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Maryland Man Convicted of Defrauding Cisco Systems Inc.

WASHINGTON – Iheanyi Frank Chinasa, 39, of Gaithersburg, Md., was convicted yesterday by a federal jury in Richmond, Va., of multiple fraud charges and obstruction of an official proceeding related to his participation in a scheme to defraud Cisco Systems Inc., announced Assistant Attorney General Lanny A. Breuer of the Criminal Division, U.S. Attorney Neil H. MacBride of the Eastern District of Virginia and Michael Morehart, Special Agent in Charge of the FBI Richmond Field Office.

Chinasa was convicted of one count of conspiracy to commit mail and wire fraud, eight counts of mail fraud, one count of wire fraud and one count of obstruction of an official proceeding. Chinasa is scheduled to be sentenced by Chief U.S. District Judge James R. Spencer on May 5, 2011. He faces a maximum penalty of 20 years in prison and a $250,000 fine for each count.

Chinasa was charged in a superseding indictment filed on Aug. 18, 2010. Robert Kendrick Chambliss, 31, of Henrico, Va., was also charged in the indictment and pleaded guilty prior to trial to conspiring to commit mail fraud and wire fraud.

According to court records and evidence at trial, Chinasa and Chambliss engaged in a scheme to defraud Cisco Systems Inc. As part of the scheme, Chinasa manufactured counterfeit computer networking and telecommunications equipment. Chinasa and Chambliss then contacted Cisco, falsely claiming that they were having trouble with a Cisco product covered by a warranty. Cisco would issue replacement parts, but its warranty required return of the allegedly defective product. Chinasa and Chambliss would send counterfeit product to Cisco to satisfy the return policy.

This case was investigated by the FBI. Assistant U.S. Attorney Michael C. Moore of the Eastern District of Virginia and Trial Attorney Kevin B. Muhlendorf of the Criminal Division's Fraud Section are prosecuting the case.