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Intellectual Property Rights

12/08/2011

### **Business owner pleads guilty to trafficking in counterfeit circuit breakers**



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JACKSONVILLE, Fla. – A Texas business owner pleaded guilty in federal court Wednesday to one count of mail fraud and one count of trafficking in counterfeit circuit breakers, following an investigation by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI).

Elod Tamas "Nick" Toldy, 62, of Austin, Texas, owner and operator of Pioneer Breaker & Control Supply in Austin, and Nick's Sales, the business' online sales and marketing component, is scheduled to be sentenced in April.

"This individual, motivated only by greed, has allowed these potentially dangerous counterfeit circuit breakers to be bought and used in homes and businesses around the country. These items, which have not been properly manufactured or tested, could lead to costly repairs, property damage, and even serious injury or death," said Susan McCormick, special agent in charge of the ICE HSI office overseeing Jacksonville. "Together with our law enforcement partners, HSI will continue to engage in an unrelenting pursuit of those companies and individuals who attempt to profit from the illegal trafficking of counterfeit products."

On April 21, 2010, ICE HSI special agents from Jacksonville and Austin executed a search warrant at Pioneer Breaker & Control Supply's warehouse in Austin, resulting in the seizure of approximately 19,000 counterfeit electrical components and label making equipment. The manufacturer's suggested retail price (MSRP) of the electrical components was more than \$1.7 million. A subsequent search of another warehouse in Laredo, Texas, by ICE HSI special agents there lead to the seizure of an additional 77,000 counterfeit circuit breakers with an MSRP of more than \$3 million.

According to court documents, beginning on or around December 2008 until April 2010, Toldy devised and executed a scheme in which he traveled to the People's Republic of China with sample circuit breakers produced in the United States and met with manufacturers there to produce products bearing the counterfeit trademark name "Stab-Lok." Toldy then imported the counterfeit circuit breakers into the United States bearing this counterfeit trademark and also "Zinsco," "Telemecanique," "ABB" and "Siemens."

Toldy would also affix labels bearing the counterfeit trademark of "UL" for "Underwriters Laboratories" on the circuit breakers and other electronic products. He then used his companies, Pioneer Breaker & Control Supply and Nick's Sales, to market and sell the counterfeit goods as legitimate products manufactured by the respective trade-holders and tested by United Laboratories.

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