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THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)
) Case No. 11 CR 84
v.)
) Violations: Title 18, United States Code,
SHU BEI YUAN, a/k/a KATHY YUAN) Sections 2 and 542
) SUPERSEDING INFORMATION

The UNITED STATES ATTORNEY charges:

At times material to this Superseding Information:

1. SHU BEI YUAN, a/k/a KATHY YUAN, was a citizen and national of the Peoples Republic of China, and was employed by California-based honey import companies, including Blue Action Enterprise, Inc. ("Blue Action") and Honey World Enterprise, Inc. ("Honey World"), that acted as registered importers of record to import and enter Chinese-origin honey into the United States.

2. Hung Ta Fan, a/k/a Michael Fan, was a citizen and national of Taiwan, Republic of China, and owned and operated multiple California-based honey import companies, including Blue Action and Honey World.

3. Chinese Honey Broker 1 was a citizen and national of the Peoples Republic of China living in mainland China who acted as Hung Ta Fan's principal broker for Chinese-origin honey between approximately 2004 and 2006.

4. Alfred L. Wolff GmbH was an international trading company with subsidiaries, affiliates, and representative offices located throughout the world, and was headquartered and had its principal place of business in Hamburg, Germany. Alfred L. Wolff GmbH and its subsidiaries,

affiliates, and representative offices imported, exported, distributed, sold, and processed raw material and food products, including honey.

5. Alfred L. Wolff GmbH had subsidiaries and affiliates in Germany ("Alfred L. Wolff Honey GmbH"), the United States ("Alfred L. Wolff, Inc."), Beijing, China ("Alfred L. Wolff (Beijing) Trade Co. Ltd., China"), and Hong Kong, China ("Alfred L. Wolff Company Ltd., Hong Kong, China") (collectively referred to herein as "ALW Food Group"). Alfred L. Wolff GmbH exercised control over ALW Food Group through its managers and executives, including its Managing Director, Alexander Wolff, who functioned as the chief executive officer.

6. Alfred L. Wolff Honey GmbH operated ALW Food Group's honey business in Europe, and conducted its business through its corporate executives including Jurgen Becker, a citizen and national of Germany who acted as the Managing Director and advised ALW Food Group executives regarding the importation and sale of honey in the United States, including Chinese-origin honey.

7. Alfred L. Wolff, Inc. was incorporated in Delaware and had its principal place of business in Park Ridge, Illinois and later Chicago, Illinois. Alfred L. Wolff, Inc. served as the United States operational base for ALW Food Group and imported honey and related commodities into the United States that it sold to domestic customers, including food manufacturers, processors, distributors, and packers. Alfred L. Wolff, Inc. used a customs house broker or agent to enter goods into the United States and conducted its business through its corporate executives including Sven Gehricke, Thomas Marten, and Thomas Gerkmann.

8. Alfred L. Wolff (Beijing) Trade Co. Ltd., China, had its principal place of business in Beijing, China and arranged on behalf of ALW Food Group to obtain Chinese-origin honey from

honey suppliers in China for shipment to the United States. Alfred L. Wolff (Beijing) Trade Co. Ltd., China conducted its business through its corporate executives including Yi Liu, a citizen and national of China who acted as the General Manager responsible for locating, arranging, and sourcing Chinese-origin honey from China into the United States.

9. Alfred L. Wolff Company Ltd., Hong Kong, China, had its principal place of business in Hong Kong, China and coordinated on behalf of ALW Food Group the purchase, finance, and shipment of honey and related products from China to the United States. Alfred L. Wolff Company Ltd., Hong Kong, China conducted its business through its corporate executives including Thomas Weickert and Marcel Belten.

10. In December 2001 the United States Department of Commerce (“DOC”) determined that Chinese-origin honey was being sold into the United States at artificially low prices and imposed “antidumping” duties on Chinese-origin honey. Between June 2004 and October 2005 the antidumping duty on Chinese-origin honey was approximately 183%. Honey originating from South Korea and Taiwan was not subject to antidumping duties.

11. The United States Department of Homeland Security, Bureau of Customs and Border Protection (“CBP”), was responsible for, among other things, the examination of merchandise entering the United States to ensure that it was admissible and in compliance with United States laws, and the assessment and collection of taxes, fees, and duties on imported merchandise, including antidumping duties. A customs house broker or agent normally handled the process of entering goods into the United States on behalf of an importer, which included the filing of entry documents with CBP based on information provided by the importer.

12. CBP entry forms 3461 (Entry/Immediate Delivery) and 7501 (Entry Summary)

required importers to provide specific and truthful information relating to imported merchandise, including a brief description of the merchandise and the merchandise's manufacturer, value, and country of origin.

13. Beginning in or about March 2005 and continuing to approximately November 2005, SHU BEI YUAN, a/k/a KATHY YUAN, Hung Ta Fan, Blue Action, Honey World, ALW Food Group, Alexander Wolff, Jurgen Becker, Thomas Marten, Thomas Gerkmann, Yi Liu, Thomas Weickert, Marcel Belten, Sven Gehricke, Chinese Honey Broker 1, and others known and unknown, engaged in a scheme to fraudulently import, enter, and sell Chinese-origin honey into the United States and avoid the payment of antidumping duties by falsely declaring that the honey originated from countries other than China.

