

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 18-
	:	
XIAO XIA ZHAO,	:	18 U.S.C. § 2320(a)(1)
a/k/a “Kelly”	:	
	:	
	:	

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

BACKGROUND

1. At all times relevant to this Information:
  - a. Defendant XIAO XIA ZHAO (“ZHAO”) resided in or near Flushing, New York;
  - b. The Port of Newark, New Jersey is a container port that accepts, among other things, steel containers with commercial goods via cargo vessels imported from countries around the world;
  - c. Each container of goods imported into the United States through the Port of Newark must undergo entry procedures administered by United States Customs and Border Protection (“CBP”), the United States government agency responsible for inspecting imported goods;

d. “ISF” is an Importer Security Filing, which CBP rules require that importers file and which contains certain identifying information for cargo arriving to the United States by vessel;

2. From in or about November 2013 through in or about February 2017, in the District of New Jersey, and elsewhere, defendant

**XIAO XIA ZHAO**

did knowingly and intentionally traffic and attempt to traffic in goods and services and knowingly used counterfeit marks on and in connection with such goods and services, in violation of Title 18, United States Code, Section 2320(a)(1).

3. During the relevant time period, ZHAO, on at least three occasions, received ISF numbers from an individual overseas identifying specific containers (the “Containers”) arriving at the port of Newark, New Jersey, which contained counterfeit merchandise, including, for example, counterfeit Nike sneakers and counterfeit Louis Vuitton handbags.

4. Once she received the ISF numbers, ZHAO then provided the ISF numbers to individuals who had access to Containers arriving at the port of Newark, New Jersey, requesting that they remove the Containers from the port of Newark before they could be examined by CBP.

5. ZHAO then directed that the Containers be delivered to various locations, in and around New Jersey, and elsewhere, where they were often times received by individuals under ZHAO’s direction and/or control for distribution in and around New Jersey, and elsewhere.

6. At no time since November 2013 was ZHAO authorized to import authentic or counterfeit Nike or Louis Vuitton merchandise, or any other merchandise included in the containers seized between in or around November 2013 through in or around February 2017.

7. In total, ZHAO paid at least \$75,000 in exchange for delivery of Containers loaded with counterfeit merchandise from the port of Newark, New Jersey.

7. The containers diverted by ZHAO contained counterfeit merchandise with an approximate infringement amount of between \$250,000 and \$550,000.

All in violation of Title 18, United States Code, Section 2320(a)(1).

## FORFEITURE ALLEGATION

1. As a result of committing the offense alleged in this Information, defendant XIAO XIA ZHAO shall forfeit to the United States, pursuant to 18 U.S.C. § 2323, any and all articles, the making or trafficking of which is prohibited under 18 U.S.C. §§ 2320(a)(1) and (a)(2); any and all property used, or intended to be used, in any manner or part to commit or facilitate the commission of such offenses; and any and all property, real and personal, constituting or derived from proceeds obtained directly or indirectly as a result of such offenses, and all property traceable to such property, including but not limited to all right, title, and interest of the defendant in the items listed in Schedule B to the plea agreement between the parties, dated January 3, 2018.

### **Substitute Assets Provision**

2. If any of the property described above, as a result of any act or omission of the defendant:
- a. cannot be located upon the exercise of due diligence;
  - b. has been transferred or sold to, or deposited with, a third party;
  - c. has been placed beyond the jurisdiction of the court;
  - d. has been substantially diminished in value; or
  - e. has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property under Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

  
CRAIG CARPENITO  
United States Attorney

CASE NUMBER: \_\_\_\_\_

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**United States District Court  
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**INFORMATION FOR**

18 U.S.C. § 2320(a)(1)

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**CRAIG CARPENITO**

*U.S. ATTORNEY*

*NEWARK, NEW JERSEY*

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JASON S. GOULD

*ASSISTANT U.S. ATTORNEY*

*(973) 645-2776*

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