

8/18/2020

FILED IN OPEN COURT

9/15/2020

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

CLERK, U. S. DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE, FLORIDA

UNITED STATES OF AMERICA

v.

CASE NO. 3:19-cr-192-J-20JRK

YANG YANG,  
a/k/a "Yang Chen,"  
a/k/a "Yuki"

**PLEA AGREEMENT**

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by Maria Chapa Lopez, United States Attorney for the Middle District of Florida, and the defendant, YANG YANG, and the attorney for the defendant, William Mallory Kent, mutually agree as follows:

**A. Particularized Terms**

**1. Counts Pleading To**

The defendant shall enter a plea of guilty to Counts Four and Six of the Indictment. Count Four charges the defendant with conspiracy to commit crimes against the United States in violation of 18 U.S.C. § 371, specifically, knowingly causing the submission of false and misleading export information through a Shipper's Export Declaration and the Department of Commerce's Automated Export System, in violation of 13 U.S.C. § 305; and fraudulently and knowingly attempting to export and send from the United

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AF Approval BJ

States any merchandise, article, and object contrary to any law or regulation of the United States, in violation of 18 U.S.C. § 554. Count Six charges that, in violation of 18 U.S.C. §§ 554 and 2, the defendant fraudulently and knowingly attempted to export and send, and aided and abetted an attempt to export and send, from the United States seven inflatable vessels and associated accessories, including eight engines, in a manner contrary to the law of the United States, specifically, in violation of 13 U.S.C. § 305, as alleged in Count Five.

**2. Maximum Penalties**

Count Four carries a maximum sentence of 5 years' imprisonment, a fine of \$250,000, or both imprisonment and fines, a term of supervised release of not more than 3 years, and 2 years' imprisonment in connection with any violation of the term of supervised release, possibly followed by an additional term of supervised release, and a special assessment of \$100.

Count Six carries a maximum sentence of 10 years' imprisonment, a fine of \$250,000, or both imprisonment and fines, a term of supervised release of not more than 3 years, and 2 years' imprisonment in connection with any violation of the term of supervised release, possibly

followed by an additional term of supervised release, and a special assessment of \$100.

If imposed consecutively, the cumulative penalties for Counts Four and Six are a maximum sentence of 15 years' imprisonment, a fine of \$500,000, or both imprisonment and fines, a term of supervised release of not more than 3 years, and 4 years' imprisonment in connection with any violation of the term of supervised release, possibly followed by an additional term of supervised release, and a special assessment of \$200.

**3. Elements of the Offenses**

The defendant acknowledges understanding the nature and elements of the offenses with which defendant has been charged and to which defendant is pleading guilty.

**Count Four**

The elements of Count Four are:

- First:** two or more persons in some way agreed to try to accomplish a shared and unlawful plan to knowingly cause the submission of false or misleading export information through a Shipper's Export Declaration or the Department of Commerce's Automated Export System, or to fraudulently and knowingly attempt to export and send from the United States any merchandise, article, or object contrary to any law or regulation of the United States;
- Second:** the Defendant knew the unlawful purpose of the plan and willfully joined in it;

Third: during the conspiracy, at least one of the conspirators knowingly engaged in at least one overt act as described in the indictment; and

Fourth: the overt act was committed at or about the time alleged and with the purpose of carrying out or accomplishing an object of the conspiracy.

Count Six

The elements of Count Six are:

First: the defendant intentionally attempted, or aided and abetted an attempt, to export or send any merchandise, article, or object from the United States;

Second: the manner of the attempted export violated the law of the United States; and

Third: the defendant acted knowing that the manner of export violated federal law or with intent to defraud.

**4. Counts Dismissed**

At the time of sentencing, the remaining counts against the defendant, Counts One and Five, will be dismissed pursuant to Fed. R. Crim. P. 11(c)(1)(A).

