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CLERK US DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

June 2014 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

ROBERT A. ERIE (1),
LYLE J. DE STIGTER (2),
E-WORLD RECYCLERS, LLC (3),

Defendants.

Case No. 14CR3660-AJB

I N D I C T M E N T
(Superseding)

Title 18, U.S.C., Sec. 371 -
Conspiracy; Title 18, U.S.C.,
Sec. 2320(a) - Trafficking in
Counterfeit Goods; Title 18,
U.S.C., Sec. 1519 - Obstruction
of Justice; Title 18, U.S.C.,
Sec. 2 - Aiding and Abetting;
Title 28, U.S.C.,
Sec. 2323(b) - Forfeiture

The grand jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. Defendant E-WORLD RECYCLERS, LLC ("E-World"), was an electronic recycling service company located in Vista, California, which was founded in 2006 by defendant ROBERT A. ERIE and others.

2. Defendant ROBERT A. ERIE was the Chief Executive Officer ("CEO") and co-founder of E-WORLD.

3. Defendant LYLE J. DE STIGTER was the Chief Operating Officer ("COO") and co-founder of E-WORLD.

1 a. Defendant ERIE caused E-WORLD to contract with Cycle
2 Chem, Inc., to receive counterfeit goods seized by CBP and DHS that
3 were intended to be destroyed.

4 b. Defendant ERIE caused the seized counterfeit goods that
5 were to be destroyed, including watches, to be transported from E-
6 World's facility to private off-site storage.

7 c. Defendants ERIE and DE STIGTER caused E-WORLD employees
8 to falsely certify on official United States Department of Treasury
9 forms that the counterfeit goods, including watches, had
10 been destroyed.

11 d. Defendant ERIE mailed, transported, transferred and
12 otherwise distributed to third-parties and co-conspirators the seized
13 counterfeit watches that were to have been destroyed.

14 e. Defendant ERIE altered records and correspondence to
15 give the false impression that the conspirators' illegal actions had
16 been approved by companies working with DHS and CBP.

17 OVERT ACTS

18 8. In furtherance of said conspiracy and to effect and
19 accomplish the objects thereof, the following overt acts, among
20 others, were committed within the Southern District of California,
21 and elsewhere:

22 a. In or about September 2009, defendant ERIE negotiated
23 for E-WORLD to sub-contract with Cycle Chem, Inc., which had a
24 contract with VSE Corporation, to perform electronic recycling
25 services related to counterfeit goods seized by CBP and DHS.

26 b. Between on or about November 4, 2009, and on or about
27 December 18, 2009, defendant ERIE caused VSE Corporation to ship and
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1 E-World to receive approximately 38 shipments containing approximately
2 1,888 pallets of counterfeit goods seized by CBP and DHS.

3 c. In or about November 2009, defendants ERIE and DE
4 STIGTER instructed E-WORLD employees, including D.R., to sign
5 documents certifying the destruction of DHS-seized counterfeit goods
6 even though defendants ERIE and DE STIGTER knew that the goods had not
7 all been destroyed.

8 d. On or about December 24, 2009, defendant ERIE rented
9 storage unit C1007 ("ERIE's personal storage unit"), at All City
10 Storage located at 1750 La Costa Meadows Avenue, San Marcos,
11 California.

12 e. After renting his personal storage unit, defendant ERIE
13 transported to ERIE's personal storage unit and stored DHS-seized
14 counterfeit goods, including watches bearing counterfeit marks related
15 to Coach, Chanel, Bebe, and Dolce Gabbana, and headphones bearing
16 counterfeit marks related to Bose, and continued to maintain the
17 storage unit through September 8, 2011.

18 f. Between November 4, 2009 and June 6, 2011, defendant
19 ERIE transported to his neighbor's house at 7141 Argonauta Way,
20 Carlsbad, California, and stored, DHS-seized counterfeit goods,
21 including watches bearing counterfeit marks related to Paneri,
22 Cartier, Romain Jerome, Patek Philippe, Audemars Piguet, Rolex,
23 Chanel, Bebe, Brietling, Omega Graham, Corum, Gucci, Ed Hardy, and
24 Coach.

25 g. On or about January 25, 2010, defendant ERIE sent at
26 least four separate shipments consisting of several boxes of
27 DHS-seized counterfeit watches to H.S. and D.D. in Ohio.

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1 h. On or about January 25, 2010, defendant ERIE sent
2 DHS-seized counterfeit watches to unindicted co-conspirator G.R.E.

3 i. On or about February 10, 2010, defendant ERIE altered
4 e-mail correspondence between himself and a Cycle Chem representative
5 to falsely suggest that Cycle Chem had granted E-WORLD permission to
6 redistribute and/or remarket the counterfeit watches.

7 j. On or about September 1, 2011, defendant ERIE paid All
8 City Storage \$389 for the monthly rent of storage unit C1007.
9 All in violation of Title 18, United States Code, Section 371.

