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AO 91 (REV. 5/85) Criminal Complaint

AUSA Andrew S. Boutros (312) 886-7641

THOMAS G. BRUTON
CLERK, U.S. DISTRICT COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

CRIMINAL COMPLAINT

v.

CASE NUMBER **13 CR 125**

HUNG YI LIN,
also known as "KATY LIN"

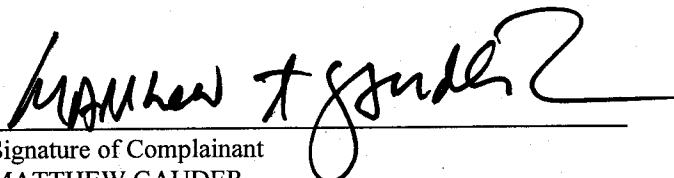
UNDER SEAL

MAGISTRATE JUDGE
GERALDINE SOAT BROWN

I, the undersigned complainant, being duly sworn on oath, state that the following is true and correct to the best of my knowledge and belief: Between on or about January 5, 2010 and January 6, 2010, in the Northern District of Illinois, Eastern Division, and elsewhere, HUNG YI LIN, also known as "KATY LIN," defendant herein:

facilitated the transportation of imported merchandise, namely, four container loads of Chinese-origin honey, knowing the same to have been imported and brought into the United States contrary to law, namely, Title 18, United States Code, Section 1001

in violation of Title 18, United States Code, Sections 545 and 2. I further state that I am a Special Agent with Immigration & Customs Enforcement, and that this complaint is based on the facts contained in the Affidavit which is attached hereto and incorporated herein.



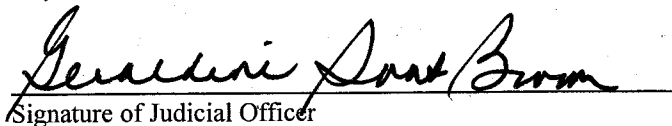
Signature of Complainant
MATTHEW GAUDER
Special Agent, Immigration & Customs Enforcement

Sworn to before me and subscribed in my presence,

February 8, 2013 _____ at
Date

Chicago, Illinois _____
City and State

GERALDINE SOAT BROWN, U.S. Magistrate Judge
Name & Title of Judicial Officer


Signature of Judicial Officer

execution of searches and seizures, and other criminal laws and procedures.

I am a law enforcement officer of the United States within the meaning of Section 2510(7) of Title 18, United States Code, and I am authorized by law to conduct investigations and to make arrests for felony offenses.

3. The information contained in this Affidavit is provided for the purpose of providing probable cause in support of the criminal complaint charging HUNG YI "KATY" LIN for violating Title 18, United States Codes, Sections 545 and 2, in that between on or about January 5, 2010 and January 6, 2010, LIN facilitated the transportation of imported merchandise, namely,

- four container loads (CCLU2873356, CCLU3101439, CCLU3552237, and CSLU1149563) of Chinese-origin honey from entry number CDA-10115648;
- three container loads (CSLU1051495, CCLU3815930, and CSLU1003244) of Chinese-origin honey from entry number CDA-10115655; and
- three containers loads (CCLU2375543, CCLU3681126, and CCLU3859861) of Chinese-origin honey from entry number CDA-10115739;

knowing the ten container loads to have been imported and brought into the United States contrary to law, namely, Title 18, United States Code, Section 1001, in that, the description of the Chinese-origin honey, that is, a material fact, was falsified, concealed, and covered up by trick and scheme as a

product other than honey during the importation and entry process, including on CBP entry forms 3461 and 7501, matters within the jurisdiction of the executive branch of the United States, namely, the Department of Homeland Security, Bureau of Customs and Border Protection, and thereafter, HUNG YI LIN, and others known and unknown, arranged and caused the four container loads to be transported through the Northern District of Illinois.

4. Title 18, United States Code, Section 545 reads in part: Whoever “receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of . . . merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law” shall have committed a federal felony offense.

5. Title 18, United States Code, Section 1001 reads in part: Whoever in “any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully – falsifies, conceals, or covers up by any trick, scheme, or device a material fact” shall have committed a federal felony offense.

6. The information set forth in this Affidavit is based on my personal knowledge as well as information obtained from, among other sources, other law enforcement agents and personnel; public records,

computer databases, and other searches; documents and records; and interviews. Because this Affidavit is submitted for the limited purpose of establishing probable cause for the arrest of LIN, this Affidavit does not set forth everything I know or that has been compiled concerning this investigation.

BACKGROUND INFORMATION

Antidumping Duties

7. The United States Department of Commerce is charged with regulating commerce in the United States, and as part of its responsibilities has the authority to impose duties on certain foreign imports. One type of duty the Department of Commerce imposes is known as an "antidumping duty." Dumping occurs when foreign merchandise is sold in the United States at less than fair market value and when U.S. industries are injured.