**5. Acceptance of Responsibility - Three Levels**

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will recommend to the Court that the defendant receive a two-level downward adjustment for acceptance of responsibility, pursuant to

USSG § 3E1.1(a). The defendant understands that this recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

Further, at the time of sentencing, if the defendant's offense level prior to operation of subsection (a) is level 16 or greater, and if the defendant complies with the provisions of USSG § 3E1.1(b) and all terms of this Plea Agreement, including but not limited to, the timely submission of the financial affidavit referenced in Paragraph B.5., the United States agrees to file a motion pursuant to USSG § 3E1.1(b) for a downward adjustment of one additional level. The defendant understands that the determination as to whether the defendant has qualified for a downward adjustment of a third level for acceptance of responsibility rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that the defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

**6. Guidelines Sentence**

Pursuant to Fed. R. Crim. P. 11(c)(1)(B), the United States will recommend to the Court that the defendant be sentenced within the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines, as adjusted by any departure the

United States has agreed to recommend in this plea agreement. The parties understand that such a recommendation is not binding on the Court and that, if it is not accepted by this Court, neither the United States nor the defendant will be allowed to withdraw from the plea agreement, and the defendant will not be allowed to withdraw from the plea of guilty.

7. **Forfeiture of Assets**

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), whether in the possession or control of the United States, the defendant or defendant's nominees.

The defendant agrees and consents to the forfeiture of these assets pursuant to any federal criminal, civil judicial or administrative forfeiture action. The defendant also agrees to waive all constitutional, statutory, and procedural challenges (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any ground, including that the forfeiture described herein constitutes an excessive fine, or was not properly noticed in the charging instrument, addressed by the Court at the time of the guilty plea, announced at sentencing, or incorporated into the judgment.

If the United States seeks the forfeiture of specific assets pursuant to Rule 32.2(b)(4), the defendant agrees that the preliminary order of forfeiture will satisfy the notice requirement and will be final as to the defendant at the time it is entered. In the event the forfeiture is omitted from the judgment, the defendant agrees that the forfeiture order may be incorporated into the written judgment at any time pursuant to Rule 36.

The defendant agrees to take all steps necessary to identify and locate all property subject to forfeiture and to transfer custody of such property to the United States before the defendant's sentencing. To that end, the defendant agrees to make a full and complete disclosure of all assets over which defendant exercises control directly or indirectly, including all assets held by nominees, to execute any documents requested by the United States to obtain from any other parties by lawful means any records of assets owned by the defendant, and to consent to the release of the defendant's tax returns for the previous five years. The defendant further agrees to be interviewed by the government, prior to and after sentencing, regarding such assets and their connection to criminal conduct. The defendant further agrees to be polygraphed on the issue of assets, if it is deemed necessary by the United States. The defendant agrees that Federal Rule of Criminal Procedure 11 and

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USSG § 1B1.8 will not protect from forfeiture assets disclosed by the defendant as part of the defendant's cooperation.

The defendant agrees to take all steps necessary to assist the government in obtaining clear title to the forfeitable assets before the defendant's sentencing. In addition to providing full and complete information about forfeitable assets, these steps include, but are not limited to, the surrender of title, the signing of a consent decree of forfeiture, and the signing of any other documents necessary to effectuate such transfers.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon the defendant in addition to forfeiture.

The defendant agrees that, in the event the Court determines that the defendant has breached this section of the Plea Agreement, the defendant may be found ineligible for a reduction in the Guidelines calculation for acceptance of responsibility and substantial assistance, and may be eligible for an obstruction of justice enhancement.

The defendant agrees that the forfeiture provisions of this plea agreement are intended to, and will, survive the defendant, notwithstanding the abatement of any underlying criminal conviction after the execution of this agreement. The forfeitability of any particular property pursuant to this

agreement shall be determined as if the defendant had survived, and that determination shall be binding upon defendant's heirs, successors, and assigns until the agreed forfeiture, including any agreed forfeiture amount, is collected in full.

