



Department of Justice

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District of Oregon

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FORMER NIKE SALESMAN SENTENCED TO 13 MONTHS IN PRISON FOR SELLING DISCOUNTED MERCHANDISE TO OWN COMPANIES

PORTLAND, Ore. – David Reichert, 51, of St. Louis, Missouri, was sentenced today to 13 months in federal prison for using his position as a Nike salesman to procure heavily-discounted Nike-brand merchandise for resale by two companies he co-owned with a business partner.

According to court documents, as a Nike Inc. salesman and wholesale account executive, Reichert sold licensed apparel—Nike-brand clothes and accessories emblazoned with team names and logos—to retailers throughout the Midwest. Reichert was authorized to give discounts to his customers on the listed wholesale prices of various merchandise. Such discounts rarely totaled more than 20% for even the largest and most important customers.

In 2008, Reichert and a business partner bought a sportswear retailer in the St. Louis area called Fan-a-Mania, Inc and incorporated a second called JLL Sports Inc. Fan-a-Mania was a longtime Nike customer whose wholesale account was managed by Reichert. Reichert managed the wholesale accounts of both companies without disclosing his ownership interests to his superiors at Nike. By 2012, Reichert was giving extraordinary and unauthorized discounts averaging more than 57% to both companies—and thus to himself.

Reichert's discounts for his own companies were nearly three times the discounts extended to any of the 25 other wholesale accounts he managed for Nike. In total, Reichert's embezzlement of licensed Nike-brand merchandise cost the company more than \$769,000. In imposing sentence, Senior U.S. District Judge Robert E. Jones emphasized the greed underlying Reichert's conduct and ordered him to pay full restitution to Nike.

Reichert previously pleaded guilty to two counts of wire fraud on April 25, 2018.

Nike Inc. extensively investigated these crimes before reporting them to the FBI. The FBI then independently investigated the matter. It was prosecuted by Ryan W. Bounds, Assistant U.S. Attorney for the District of Oregon.

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