8. In December 2001, the Department of Commerce determined that Chinese origin honey was being sold into the United States at less than fair market value. As a result, the United States government imposed default antidumping duties on Chinese origin honey. From about January 2009 through the present, antidumping duties were assessed against the

entered net weight of the imported honey at \$2.63 per net kilogram, in addition to a "honey assessment fee" of one cent per pound on all honey.

Importation of Merchandise into the United States

9. The United States Department of Homeland Security, Bureau of Customs and Border Protection (CBP), is responsible for, among other things, the examination of merchandise entering the United States to ensure that it is admissible under and in compliance with United States laws, and the assessment and collection of taxes, fees, and duties on imported merchandise, including antidumping duties and honey assessment fees.

10. CBP entry forms 3461 (Entry/Immediate Delivery) and 7501 (Entry Summary) require importers to provide specific and truthful information relating to imported merchandise, including a description of the merchandise and the merchandise's harmonized tariff code, manufacturer, value, and country of origin. A customhouse broker or agent normally handles the process of entering goods into the United States on behalf of an importer, which includes filing entry documents with CBP based on information provided by the importer.

11. Chinese-origin honey imported and entered into the United States using a harmonized tariff code other than for honey and described as a

product other than honey, including various sugars, syrups and juices (collectively “sugars and syrups”), is considered an illegally misdeclared product. When CBP is misled about the description of Chinese origin honey, it would not know to impose the required antidumping duties on the illegally misdeclared honey.

FACTS SUPPORTING PROBABLE CAUSE

HUNG YI “KATY” LIN & KBB Express Inc.

12. HUNG YI “KATY” LIN owns and operates KBB Express Inc., which is a freight forwarding company located in South El Monte, California. As a freight forwarder, KBB provides nationwide transportation, delivery, and other logistical services for imported and entered merchandise, including Chinese-origin honey. On June 27, 2012, HSI agents interviewed LIN at KBB’s offices. During the on-site interview, LIN explained that she serves as the U.S. agent for multiple companies that were controlled by Chinese honey producers and manufacturers. One such company is Sweet Campo Co., Ltd., which is described in further detail below.

13. In her capacity as the U.S. agent, LIN explained how she handled the process of importing, as well as coordinated with customhouse brokers to enter, Chinese-origin honey into the United States without paying

antidumping duties and honey assessment fees. LIN acknowledged that her conduct spanned approximately three years, and in doing so, she

- entered and introduced and caused others to enter and introduce Chinese-origin honey into the commerce of the United States in avoidance of U.S.-imposed antidumping duties; and
- filed and caused to be filed CBP entry form 3461 that falsely and fraudulently declared hundreds of shipping containers of honey as something other than honey.

14. In addition, LIN acknowledged in a signed sworn statement executed on June 28, 2012, that after causing hundreds of shipping containers of Chinese-origin honey to fraudulently enter the United States as products other than honey, LIN caused KBB to deliver Chinese honey to warehouses in California and Texas, where at the request of LIN's customers, including importers of record, overseas suppliers of Chinese honey, and others, LIN caused labels to be removed from the drums of honey and at times replaced with labels that falsely identified the product as honey of varying origins, and at other times with no labels at all, before the drums continued into the commerce of the United States, including to certain honey processing companies, as honey from countries other than China.

15. On June 27, 2012, LIN consented to allow HSI agents to search KBB's premises, which included a search of KBB's customer files and LIN's

computer. This consensual search included LIN's email account, XXXX@kbbexpress.com.¹ During an on-site preview of XXXX@kbbexpress.com, HSI agents reviewed some emails from XXXX@kbbexpress.com directing warehouse employees at a company in Texas not affiliated with KBB to remove product labels from drums of imported sugars and syrups. HSI agents also observed invoices from warehouses billing KBB for work completed relating to the removal of product labels.

16. LIN, during the June 27, 2012 interview and consensual search by HSI agents of KBB's office, confirmed that her most recent primary email account for conducting KBB-related business activities was XXXX@kbbexpress.com.

Sweet Campo Co., Ltd.

17. As part of its investigation, HSI agents have determined that Sweet Campo Co., Ltd. was a import company controlled by Chinese honey producers and manufacturers to import and enter Chinese-origin honey illegally misdeclared as sugars and syrups into the United States without paying antidumping duties and honey assessment fees.

¹ For purposes of this Affidavit, I have substituted "XXXX" for the

18. After importing and entering the honey into the United States, Sweet Campo Co., Ltd. sold the honey pursuant to contracts and purchase orders to United States customers. As it pertains to following ten container loads of honey, namely,

- four container loads (CCLU2873356, CCLU3101439, CCLU3552237, and CSLU1149563) from entry number CDA-10115648;
- three container loads (CSLU1051495, CCLU3815930, and CSLU1003244) from entry number CDA-10115655; and
- three containers loads (CCLU2375543, CCLU3681126, and CCLU3859861) from entry number CDA-10115739;

Sweet Campo Co., Ltd. sold the honey to a company with a location in Indiana, "Customer A," as Mongolian honey for approximately \$0.816 per pound.

