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CHINESE HONEY SUPPLIER PLEADS GUILTY TO CONSPIRACY TO EVADE U.S. RESTRICTIONS ON IMPORTED HONEY

CHICAGO – The president of a honey manufacturer in China pleaded guilty today to conspiring to illegally import Chinese honey that was falsely identified as coming from the Philippines into the United States to avoid domestic anti-dumping duties. The defendant, **Yong Xiang Yan**, pleaded guilty to one count of conspiracy to illegally smuggle goods into the United States in 2005 involving 15 full container loads of Chinese-origin honey that had a duty value of more than \$305,000, and avoiding anti-dumping duties of approximately \$635,515.

As relevant conduct to be taken into consideration at sentencing, Yan acknowledged that he authorized an additional 21 shipments of Chinese honey through the Philippines and Thailand, which entered the United States in the state of Washington, and avoided an additional \$3.3 million in anti-dumping duties, bringing the total figure to approximately \$3,953,515.

Yan, 60, the president of Changge City Jixiang Bee Product Co Ltd., a honey manufacturer located in Henan, China, was arrested on May 6, 2009, in Los Angeles on federal charges filed in Chicago. He has remained in federal custody since then.

According to a criminal information that was filed against Yan on Oct. 21, some of the Chinese honey that Yan shipped to the United States was adulterated with antibiotics, specifically Norfloxacin and Ciprofloxacin, which are banned from domestic foods.

Neither the charges or the plea agreement indicate any instances of illness or other public health consequences attributed to consumption of the honey, nor does it identify any store brands or domestic supply chain of any honey that was illegally imported or adulterated.

Yan pleaded guilty before U.S. District Judge Wayne Andersen, who set sentencing for April 22, 2010. The plea was announced by Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Gary J. Hartwig, Special Agent-in-Charge of the U.S. Immigration and Customs Enforcement (ICE) Office of Investigations in Chicago.

“Anyone who mislabels goods imported into the United States defrauds the U.S. government and gains an unfair financial advantage over their competitors. ICE investigates criminals who try to circumvent our nation’s customs laws to profit illegally. These laws protect U.S. businesses and the American public,” said Mr. Hartwig.

Yan faces a maximum penalty of five years in prison and a \$250,000 fine.

According to the charges and plea agreement, the Commerce Department and International Trade Administration imposed antidumping duties, at a default rate of 221 percent, on the importation of honey manufactured in the People’s Republic of China, effective in July 2007.

In pleading guilty, Yan admitted that between 2005 and February 2008, he conspired with others — including nine individuals in the U.S. and Asia, as well as a German trading company and its subsidiaries in the United States, Beijing and Hong Kong — to illegally import Chinese honey, including adulterated honey, into the United States and avoid antidumping duties by falsely

declaring that honey from China had originated elsewhere. In 2005, Yan caused the shipment of 15 full container loads of honey from China to the Philippines, where it was mislabeled as originating there, and then to the United States as a product of the Philippines. Yan also admitted or acknowledged that additional shipments of Chinese honey were mislabeled as a product of the Philippines or Thailand and entered the United States through the port of Seattle.

Another Chinese national who was arrested with Yan, Boa Zhong Zhang, who arranged honey shipments for Yan's company and worked under his supervision, pleaded guilty in August to similar federal charges in Seattle, where charges remain pending against a third man identified in Yan's plea agreement as Chung Po Liu, of suburban Seattle.

The government is being represented by Assistant U.S. Attorneys Andrew Boutros and William Hogan.

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