10 Counts 2-9

11 (Trafficking in Counterfeit Goods - 18 U.S.C. Section 2320(a))

12 9. The Introductory Allegations in paragraphs 1 through 4 are
13 incorporated herein as if set forth in full.

14 10. On or about September 8, 2011, within the Southern District
15 of California and elsewhere, defendants ROBERT A. ERIE and E-WORLD
16 RECYCLERS, LLC did intentionally traffic and attempt to traffic in the
17 goods indicated below while knowingly using on and in connection with
18 such goods counterfeit marks that were substantially indistinguishable
19 from genuine trademarks from the makers below, the use of which was
20 likely to cause confusion, to cause mistake, and to deceive:

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Count	Item	U.S. Patent and Trademark #
2	Chanel Ladies' Metal Watch With White Square Face	Chanel 1,501,898
3	Chanel Ladies' Watch With White Band, White Round Face and Diamond Bezel	Chanel 3,133,139 & 1,501,898
4	Chanel Men's J12 Watch With Back Band and Black Round Face	Chanel 3,133,139 & 1,501,898

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Count	Item	U.S. Patent and Trademark #
5	Chanel Ladies' J12 With White Band, White Face and White Bezel	Chanel 1,501,898
6	Bose In-Ear Headphones	Bose 3,863,254 & 829,402 & 991,271
7	Gucci Ladies' Watch With Black Band and Black Oval Face	Gucci 959,338
8	Coach Ladies' Yellow Metal Watch With Square Face	Coach 2,832,589
9	Ed Hardy Ladies' Watch With Green Band and Round Face	Ed Hardy 3,654,597

All in violation of Title 18, United States Code, Section 2320(a).

Count 10

(Alteration or falsification of records In Federal Investigation -
18 U.S.C. Section 1519)

11. The Introductory Allegations in paragraphs 1 through 4 are incorporated herein as if set forth in full.

12. On or about August 18, 2011, within the Southern District of California and elsewhere, defendant ROBERT A. ERIE, with the intent to impede, obstruct, and influence, and in relation to and contemplation of, the investigation and proper administration of a matter within the jurisdiction of a department and agency of the United States - that is, a criminal investigation by the Department of Homeland Security into trafficking in counterfeit goods - knowingly altered, concealed, covered up, falsified and made a false entry in a record and document, namely, e-mails between ERIE and D.F. discussing the obligation to destroy and not redistribute counterfeit goods.

All in violation of Title 18, United States Code, Section 1519, and Title 18, U.S.C., Sec. 2 - Aiding and Abetting.

FORFEITURE ALLEGATION

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2 13. Upon conviction of the felony offenses alleged in Counts 1
3 through 9 of this Indictment and pursuant to Title 18, United States
4 Code, Section 2323(b), and Rule 32.2, Federal Rules of Criminal
5 Procedure, defendants ROBERT A. ERIE, LYLE J. DE STIGTER and E-WORLD
6 RECYCLERS, LLC shall forfeit to the United States: (a) any article,
7 the making or trafficking of which, is prohibited under Section 2320;
8 (b) any property used, or intended to be used, in any manner or part
9 to commit or facilitate the commission of the offenses set forth in
10 Counts 1 through 9; and (c) any property constituting or derived from
11 any proceeds obtained directly or indirectly as a result of the
12 commission of the offenses set forth in Counts 1 through 9. The
13 property to be forfeited includes, but is not limited to,
14 approximately 2,275 watches, 524 pens, and 12 in-ear headphones, all
15 bearing counterfeit marks.

16 14. If any of the above-described forfeited properties, as a
17 result of any act or omission of defendants ROBERT A. ERIE, LYLE J. DE
18 STIGTER or E-WORLD RECYCLERS, LLC cannot be located upon the exercise
19 of due diligence; has been transferred or sold to, or deposited with,
20 a third person; has been placed beyond the jurisdiction of the Court;
21 has been substantially diminished in value; or has been commingled
22 with other property which cannot be subdivided without difficulty, it
23 is the intent of the United States, pursuant to Title 21, United
24 States Code, Section 853(p), made applicable herein by Title 18,
25 United States Code, Section 2320(c) and 2323(b)(2), to seek forfeiture

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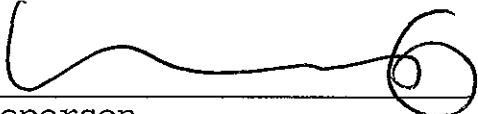
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1 of any other property of the defendants up to the value of the
2 property described above subject to forfeiture.

3 All pursuant to Title 18, United States Code, Section 2323(b).

4 DATED: September 24, 2015.

5 A TRUE BILL:

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7 _____
8 Foreperson

8 LAURA E. DUFFY
9 United States Attorney

10 By: 
11 REBECCA S. KANTER
12 Assistant U.S. Attorney

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