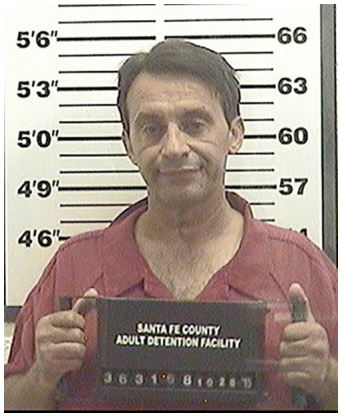

Store owner sold Filipino-made jewelry claiming it was Native-American-made

ALBUQUERQUE – U.S. District Judge Judith C. Herrera of the District of New Mexico sentenced Nael Ali, 54, of Albuquerque, for violating the Indian Arts and Craft Act by fraudulently selling counterfeit Native American jewelry as Indian-Made Aug. 28.

Judge Herrera sentenced Ali, who previously pled guilty to two felony IACA charges, to six months of imprisonment followed by a year of supervised release. Ali was also ordered to pay $9,048.78 in restitution.

The IACA prohibits the offer or display for sale, or the sale of any good in a manner that falsely suggests that it is Native-produced, an Native American product, or the product of a particular Native American individual or tribe.

The law is designed to prevent products from being marketed as “Indian made,” when the products are not, in fact, made by Native Americans. It covers all Native or Native-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.

“The tremendous contributions made by Native Americans to the cultural and artistic heritage of our nation must be preserved and protected,” said New Mexico U.S. Attorney John C. Anderson. “This case and the continuing investigation demonstrates the Justice Department’s commitment to safeguard the rich culture and heritage of New Mexico’s Pueblos and Tribes while promoting confidence in New Mexico’s rich art market.”

Chairman, Indian Arts and Crafts Board, U.S. Department of the Interior Harvey Pratt said, “We applaud the outstanding work conducted by the Office of the U.S. Attorney in District of New Mexico, the U.S. Fish and Wildlife Service Special Agents who conduct Act investigations on behalf of the Board, and all others who have assisted in this landmark case. Their commitment to combating the onslaught of counterfeit Indian art is to be highly commended. The Board firmly believes that robust Indian Arts and Crafts Act enforcement is imperative to protecting and strengthening Indian Country’s economies, artistic traditions, and cultural heritage for both current and future generations.”

Acting Assistant Director of the Office of Law Enforcement for the U.S Fish and Wildlife Service Edward Grace said, “This landmark investigation has brought much needed attention to the rampant problem of counterfeit Native American jewelry and art in the marketplace. We hope today’s sentencings will deter others who would seek to defraud consumers and undermine Native American artists.”

The charges against Ali and co-defendant Mohammad Manasra, 58, also of Albuquerque, were the result of an ongoing federal investigation led by the U.S. Fish and Wildlife Service and FBI into an international scheme to violate the IACA.

“Native American art is more than stunning jewelry. It also is a critical source of income for the many different tribes that create it and share with the world their culture and history,” said Special Agent in Charge James C. Langenberg of the FBI’s Albuquerque Division. “The FBI worked closely with our partners on this case, which we hope demonstrates our commitment to protecting one of our country’s most precious resources.”

During a law enforcement operation in October 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.

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

The superseding indictment charged Ali, the owner of two jewelry stores, Gallery 8 and Galleria Azul, in Albuquerque's Old Town specializing in Native American jewelry, and Manasra, a wholesaler of Native American jewelry, with violating IACA by conspiring to import and fraudulently sell Filipino-made jewelry as Native American-made.

Ali pled guilty on Oct. 18, 2017, to violating IACA by selling counterfeit Native American-style jewelry out of two retail jewelry stores located in Albuquerque's Old Town.

In entering the guilty plea, Ali admitted selling Native American-style jewelry made by laborers in the Philippines; mixing Filipino-made jewelry with Native American-made jewelry without labeling the Filipino-made jewelry with the country of origin; 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.

Manasra pled guilty to a misdemeanor charge of violating IACA on Oct. 5, 2017, and admitted fraudulently selling a Kokopelli pendant and earing set, two rings, a bracelet and an orange

cluster pendant to an undercover agent. Manasra acknowledged knowing 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,” and displaying the Filipino-made jewelry to suggest that it was made by members of federally recognized Indian Tribes.

Manasra was sentenced on May 10, 2018, to two days of imprisonment and a year of supervised release. Manasra also was ordered to forfeit 5,268 pieces of Native-American style jewelry and to pay a $500 money judgment.

“HSI will continue to work with our federal, tribal and local law enforcement partners to protect the intellectual property and cultural patrimony of Native Americans,” said HSI Special Agent in Charge Jack P. Staton. “We will be relentless and use our cross-border authority to make sure individuals, who want to profit from crimes such as these, are brought to justice.”

HSI is a critical investigative arm of the Department of Homeland Security and is a vital U.S. asset in combating criminal organizations illegally exploiting America’s travel, trade, financial and immigration systems.

“It was an honor to assist with this unique and important case to help protect something truly exclusive to this region. It has been a recent trend that when our two agencies work together, great things happen,” said Captain Tim Cimbal, Northwest Area Field Operations, State of New Mexico Department of Game and Fish.