McGregor W. Scott
United States Attorney
Eastern District of California

Sacramento
501 I. Street, Ste 10-100
Sacramento CA 95814
Tel (916) 554-2700
TTY (916) 554-2855

Fresno
2500 Tulare St., Suite 4401
Fresno, CA 93721
Tel (559) 497-4000
TTY (559) 497-4500

NEWS RELEASE

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Contact: *David Gappa, 559-497-4020*

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CLOVIS AND FRESNO RESIDENTS PLEAD GUILTY TO CONSPIRACY TO COMMIT WIRE FRAUD, MAIL FRAUD, AND COPYRIGHT INFRINGEMENT

FRESNO - United States Attorney McGregor W. Scott announced today that JOHN EDWARD LEMMENES, 57, of Clovis, California, pleaded guilty before the Honorable Anthony W. Ishii, to one count of conspiracy to commit wire fraud, mail fraud, and criminal copyright infringement and one count of criminal copyright infringement. ROBERT CLOVIS COX, 54, of Fresno, California pleaded guilty before the Honorable Anthony W. Ishii, on February 7, 2007, to one count of conspiracy, one count of mail fraud, one count of wire fraud, and one count of criminal copyright infringement.

The case was investigated by the Fresno County Sheriff's Department with assistance from the Motion Picture Association of America.

According to Assistant United States Attorneys David Gappa and Mark Cullers, who are prosecuting the case, the defendants committed the offenses while working in management positions at a Mercury Marine distribution center in Fresno. Mercury Marine is an international manufacturer of marine propulsion systems. The defendants admitted that from approximately 1998 through March of 2005, they obtained payments and reimbursements from Mercury Marine for items that ostensibly were for the benefit of the company but in fact were for, among other things, personal household goods, food, and entertainment expenses, as well as repairs of personal automobiles. The total amount of fraudulent expenses was in the range of $200,000 to $400,000. The defendants also obtained at company expense thousands of audio and video recordings that were protected by federal copyright laws. The items were then reproduced at company expense, auctioned for sale on E-Bay, and then shipped to purchasers at company expense. When a search warrant was executed on March 10, 2005, officers of the Fresno County Sheriff's Department seized 2,099 DVDs in boxes that were ready for shipment at a storage facility under the control of one of the defendants. Some of the movies were still showing only in theaters, and the estimated loss to the movie industry from these titles alone was estimated at more than $53,000.

LEMMENES and COX will be sentenced on April 23, 2007, at 9:00 a.m. LEMMENES faces a prison term of up to five years on each count. COX faces a prison term of up to twenty years for the wire fraud and mail fraud counts and up to five years for the conspiracy and copyright infringements counts. For all of the counts, the defendants face a fine of up to $250,000, and a three-year term of supervised release.

However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

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