
THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* TENNESSEE

February 16, 2012

Department of Justice
United States Attorney William C. Killian Eastern
District of Tennessee

Dai Zhensong Sentenced To Thirty-Seven Months
In Prison For Trafficking In Counterfeit Airbags

CHATTANOOGA, Tenn. - Dai Zhensong, 28, a citizen of the Peoples Republic of China, was sentenced today in U.S. District Court at Chattanooga, to serve 37 months in prison as a result of his August 2011 guilty plea to a federal indictment charging him with five counts of intentionally trafficking in counterfeit airbags. The Honorable Curtis L. Collier, Chief U.S. District Judge, Eastern District of Tennessee, also ordered him to serve three years supervised release upon his release from prison and pay \$210,738.00 restitution.

In September 2010, six boxes containing 68 airbags originating from Guangzhou Global Auto Parts International Group Co. LTD, (Guangzhou Auto Parts) located in Guangyhon City, Peoples Republic of China, were intercepted by the U.S. Department of Immigration and Customs Enforcement (ICE) and determined to be counterfeit items. The counterfeit airbags were delivered to a Chattanooga, address by ICE agents in a controlled delivery.

Zhensong was a part owner and manager of the international department of Guangzhou Auto Parts, a company that specializes in the production of auto parts, many of which are counterfeit. He entered the United States in October 2010 and traveled to Chattanooga to sell additional counterfeit airbags and other auto parts. The counterfeit airbags were manufactured by purchasing genuine auto airbags which were torn down and used to produce molds to manufacture the counterfeit airbags. Trademark emblems were purchased through Honda, Toyota, Audi, BMW and other dealerships located in China and affixed to the counterfeit airbags. The airbags were advertised on the Guangzhou Auto Parts website and sold for approximately \$50 to \$70 each, far below the value of an authentic airbag. To date, over 300 counterfeit airbags originating from Guangzhou Auto Parts have been seized in Chattanooga, with a value of approximately \$210,738, which is the agreed amount for restitution.

The indictment and subsequent conviction of Zhensong was the result of an investigation conducted by the ICE, Department of Transportation and Tennessee Highway Patrol – Criminal Investigation Division. Assistant U.S. Attorney John MacCoon represented the United States.

"This case is an excellent illustration of how the manufacturing, smuggling, and sale of counterfeit goods is not a victimless crime," said Raymond R. Parmer, Jr., special agent-in-charge of the ICE-HSI office in New Orleans. Not only do these products do financial harm to trademark holders, in this instance testing proved that had the counterfeit airbags deployed in an automobile accident, the resulting explosion and shrapnel could have seriously injured or killed occupants of the vehicle. This case represents why HSI remains so committed to an aggressive approach towards enforcing the nation's Intellectual Property Rights laws."

U.S. Attorney Bill Killian said, " The United States and its citizens have to remain vigilant about the criminal efforts to undermine our system of patents and trademarks. The sentence imposed in this case will deter others from illegally marketing unsafe and damaged goods in our country . "