers who first purchased generic tire rims from him on eBay, where he was among the biggest sellers of such rims.

Queens District Attorney Katz said: “The trafficking of counterfeit goods robs legitimate businesses and their employees and often leaves consumers with substandard products. The serious charges leveled here are the result of a long-term investigation into an elaborate scheme. Thank you to my Major Economic Crimes Bureau and our partners at the NYPD and Homeland Security Investigations (HSI) New York for their work on this long-term investigation.”

Erin Keegan, Acting Special Agent in of Homeland Security Investigations (HSI) New York, said: “Mr. Wu is accused of intellectual property theft and money laundering in connection with his production and sale of counterfeit goods. Illicit schemes such as these significantly impact local communities here in New York as well as the country as a whole. HSI New York seized more than 363,000 counterfeit products in fiscal year 2023, and we have continued our unrelenting efforts to combat this crime. I commend our Border Enforcement Security Task Force (BEST) Trade Enforcement & Interdiction Group along with our law enforcement partners for their unwavering dedication to disrupt this criminal enterprise.”

NYPD Commissioner Edward A. Caban said: “Trademark counterfeiting of luxury goods is pervasive in New York City and the United States, as a whole, and it is never a victimless crime. It violates the rights of the trademark holder, harms consumers who unknowingly purchase inferior items, significantly impacts businesses that do things the right way, and – in some cases – the illicit proceeds are used to fund transnational criminal activities. The NYPD will continue to take every opportunity to join our local, state, and federal law enforcement partners in seeking out and disrupting the flow of such illegitimate merchandise.”

Wu, 39, of 68th Place in Glendale, was arraigned on two counts of trademark counterfeiting in the first degree; two counts of money laundering in the second degree; and two counts each of trademark counterfeiting in the second and third degrees. Also charged were K-Tone Corp., Ktone Gift Inc., KooLoo, LLC and Wu’s Family Realty, Inc.

Wu faces up to 15 years in prison if convicted. Queens Criminal Court Judge Srividya Pappachan ordered him to return to court on June 4.

An investigation was launched in 2019 into numerous eBay accounts selling replicas of patented luxury car tire rims with center caps bearing counterfeit logos of car manufacturers such as BMW, Honda, Mercedes Benz, and Audi. Some of the seller accounts were registered under corporations linked to Wu who maintained a storefront on Myrtle Avenue in Glendale. The location functioned as a warehouse to receive, store and ship thousands of replica rims sold on eBay for a fraction of the price of authentic rims. Wu typically fulfilled each order by first shipping the rims. He would then separately ship the stickers, emblems, decals, or plastic inserts bearing a counterfeit car manufacturer logo.

According to the charges:

- On July 1, 2020, Wu told an investigator that he imported generic automobile rims from overseas and resold them on eBay. The following day, investigators executed a search warrant at the Ktone Gift storefront in Glendale, where they seized numerous items including rims with center caps bearing a counterfeit Mercedes-Benz logo.
- On May 5, 2021, investigators with assistance from a third-party vendor, conducted a controlled purchase of“(1) Mercedes 19 Inch C63 Staggered Rims Wheels Set for E350 E550 C300 C250 AMG” tire rims for \$870.99 from one of Wu’s eBay accounts. After receiving only the rims, an investigator called the seller’s listed phone number. A man answered the phone and promised to send the center caps separately. A few days later, a package containing four counterfeit center caps with the Mercedes-Benz logo arrived. That package’s label listed Wu’s name, Ktone Corp., and Wu’s residence as the return address.
- In January 2022, another controlled purchase of items from Wu resulted in a shipment of four tire rims without center caps. Following another similar phone conversation about the center caps and logos, investigators received a separate package containing four center caps and four stickers bearing a counterfeit Mercedes-Benz logo to affix to the caps.
- In March 2023, investigators conducted a third controlled purchase of \$855 for a set of “Mercedes Benz 19 Inch C63 Rims for C300 or C250 AMG.” The rims arrived with a label listing Ktone Corp., Wu’s phone number, and Wu’s residence as the return address. A second package later arrived bearing a return label listing Fei Wu, Ktone Corp., and Wu’s residence, arrived. This package contained four counterfeit center caps bearing the Mercedes-Benz logo.
- At this point, the investigation focused on the three main eBay seller accounts registered under corporations linked to Wu and an accomplice. These three accounts listed over 1,000 sets of replica rims for sale at prices ranging between \$800 and \$1,100. An analysis into Wu’s financial records showed that eBay sales proceeds were deposited into four primary TD bank accounts registered to Wu, his corporations, and/or the accomplice, who has not been apprehended. Funds were quickly transferred into two secondary TD bank accounts, which in turn, funded two investment accounts controlled by Wu. One of the secondary TD accounts also wired hundreds of thousands of dollars to a Bank of China account registered to a wheel manufacturer.
- On March 28, 2023, investigators executed a search warrant at Wu’s residence resulting in the seizure of approximately 1,700 counterfeit center cap stickers, decals, emblems, and center cap plastic inserts

bearing logos of brands including Mercedes-Benz, BMW, Audi, Land Rover and Lexus. The retail value of completed sets of rims bearing those 1,700 counterfeit logos is approximately \$350,000.

- In January 2024, investigators conducted a fourth controlled purchase for a “20 Black Multispoke AMG Style Rims” for \$1083.53 from one of Wu’s eBay accounts. The seller sent a message that he would ask the supplier to mail the Mercedes-Benz center caps separately. Investigators received four tire rims in one shipment and a second shipment containing four counterfeit center caps bearing the Mercedes-Benz logo.
- A search warrant executed March 19 at Wu’s home and the Glendale storefront resulted in the seizure of more than 1,000 tire rims and over 3,300 counterfeit center cap stickers, decals, plastic inserts and/or emblems bearing logos of such brands as Mercedes-Benz, BMW, Audi, Lexus, Toyota, Honda and Range Rover. More than \$100,000 in cash was also seized. The retail value of completed sets of rims bearing the 3,300 counterfeit logos is approximately \$650,000.
- Wu’s TD bank accounts, investment accounts, and three eBay accounts have now been frozen.

The joint investigation was conducted by NYPD Detective Ricardo Bocachica of the NYPD Criminal Enterprise Investigation Section/Trademark Infringement Unit under the supervision of Sergeant Kelvin Glover, Lieutenant Renaldo Herasme and Inspector Osvaldo Nuñez and Special Agent Thomas Adamczyk of Homeland Security Investigations, with assistance from the U.S. Customs and Border Protection, under the supervision of Group Supervisor Paul Manning and under the overall supervision of Acting Special Agent in Charge Erin Keegan.

Also taking part in the investigation was Intelligence Analyst Erik Hansen of the District Attorney’s Crime Strategies and Intelligence Bureau under the supervision of supervising Intelligence Analyst Jennifer Rudy and Assistant District Attorney Shanon LaCorte, Bureau Chief.

Senior Assistant District Attorney Leann Staines of the District Attorney’s Major Economic Crimes Bureau is prosecuting the case with assistance from Trial Prep Assistant Evan Matzel, under the supervision of Assistant District Attorneys Lissa Yang and Myongjae M. Yi, Section Chiefs, Mary Lowenburg, Bureau Chief, Jonathan Scharf, Deputy Bureau Chief, and Catherine Kane, Senior Deputy Bureau Chief, and under the overall supervision of Executive Assistant District Attorney for Investigations Gerard A. Brave.

It should be noted that a criminal complaint is merely an accusation and that a defendant is presumed innocent until proven guilty.

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