**B. Standard Terms and Conditions**

**1. Restitution, Special Assessment and Fine**

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offenses, pursuant to 18 U.S.C. ' 3663A, for all offenses described in 18 U.S.C. ' 3663A(c)(1); and the Court may order the defendant to make restitution to any victim of the offenses, pursuant to 18 U.S.C. ' 3663, including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this agreement. The defendant further understands that compliance with any restitution payment plan imposed by the Court in no way precludes the United States from simultaneously pursuing other statutory remedies for collecting restitution (28 U.S.C. ' 3003(b)(2)), including, but not limited to, garnishment and execution, pursuant to the Mandatory Victims Restitution Act, in order to ensure that the defendant's restitution obligation is satisfied.

On each count to which a plea of guilty is entered, the Court shall impose a special assessment pursuant to 18 U.S.C. ' 3013. The special assessment is due on the date of sentencing. The defendant understands that this agreement imposes no limitation as to fine.

**2. Supervised Release**

The defendant understands that the offenses to which the defendant is pleading provide for imposition of a term of supervised release upon release from imprisonment, and that, if the defendant should violate the conditions of release, the defendant would be subject to a further term of imprisonment.

**3. Immigration Consequences of Pleading Guilty**

The defendant has been advised and understands that, upon conviction, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

**4. Sentencing Information**

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the background, character, and conduct of the defendant, to provide relevant factual information, including the totality of the defendant's criminal

activities, if any, not limited to the counts to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any.

**5. Financial Disclosures**

Pursuant to 18 U.S.C. ' 3664(d)(3) and Fed. R. Crim. P. 32(d)(2)(A)(ii), the defendant agrees to complete and submit to the United States Attorney's Office within 30 days of execution of this agreement an affidavit reflecting the defendant's financial condition. The defendant promises that her financial statement and disclosures will be complete, accurate and truthful and will include all assets in which she has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, dependent, nominee, or other third party. The defendant further agrees to execute any documents requested by the United States needed to obtain from any third parties any records of assets owned by the defendant, directly or through a nominee, and, by the execution of this Plea Agreement, consents to the release of the defendant's tax returns for the previous five years. The defendant similarly agrees and authorizes the United States Attorney's Office to provide to, and obtain from, the United States

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Probation Office, the financial affidavit, any of the defendant's federal, state, and local tax returns, bank records, and any other financial information concerning the defendant, for the purpose of making any recommendations to the Court and for collecting any assessments, fines, restitution, or forfeiture ordered by the Court. The defendant expressly authorizes the United States Attorney's Office to obtain current credit reports in order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

**6. Sentencing Recommendations**

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of the United States Probation Office. The defendant further understands and acknowledges that any discussions between the defendant or the defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, the defendant will not be permitted to withdraw

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defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

**7. Defendant's Waiver of Right to Appeal the Sentence**

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the right to appeal defendant's sentence on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. ' 3742(b), then the defendant is released from her waiver and may appeal the sentence as authorized by 18 U.S.C. ' 3742(a).

**8. Middle District of Florida Agreement**

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and cannot bind other federal, state, or local prosecuting authorities, although this office will bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

**9. Filing of Agreement**

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

**10. Voluntariness**

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government, and the defendant and the defendant's attorney, and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges the defendant's understanding of the nature of the offense or offenses to which the defendant is pleading guilty and the elements thereof, including the penalties provided by law, and the defendant's complete satisfaction with the

representation and advice received from the defendant's undersigned counsel (if any). The defendant also understands that the defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that the defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against the defendant, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in the defendant's defense; but, by pleading guilty, the defendant waives or gives up those rights and there will be no trial. The defendant further understands that if the defendant pleads guilty, the Court may ask the defendant questions about the offense or offenses to which the defendant pleaded, and if the defendant answers those questions under oath, on the record, and in the presence of counsel (if any), the defendant's answers may later be used against the defendant in a prosecution for perjury or false statement. The defendant also understands that the defendant will be adjudicated guilty of the offenses to which the defendant has pleaded and, if any of such offenses are felonies, may thereby be deprived of certain rights, such as the right to vote, to hold public office, to serve on a jury, or to have possession of firearms.

