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## **Former Nike Marketing Manager Sentenced in Scheme to Defraud Company**

PORTLAND, Ore.—A former marketing manager at Nike, Inc. was sentenced to more than two-and-a-half years in federal prison today for perpetrating a scheme to defraud his former employer and a childhood friend.

Errol Andam, 47, formerly of Beaverton, Oregon, was sentenced to 31 months in federal prison and 3 years of supervised release. Andam was also ordered to pay more than \$1.6 million in restitution. The Internal Revenue Service had already seized \$212,838 in criminally-derived proceeds from Andam, and those were forfeited as well.

According to court documents, from 2001 until his termination in 2018, Andam was employed by Nike at its headquarters in Beaverton. Most recently, Andam worked as a manager in the company's North American Retail Brand Marketing division wherein he managed the design, build-out, and operation of "pop-up" retail venues, temporary Nike shops situated near and tailored to sports competitions and other special events around the U.S.

In the summer of 2016, Andam recruited a childhood friend to establish a company to design and build the pop-up venues as an independent contractor for Nike. Andam used his authority as a manager at Nike to ensure that his friend's company was consistently awarded the contracts for these jobs. Though he had no formal role in his friend's company, Andam assumed control of much of the company's financial operations, managing financial accounts and issuing invoices to Nike.

To conceal his role in the scheme, Andam used an alter ego, "Frank Little," to invoice Nike and manage the contract company's account with Square, Inc., a California-based provider of mobile credit-card-processing services. In 2016, Andam also renewed the lapsed registration of an Oregon-based limited liability corporation (LLC) he owned so that he could use the defunct entity as a shell company to funnel the proceeds diverted from Nike and his friend's company to accounts under his personal control.

Beginning in September 2016, Andam caused credit-card sales at various pop-up venues around the U.S. to be run through card readers associated with a Square account owned by his friend's company. These proceeds were transferred to Square in California and then to Andam's LLC bank account in Oregon. Andam represented to both Nike and his friend that the proceeds of these sales were credited against the total amount Nike owed to his friend's company. In truth, Andam simply pocketed the proceeds and, as "Frank Little," invoiced Nike for the full cost of the contracted services.

From September 2016 through December 2018, Andam diverted and embezzled nearly \$1.5 million in Nike proceeds for his own use. In July 2018, Andam submitted a fake financial statement from his LLC in support of a residential mortgage loan application. The financial statement falsely reflected as revenue checks for \$194,000 drawn on a bank account owned by his friend's business. Andam forged his friend's signature on one of the checks and withdrew much of that money without his friend's knowledge.

On February 4, 2021, Andam was [charged](#) by criminal information with wire fraud, money laundering, and making false statements on a loan application. On April 12, 2021, he [pleaded guilty](#) to all three charges.

This case was investigated by IRS Criminal Investigation and the FBI. It was prosecuted by Ryan W. Bounds, Assistant U.S. Attorney for the District of Oregon.

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