



UNITED STATES ATTORNEY'S OFFICE
Southern District of New York

U.S. ATTORNEY PREET BHARARA

FOR IMMEDIATE RELEASE
Wednesday, August 1, 2012
<http://www.justice.gov/usao/nys>

CONTACT: U.S. ATTORNEY'S OFFICE
Ellen Davis, Jerika Richardson,
Jennifer Queliz
(212) 637-2600

**MANHATTAN U.S. ATTORNEY ANNOUNCES GUILTY PLEA OF
STUDENT WHO CREATED AND DISSEMINATED COUNTERFEIT
COUPONS ON THE INTERNET**

Preet Bharara, the United States Attorney for the Southern District of New York, announced that LUCAS TOWNSEND HENDERSON pled guilty today in Manhattan federal court to wire fraud and trafficking in counterfeit goods, in connection with his creation, dissemination, and use of counterfeit online coupons for a variety of products, including household goods and expensive video game systems. HENDERSON's scheme caused retailers and manufacturers to lose approximately \$900,000. He pled guilty today before U.S. District Judge John F. Keenan.

According to the Complaint and the Information filed in Manhattan federal court:

Since July 2010, HENDERSON created counterfeit coupons designed to look like legitimate ones that are made available to consumers via the website, www.SmartSource.com. The counterfeit coupons, which ranged from lower-priced consumer goods like energy drinks, beer, and cigarettes, to more expensive items such as X-Box and PlayStation video game consoles, all made unauthorized use of the "Powered by SmartSource" logo, and a distinctive border, both of which are registered trademarks belonging to News America Marketing, a subsidiary of the Manhattan-based News Corporation. Between July 2010 and March 2011, HENDERSON made a number of the counterfeit coupons available on the Internet by anonymously posting on two message boards devoted to the discussion of online coupons. In addition to creating and disseminating fake coupons himself, HENDERSON also wrote tutorials and created templates that he posted online and that provided instructions to others for creating counterfeit coupons using their own computers.

HENDERSON's actions have resulted in substantial losses to the manufacturers of various affected products and the retailers who sold them. Consumers are also affected by higher prices that manufacturers charge for their goods to compensate for losses due to fraud. For example, in December 2010, \$200,000 worth of counterfeit coupons for Tide laundry detergent were redeemed by consumers over a two to three-week period. Procter & Gamble, which manufactures Tide and is the single largest coupon issuer in the United States, has never issued an online print-at-home coupon. The costs associated with the redemption of those counterfeit

coupons were subsequently borne by Procter & Gamble and the various retailers victimized by the fraud.

* * *

HENDERSON, 23, of Lubbock, Texas, faces a maximum sentence of 30 years in prison. He is scheduled to be sentenced by Judge Keenan on November 30, 2012 at 11:30 a.m.

Mr. Bharara praised the investigative work of the Federal Bureau of Investigation (“FBI”).

This case is being handled by the Office’s Complex Frauds Unit. Assistant U.S. Attorney Christopher D. Frey is in charge of the prosecution.

12-236

###