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**11. Factual Basis**

The defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that the defendant does hereby admit that the facts set forth in the attached "Factual Basis," which is incorporated herein by reference, are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt.

**12. Entire Agreement**

This plea agreement constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

**13. Certification**

The defendant and the defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

DATED this 15 <sup>September 20</sup> day of ~~August~~ 2020.



\_\_\_\_\_  
YANG YANG  
Defendant

MARIA CHAPA LOPEZ  
United States Attorney



\_\_\_\_\_  
MICHAEL J. COOLICAN  
Assistant United States Attorney



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WILLIAM MALLORY KENT  
Attorney for Defendant



\_\_\_\_\_  
FRANK TALBOT  
Assistant United States Attorney  
Chief, Jacksonville Division

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
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v.

CASE NO. 3:19-cr-192-J-20JRK

YANG YANG,  
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**PERSONALIZATION OF ELEMENTS**

**As to Count Four:**

1. From in or about September 2018 through on or about October 17, 2019, in the Middle District of Florida and elsewhere, do you admit that you and another person in some way agreed to try to accomplish a shared and unlawful plan to knowingly cause the submission of false and misleading information to the United States' Automated Export System, and to fraudulently and knowingly attempt to export and send from the United States merchandise, specifically, Wing Inflatables combat rubber raiding craft equipped with Evinrude multi-fuel engines, contrary to the law of the United States?

2. Did you know the unlawful purpose of the plan and willfully join in it?

3. Do you admit that, as part of the conspiracy, you knowingly committed an overt act as described in Count Four of the Indictment, specifically, in an email to a Wing Inflatables representative, you knowingly misrepresented that the intended end-user for the Wing Inflatables combat rubber raiding craft and Evinrude engines was United Vision Limited in Hong Kong, when in fact, the intended end-user was Shanghai Breeze Technology Co. Ltd. in Shanghai?

Defendant's Initials yy

4. Do you admit that this overt act was committed on or about October 7, 2019, as alleged in the Indictment, and with the purpose of carrying out and accomplishing an object of the conspiracy?

**As to Count Six:**

1. Do you admit that, beginning in September 2018 and continuing through October 17, 2019, in the Middle District of Florida, you intentionally attempted, and aided and abetted an attempt, to export and send from the United States Wing Inflatables combat rubber raiding craft and Evinrude engines?

2. Do you admit that the manner of the attempted export violated the law of the United States, in that you knowingly caused, and aided and abetted the causing of, the submission of false and misleading export information through a Shippers Export Declaration and the Automated Export System?

3. Do you admit that you attempted, and aided and abetted an attempt, to export and send from the United States Wing Inflatables combat rubber raiding craft and Evinrude engines, knowing that the manner of export violated federal law and with intent to defraud?

4. Do you admit that you took substantial steps toward exporting and sending from the United States Wing Inflatables combat rubber raiding craft and Evinrude engines, including knowingly misrepresenting in an email to a Wing Inflatables representative that the intended end-user for the Wing Inflatables combat rubber raiding craft and Evinrude engines was United Vision Limited in Hong Kong, when in fact, the intended end-user was Shanghai Breeze Technology Co. Ltd. in Shanghai?

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF FLORIDA  
JACKSONVILLE DIVISION

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YANG YANG  
a/k/a "Yang Chen"  
a/k/a "Yuki"

**FACTUAL BASIS**

The defendant, Yang Yang, has lived in the Jacksonville, Florida area with her codefendant and husband, Fan Yang, since November 2014. In May 2015, the defendant incorporated BQ Tree LLC, a Florida limited liability company. Codefendant Ge Songtao is a resident of the People's Republic of China (PRC) and has identified himself in a U.S. visa application as the chairman of Shanghai Breeze Technology Co. Ltd. (Shanghai Breeze), a company headquartered in Shanghai, PRC. Codefendant Zheng Yan is employed by Shanghai Breeze. She works as an executive assistant. Her direct supervisor is Ge Songtao.