14. YUAN, Fan, Blue Action, Honey World, ALW Food Group, Alexander Wolff, Jurgen Becker, Thomas Marten, Thomas Gerkmann, Yi Liu, Thomas Weickert, Marcel Belten, Sven Gehricke, Chinese Honey Broker 1, and others known and unknown, caused Chinese-origin honey to be mislabeled as originating from countries other than China, including South Korea and Taiwan, and shipped, imported, and fraudulently entered the mislabeled honey into the United States in order to avoid antidumping duties.

15. YUAN and other members of the scheme, including ALW Food Group executives located in the Northern District of Illinois, communicated with one another by email to further the scheme by which Chinese-origin honey would be and was transshipped through South Korea and Taiwan; imported and entered into the United States by means of false and fraudulent statements and documents; and sold to United States customers.

16. After being advised by Thomas Gerkmann that a high volume of imports into the

United States by a single company would be noticed by CBP, Gerkmann advised Fan to create and use multiple companies to import and enter Chinese-origin honey into the United States to avoid scrutiny by CBP. YUAN and Fan used Blue Action and Honey World to import, sell, and supply multiple full container loads ("FCLs") of Chinese-origin honey to ALW Food Group pursuant to contracts that specified the honey was to be other-than-Chinese in origin.

17. Between approximately August and November 2005, YUAN, Fan, ALW Food Group, Alexander Wolff, Jurgen Becker, Thomas Marten, Thomas Gerkmann, Yi Liu, Thomas Weickert, Marcel Belten, Sven Gehricke, Chinese Honey Broker 1, and others known and unknown, caused Blue Action to fraudulently import and enter into the United States approximately 26 entries of Chinese-origin honey falsely declared as Korean honey for ALW Food Group, having a total declared entry value of approximately \$808,287, thereby avoiding antidumping duties otherwise applicable to Chinese-origin honey totaling approximately \$1,485,631.

18. On or about March 17, 2005, Alfred L. Wolff, Inc. issued purchase order number 660 to Blue Action for 200 full container loads of "Taiwan White Honey," valued at approximately \$4,572,000.

19. On or about March 22, 2005, YUAN signed purchase order 660 on behalf of Blue Action.

20. On or about May 25, 2005, Gerkmann emailed YUAN with a carbon copy to Fan, Marten, and Gerhicke, and stated:

as I told you yesterday we are late with our most important customer with 35 FCL for the month of May. 20 FCL on PO 660 and 15 FCL on PO 624.

Our customer is very pissed with us and he told us that he had to buy at our competitors to get the product what he need.

Please think about a price deduction for this late containers what we can offer to our customer in order to keep the customer happy.

As I mentioned earlier we are under a very high pressure to serve our customers in time in a high fallen honey market. Prices from China are fallen again and we need to help our customers.

21. On or about May 25, 2005, YUAN replied to the foregoing email and stated "Once again, I felt terrible for all problems we caused you. As I always said that your satisfaction is very important to us, Michael and I will do our best to make you and your customer happy."

22. On or about May 26, 2005, Thomas Gerkmann emailed YUAN regarding "Late delivery on PO 624 and 660" and stated "...we will discuss it when you are back and I hope to see you and Michael here in Chicago next week that we can discuss this as well as a lot more business for future. Korea etc."

23. On or about July 15, 2005, YUAN sent Gerkmann a sample of Chinese honey falsely labeled as "Korean Honey" to be tested for sugar adulterants.

24. On or about July 20, 2005, Gerkmann emailed YUAN regarding "Korea Honey" and stated "GOOD NEWS THE KOREA HONEY IS OK AS WELL PLEASE START TO SHIP MORE[.]"

25. On or about August 8, 2005, Alfred L. Wolff, Inc. issued purchase order number 737 for 10 full container loads of "Korean White Honey," valued at approximately \$219,008.

26. On or about August 9, 2005, YUAN signed purchase order 737.

27. On or about August 23, 2005, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere,

SHU BEI YUAN, a/k/a KATHY YUAN,

defendant herein, and others known and unknown to the Grand Jury, entered and introduced, and caused others to enter and introduce, into the commerce of the United States, imported merchandise by means of a false and fraudulent practice, false statement, and fraudulent or false paper, including records and CBP entry forms 3461 and 7501, bearing entry number K80-0911650-1, that falsely declared that approximately 37,120 kilograms of Chinese-origin honey in fulfillment of purchase order 660, with a declared value upon entry of approximately \$31,552, originated from Korea, when in fact the honey originated in China, thereby causing losses to the United States totaling approximately \$57,992 in uncollected antidumping duties.

In violation of Title 18, United States Code, Sections 2 and 542.


UNITED STATES ATTORNEY