

NEWS

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FOR IMMEDIATE RELEASE

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CEO of Seafood Importer Pleads Guilty to Importing and Selling Falsely Labeled Fish from Vietnam

- Attempts to Evade \$60 Million in Federal Tariffs -

(More)

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NEWARK – The chief executive officer of Sterling Seafood Corporation located in Cresskill pleaded guilty today to importing falsely labeled fish from Vietnam and evading over \$60 million in federal tariffs, as well as selling over \$500,000 in similarly misbranded fish purchased from another importer in the United States, U.S. Attorney Paul J. Fishman announced.

Thomas George, 61, of Old Tappan, made his first appearance in federal court and pleaded guilty before U.S. Magistrate Judge Patty Shwartz to a two-count Information charging him with one count of importing falsely labeled goods into the United States and one count of selling falsely labeled fish in the United States with the intent to defraud. Sentencing is scheduled for April 28 before U.S. District Judge Faith S. Hochberg.

“Today’s plea reflects this office’s commitment to enforcing customs duties and prosecuting consumer fraud,” said Fishman. “This office will continue to protect fair competition in the marketplace and consumers’ right to know what they are purchasing.”

An investigation by Special Agents with the U.S. Immigration and Customs Enforcement revealed that from January 2003 to June 2006, George maintained a business relationship through Sterling Seafood with a seafood distribution company located in Vietnam. As part of that business relationship, Sterling Seafood regularly purchased a type of fish product in the catfish family, specifically *Pangasius hypophthalmus*, sometimes referred to as Vietnamese catfish. Sterling Seafood would then resell the Vietnamese catfish in the United States.

In the interest of fairly regulating commerce in the U.S., the U.S. Department of Commerce (“DOC”) establishes antidumping duties or tariffs on certain imported products. In January 2003, an antidumping duty or tariff was placed on all imports of Vietnamese catfish into the United States because the Vietnamese catfish was being marketed at a significantly lower price than was market rate at the time. That initial antidumping order imposed a duty of up to 63.88 percent on all catfish subject to the order, and was adjusted at various later dates based on market conditions.

At his plea hearing, George admitted that from 2004 to 2006, he agreed with the Vietnamese distribution company to engage in a scheme to falsely identify and declare the purchase and importation of the Vietnamese catfish in order to evade the applicable antidumping duties. George stated that he specifically instructed the Vietnamese company to fraudulently identify the Vietnamese catfish as “grouper” on commercial contracts, purchase orders, and other documents because grouper was not subject to antidumping duties. George further admitted that, based upon these false statements and fraudulent documents, he, through Sterling Seafood, avoided over \$60 million in antidumping duties.

Additionally, George admitted that from 2004 to 2005 he purchased over \$500,000 of similarly misbranded Vietnamese catfish that was imported from Vietnam by a Virginia corporation and then sold that misbranded Vietnamese catfish throughout the United States.

“ICE will use its global law enforcement experience, expertise and proficiency to investigate, disrupt and dismantle organizations that engage in grand scale consumer fraud,” said Peter T.

Edge, Special Agent in Charge of ICE's Office of Investigations in Newark. "While the monetary loss to the U.S. government in this case was significant, American consumers have a right to be protected from improperly labeled seafood."

"This case is an example of effective coordination among federal law enforcement agencies to investigate illegal activity that hurts economic markets, defrauds consumers and masks the depletion of fishery resources by substituting a lower value farmed species for one being depleted in the wild," said Ignacia S. Moreno, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division.

The charge of importing of falsely labeled goods into the United States carries a maximum statutory sentence of 2 years in prison and a \$250,000 fine, or twice the pecuniary gain derived from the offense. Count Two, which charges selling misbranded fish in the United States, carries a maximum statutory sentence of 3 years in prison and a \$250,000 fine, or twice the pecuniary gain derived from the offense.

In addition, George has agreed to make a \$50,000 community service payment to the National Fish and Wildlife Foundation to be expressly earmarked for research into the identification of fish and other marine organisms.

In determining an actual sentence, Judge Hochberg will consult the advisory U.S. Sentencing Guidelines, which provide appropriate sentencing ranges that take into account the severity and characteristics of the offense, the defendant's criminal history, if any, and other factors. The Judge, however, is not bound by those guidelines in determining a sentence. Parole has been abolished in the federal system. Defendants who are given custodial terms must serve nearly all that time.

Fishman credited Special Agents with ICE, under the direction of Special Agent in Charge Peter T. Edge; NOAA Fisheries Office of Law Enforcement Northeast Division, under the direction of Special Agent in Charge Andrew Cohen in Gloucester, Mass.; the FDA Office of Criminal Investigations, under the direction of Special Agent in Charge Mark Dragonetti in Jersey City; and the Environmental Crimes Section of the Department of Justice in Washington, D.C., under the direction of Ignacia S. Moreno, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division, with the investigation and prosecution of the case.

The government is represented by Assistant U.S. Attorneys Marc Larkins and Zahid N. Quraishi of the U.S. Attorney's Office Criminal Division in Newark, and Elinor Colbourn with DOJ's Environmental Crimes Section.

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Defense Counsel:
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