On or about November 10, 2016, the defendant executed an employment contract with Shanghai Breeze. The contract was signed by Ge Songtao on behalf of his company. Under the terms of the contract, during a probationary period, Shanghai Breeze agreed to pay the defendant a monthly

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salary of \$3,000, which would increase to \$5,000 per month after the probationary period. The contract describes the defendant's duties as handling business operations, conducting business negotiations, collaborating with other factories, declaring products at customs, and conducting other business for Shanghai Breeze in the United States.

The U.S. Department of Commerce, through the U.S. Census Bureau and the U.S. Department of Homeland Security, Customs and Border Protection, participates in and maintains the Automated Export System (AES), an electronic portal of information for exports of goods from the United States. The Census Bureau requires the filing of electronic export information (EEI) through the AES. The EEI is also known as a Shipper's Export Declaration. Exporters, shippers, and freight forwarders are required to file an EEI for every export of goods or technology from the United States that has a value greater than \$2,500 or for which an export license is required.

Exporters file EEI by entering data into AES via a computer. EEI includes the date of export, the U.S. principal party of interest, the description of the commodity to be exported, the intermediate consignee's name and address (if applicable), the ultimate consignee's name and address, and the country of ultimate destination.

An “intermediate consignee” is a person or entity that acts as an agent for a principal party in interest for the purpose of effecting delivery of items to the ultimate consignee. The intermediate consignee may be a bank, forwarding agent, or other person who acts for a principal party in interest.

An “ultimate consignee” is the principal party in interest located abroad who receives the exported items. The ultimate consignee is not a forwarding agent or other intermediary, but may be the end-user.

Business records show that in 2016, Brunswick Commercial and Government Products, Inc. (Brunswick) was supplying Shanghai Breeze with combat rubber raiding craft manufactured by Wing Inflatables Inc. (Wing). Shanghai Breeze purchased these vessels from Brunswick in its own name, rather than in the name of some pass-through or nominee. It arranged to have the vessels shipped directly to Shanghai.

The Wing raiding craft that Brunswick sold to Shanghai Breeze are used by the United States military and equipped with Evinrude-brand MFE outboard engines. “MFE” is shorthand for multi-fuel engine. Because of their unique capabilities, these engines can cost more than the vessels they power. Specifically, the engines can run on gasoline, diesel fuel, kerosene, or even jet fuel. Vessels equipped with MFE engines can operate after being launched

from a submerged submarine or dropped into the ocean from an aircraft. No comparable engine is manufactured in the PRC.

In September 2018, Ge Songtao began looking for a new source of Wing raiding craft and MFE engines. (By early 2019, Brunswick was out of the business of selling this type of merchandise.) Zheng Yan worked with the defendant to obtain a price quote directly from Wing for its 4.7-meter version of the raiding craft. When the defendant and Zheng Yan communicated about this project, they typically used WeChat, an encrypted Chinese-language platform.

In seeking the quote, Zheng Yan told the defendant to use only the defendant's company's name (and not Shanghai Breeze) and not to tell Wing where the raiding craft were to be sold. Zheng Yan told the defendant that Shanghai Breeze may have the vessels shipped to Hong Kong, rather than mainland China, explaining that Americans were more sensitive about doing business with the mainland, as opposed to Hong Kong.

When the defendant, using WeChat, asked what she could tell Wing about the purpose of the purchase, Zheng Yan told her to make something up. Similarly, when the defendant asked who the actual buyer was, Zheng Yan again told her to make something up. Zheng Yan eventually instructed the defendant to tell Wing that their customer was Hong Kong, generally. When

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the defendant later complained that Wing cut off communications (temporarily) after learning that the customer was simply Hong Kong, Zheng Yan blamed Ge Songtao, telling the defendant that that answer had come from him and that she had thought it was a bad idea. In response, the defendant told Zheng Yan that they needed to be truthful with Wing about the end-user. According to the defendant, because this would be an export to the PRC, there may be restrictions prohibiting the resale of the vessels.

