

Duke City jewelers busted for selling fake Native jewelry

Written by Gallupsun Staff
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Gallup, Zuni stores part of FBI STING

ALBUQUERQUE – Nael Ali, 53, of Albuquerque, N.M., pled guilty Oct. 18, in federal court to violating the Indian Arts and Crafts Act by selling counterfeit Native American-style jewelry out of two retail jewelry stores located in Albuquerque’s Old Town.

Ali entered a guilty plea to two felony charges under a plea agreement that recommends up to 18 months of imprisonment followed by a term of supervised release to be determined by the court.

The IACA prohibits the offer or display for sale, or the sale of any good in a manner that falsely suggests that it is Indian produced, an Indian product, or the product of a particular Indian and Indian tribe. The law is designed to prevent products from being marketed as “Indian made,” when the products are not, in fact, made by Indians.

It covers all Indian and Indian-style traditional and contemporary arts and crafts produced after 1935, and broadly applies to the marketing of arts and crafts by any person in the United States. IACA provides critical economic benefits for Native American cultural development by recognizing that forgery and fraudulent Indian arts and crafts diminish the livelihood of Native American artists and craftspeople by lowering both market prices and standards.

“Today’s guilty plea is a victory for Native Americans and the protection of their cultural heritage. Southwest Native American jewelry is world renowned for its craftsmanship and beauty. Those who pay top dollar to own these treasures should be able to trust their authenticity and know

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their money supports real Native Americans and their tribes,” said Acting U.S. Attorney James D. Tierney. “Convictions of profiteers like the defendant in this case restore trust in that marketplace and prevent the exploitation of Native Americans.”

“As Chairman of the Indian Arts and Crafts Board, U.S. Department of the Interior, I want to again convey the Board’s deep appreciation for the outstanding leadership and contributions provided by the U.S Attorney’s Office for the District of New Mexico and the U.S. Fish and Wildlife Service, along with the other agency partners who participated in bringing this landmark enforcement action under the Indian Arts and Crafts Act,” said Chairman Harvey Pratt of the Indian Arts and Crafts Board. “When Indian artists are undercut by the sale of fake Indian art, the integrity of authentic Indian art and artists suffer. Eliminating the flow of counterfeit Native American art and craftwork provides a level playing field for the highly talented, dedicated, and hard-working producers of genuine Native American art. “

“This case brought much needed attention to the issue of counterfeit Native American arts and crafts,” said Nicholas E. Chavez, Special Agent in Charge for the United States Fish and Wildlife Service, Office of Law Enforcement for the Southwest Region. “The U.S. Fish and Wildlife Service will continue to work closely with our tribal, federal, and state partners to investigate and prosecute individuals who would threaten the livelihoods of Native American artisans through forgery and fraud.”

“The beautiful and unique jewelry made by Native Americans is one of our country’s most precious cultural resources,” said Special Agent in Charge Terry Wade of the FBI’s Albuquerque Division. “The FBI is committed to investigating any attempt to cheat these artists out of the fruits of their labor, as well as the collectors who admire their work.”

Ali and co-defendant Mohammad Manasra, 57, also of Albuquerque, were charged in October 2015, in a four-count indictment with conspiracy to violate the IACA and three substantive violations of the Act. A ten-count superseding indictment was filed in March 2016, charging Ali and Manasra with conspiracy and substantive violations of the IACA, mail fraud and four counts of wire fraud.

According to the superseding indictment, Ali owned two jewelry stores, Gallery 8 and Galleria Azul, in Albuquerque’s Old Town specializing in Native American jewelry, and Manasra was a wholesaler of Native American jewelry. The superseding indictment alleged that Ali and Manasra violated the IACA by conspiring to import and fraudulently sell Filipino-made jewelry as

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Native American-made.

The charges against Ali and Manasra were the result of an ongoing federal investigation led by the U.S. Fish and Wildlife Service (FWS) and FBI into an international scheme to violate the IACA. During a law enforcement operation in Oct. 2015, federal agents executed 15 search warrants in New Mexico and one in California.

Eight of the search warrants were executed in Albuquerque including four at retail and wholesale jewelry businesses.

In addition, search warrants were executed at three jewelry stores in Gallup, three jewelry stores in Santa Fe, and a jewelry production shop in Zuni.

Federal agents also executed a search warrant at a jewelry store in Calistoga, Calif. Three federal seizure warrants also were executed on bank accounts in a Charlotte, N.C., bank and a San Francisco, Calif., bank. In addition, the Philippines National Bureau of Investigations conducted a series of investigative interviews at two factories in Cebu City, Philippines.

During today's change of plea hearing, Ali pled guilty to a two-count felony information charging him with violating the IACA. In his plea agreement, Ali admitted operating Gallery 8, a store in Old Town Albuquerque, where he sold Native American-style jewelry made by laborers in the Philippines. Ali admitted mixing Filipino-made jewelry with Native American-made jewelry without labeling the Filipino-made jewelry with the country of origin. Ali also admitted intentionally stocking the Filipino-made jewelry in a manner that falsely suggested that it was Native-American made; providing lists for the employees to reference symbols and initials to falsely suggest the jewelry was Native American-made; and training employees to tell customers the jewelry was Native American-made. Ali also admitted that on Feb. 26, 2014, an employee acting at Ali's direction sold ten rings, which he represented as Navajo-made but were actually Filipino-made, to an undercover law enforcement agent for \$1,115.

According to the plea agreement, from Oct. 8 2015 through Oct. 28, 2015, Ali operated two stores in Albuquerque's Old Town – Gallery 8 and Galleria Azul – where Ali personally displayed and offered Filipino-made Native American-style jewelry for sale as Native American-made. Ali admitted that he personally represented to another undercover agent that

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all of his Native American-style jewelry had been made by Native Americans and members of tribes, including the Navajo Nation and Zuni Pueblo. Ali acknowledged that the total value of Filipino jewelry offered and displayed for sale in his stores as Native American-made far exceeded \$1,000 in retail and wholesale price.

On Oct. 5, 2016, Manasra entered a guilty plea to a misdemeanor information charging him with violating IACA. In entering the guilty plea, Manasra admitted that on Oct. 19, 2014, he fraudulently sold a Kokopelli pendant and earring set, two rings, a bracelet and an orange cluster pendant to an undercover law enforcement agent. Manasra further admitted that he knew the jewelry was made in the Philippines even though he intentionally told the undercover agent that the Kokopelli set was “Zuni” and the rings, bracelet and cluster set were “Navajo.” Manasra admitted that Filipino-made jewelry had been displayed, offered and sold falsely to suggest that it had been made by members of federally recognized Indian Tribes. At sentencing, Manasra faces a maximum penalty of one year in prison or a maximum of five years of probation.

Sentencing hearings for Ali and Manasra have yet to be scheduled.