When asked for a shipping address in Hong Kong, Zheng Yan told the defendant via WeChat that they did not have one, eventually telling her that the raiding craft were actually being sold in mainland China. When further pressed for an address in Hong Kong, Zheng Yan provided the address for a Hong Kong company called New Faith Enterprise Investment Limited.

The defendant's and Zheng Yan's communications about the raiding craft stopped in October 2018, but resumed via WeChat on April 23, 2019. At that time, Zheng Yan instructed the defendant to get a quote for 4.7-meter raiding craft with MFE engines from Wing. The defendant expressed concern that Wing would not be willing to sell the engines without knowing the identity of the end-user. In response, Zheng Yan told her to use the same information that she had provided previously. She later told the defendant that Ge Songtao wanted her to investigate purchasing the smaller, 4.2-meter

version of the Wing raiding craft. Zheng Yan told the defendant that she would provide the name of their client at a later date, but that the defendant could tell Wing that the vessels were for the Hong Kong police for rescue purposes.

[REDACTED]

m/c  
yy

On July 9, 2019, Zheng Yan told the defendant via WeChat that Ge Songtao wanted her to investigate buying MFE engines from Raider. Later

an Evinrude  
Competitor

m/c  
yy

Defendant's Initials

yy

that day, she instructed the defendant to wait before asking about Raider engines, warning that Raider's management was very cautious about doing business with China. Zheng Yan knew that in 2017, Ge Songtao had visited Raider's U.S. manufacturing facility and that the company had declined to do business with him.

Also on July 9, when the defendant asked for the name of the client that would be buying the raiding craft and asked about a shipping address, Zheng Yan identified the client as United Vision Limited. Zheng Yan confirmed, however, that they would use the same shipping address in Hong Kong as the supposed client that she had named in 2018 (*i.e.* New Faith Enterprise Investment Limited).

The next day, Zheng Yan told the defendant to buy the vessels in the defendant's company's name (*i.e.* BQ Tree LLC). The defendant explained that they could not proceed that way because when a U.S. manufacturer sends goods overseas, it must report to U.S. Customs who its customer is. The defendant suggested that they would need to have the buyer, end-user, and entity paying for the vessels all match, or the goods would not clear U.S. Customs.

In a series of WeChat communications, Zheng Yan described to the defendant wire transactions that would be used to move money from

mainland China to a Hong Kong bank account, to a different Hong Kong account, and then eventually to Wing. The entity ultimately wiring payments to Wing would be Belt Consulting Company.

The defendant placed an order with Wing for seven raiding craft and eight Evinrude MFE engines. Due to the high cost of the engines, a Wing representative emailed the defendant to suggest a less expensive, gasoline-only model, but the defendant insisted that she wanted the MFE engines, echoing the representative's description of those engines as military model engines. As down payments for the order, Wing eventually received two wire transfers, totaling approximately \$114,834.27, from Belt Consulting accounts.

Beginning in July 2019, Zheng Yan had a series of text message exchanges with the representative of Bay Industrial Company, Ltd. (Bay Industrial), a maritime manufacturer headquartered in Seoul, South Korea that has manufacturing facilities in Dalian, China. (The defendant was not copied on these messages.) Through the summer, Zheng Yan and the Bay Industrial representative communicated about, among other things, Ge Songtao and Zheng Yan visiting Bay Industrial's manufacturing facility in Dalian; Shanghai Breeze providing Bay Industrial with a sample Wing raiding craft; Shanghai Breeze ordering eight vessels from Bay Industrial; scheduling tests (with Ge Songtao present) to compare Bay Industrial's vessels to Wing's;

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and making revisions requested by Ge Songtao to Bay Industrial's design. On September 18, 2019, the Bay Industrial representative texted Zheng Yan to confirm that his company was building the vessels for Shanghai Breeze.

In the interim, on July 23, 2019, Zheng Yan texted a former Brunswick employee, without copying the defendant. She recounted that Shanghai Breeze previously had purchased 14 "MEF [sic] 55HP engine" and 4.7-meter vessels and asked for his assistance in purchasing 15 additional MFE engines, but of the 30-horsepower variety. The former Brunswick employee eventually replied that the manufacturer reported that those products were "for US Military only," but that he would continue to investigate.

On August 12, 2019, a Wing representative emailed the defendant, informing her that the initial shipment would proceed by air freight on October 8, 2019, and would include two 4.2-meter raiding craft and two MFE engines.

[REDACTED]

yy  
mfc

[REDACTED]

yy  
yy  
yy

On September 21, 2019, Zheng Yan asked the defendant via WeChat for detailed information about Wing's initial shipment of raiding craft and engines, relaying to the defendant that the shipment was to be intercepted and rerouted to Shanghai. Zheng Yan acknowledged that it was a waste of money to ship initially to Hong Kong when Shanghai was the actual destination, but she confirmed her belief that Americans likely would ship only to Hong Kong (and not mainland China).

[REDACTED]

yy  
yy  
yy

yy

[REDACTED]

W  
m/c  
yy

On October 7, 2019, Zheng Yan alerted Ge Songtao and ~~the same~~ group of Shanghai Breeze employees that the South Koreans were shipping their merchandise on October 15 and that it would arrive at the factory on October 17 or 18. She also wrote that Wing was shipping its merchandise on October 7 and it would arrive in Hong Kong around October 15. She asked a coworker to make plans to receive and transship the Wing merchandise.

a  
m/c

That same day, a Wing representative emailed the defendant that Wing's initial shipment would not proceed until October 15. The Wing representative asked for confirmation of the shipping address and end-user for the order. The defendant replied that the company was Belt Consulting Company Limited, providing the same Hong Kong street address discussed above, and that the end-user was United Vision Limited (Hong Kong).

The defendant's email to Wing caused the entry of a Shipper's Export Declaration into AES for the Wing raiding craft and Evinrude MFE engines. Based on the information provided by the defendant, the declaration identified no intermediate consignee and falsely listed the ultimate consignee of the

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Wing raiding craft and Evinrude MFE engines as Belt Consulting Company Limited in Hong Kong, rather than Shanghai Breeze in Shanghai.

Also on October 7, the defendant sent Zheng Yan a WeChat message alerting her that Wing would not make its first shipment until October 15.

On October 14, 2019, Bay Industrial's representative texted Zheng Yan, reporting that his company's vessels were ready for shipment. He added that they did not include engine bags because Zheng Yan had not yet provided information about the engines' dimensions. Zheng Yan responded that they had not yet received the engines from the manufacturer, but that the manufacturer was shipping them on October 15.

On October 17, 2019, after being advised of her *Miranda* rights, the defendant agreed to speak with federal agents at her home. During that recorded interview, she told the agents that she had only one client, Shanghai Breeze, which was run by its CEO, Ge Songtao, whose assistant was Zheng Yan. The defendant admitted that, based on her communications with Zheng Yan, she knew that the Wing raiding craft were not intended for Hong Kong, but instead, mainland China.

Federal agents have located an executed contract between Shanghai Breeze and Belt Consulting Company Limited stored on Zheng Yan's cellphone. The contract is dated September 26, 2019, and provides that Belt

Defendant's Initials yy

Consulting will deliver two "P4.2" inflatable boats with engines to Shanghai Breeze within 90 days.

In 2019, companies using the names Belt Consulting Company Limited and United Vision Limited in Hong Kong had no presence on the internet. Prior to the transaction at issue here, the United States had no record of any goods ever being exported from the United States to either Belt Consulting or United Vision.