19. LIN acknowledged during her interview with law enforcement on June 27, 2012, that Sweet Campo Co., Ltd. was one of KBB's customers.

Entry Number CDA-10115648: Chinese-origin Honey Falsely and Fraudulently Entered as a Product Other than Honey

20. A review of LIN's email account reflects that on January 28, 2010, LIN sent an email to an employee at Customer A regarding "Container info" using her XXXX@kbbexpress.com email account. In her email LIN

actual email prefix.

wrote:

Hi [Name Omitted],

Hope this would help. You might have to sort out by the lot# outside of the drums. Let me know if [you need] anything else. Tks!!

Lot#	Original Ctnr#	Domestic Ctnr#
091009 >>>	CSLU 1051495 >>>	TRIU0511370
091010 >>>	CSLU 1003244 >>>	TRIU0526364
091011 >>>	CCLU 3815930 >>>	TRIU0515307
091012 >>>	CCLU 3681126 >>>	TRIU0526030
091013 >>>	CCLU 2375543 >>>	DNAU2625313
091014 >>>	CCLU 3859861 >>>	DNAU2623563
091015 >>>	CCLU 2873356 >>>	TRIU0511620
091016 >>>	CSLU 1149563 >>>	TRIU0488[8 ²]76
091017-1 >>>	CCLU 3101439 >>>	TRIU0462948
091017-2 >>>	CCLU 3552237 >>>	TRIU0517681

B. regards,
Katy Lin

21. Based on my training and experience, I know that as part of the ordinary importation and entry process, it is not unusual for importers of record to return original containers that were inbound to the United States to the steamship line and use domestic containers to transport merchandise during the United States leg of the journey. It is my understanding that the above-quoted email pertains to such matters.

22. As part of their investigation, HSI agents queried the ten

² This digit was omitted in LIN's email.

“original” container numbers identified in LIN’s email using CBP-maintained computer systems known as the Automated Commercial System (“ACS”) and the Automated Targeting System (“ATS”). ACS and ATS provide information related to imported commodities, intermodal container numbers, ports of lading, and parties affiliated with the importation.

23. HSI agents determined that the ten containers were imported and entered into the United States using three CBP entries. Specifically, (a) CDA-10115648 is associated with the following four container numbers: CCLU2873356, CCLU3101439, CCLU3552237, and CSLU1149563; (b) CDA-10115655 with the following three container numbers: CSLU1051495, CCLU3815930, and CSLU1003244; and (c) CDA-10115739 with the following three container numbers: CCLU2375543, CCLU3681126, and CCLU3859861.

24. Information obtained from ACS and ATS revealed that on December 13, 2009, Sweet Campo Co., Ltd. entered each of the ten original container numbers identified in LIN’s email through the customhouse in the port of Los Angeles, California, using the harmonized tariff code for “Glucose & Glucose Syrup, >=20% < 50% Fructose,” and described the merchandise as “honey syrup.” By comparison, natural honey has its own unique harmonized

tariff code and is subject to antidumping duties if the honey originates from China.

25. Based on this harmonized tariff code and commodity description, CBP did not assess antidumping duties on these ten containers of honey.

26. As part of their investigation, HSI agents then obtained records documenting the transportation of the ten containers referenced above from California to the Northern District of Illinois via rail, at which time, each of the ten containers were loaded on an individual semi-truck and transported between January 5 and January 14, 2010, from the Northern District of Illinois to Indiana.

27. An invoice and purchase order associated with the ten containers of honey referenced above, show that all ten containers were delivered to Customer A in fulfillment of a contract for honey. The country of origin specified in the invoice and purchase order was one other than China, that is, Mongolia, despite all ten containers being imported as sugars and syrups.

CONCLUSION

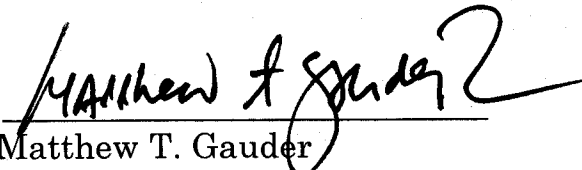
28. Based on the foregoing, I believe that there is probable cause in support of the criminal complaint charging HUNG YI "KATY" LIN for violating Title 18, United States Codes, Sections 545 and 2, in that between

on or about January 5, 2010 and January 6, 2010, LIN facilitated the transportation of imported merchandise, namely,

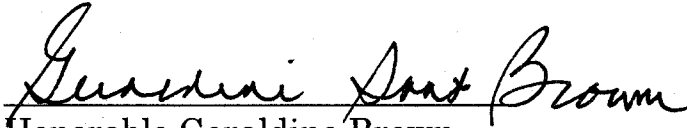
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- three container loads (CSLU1051495, CCLU3815930, and CSLU1003244) of Chinese-origin honey from entry number CDA-10115655; and
- three containers loads (CCLU2375543, CCLU3681126, and CCLU3859861) of Chinese-origin honey from entry number CDA-10115739;

knowing the ten to have been imported and brought into the United States contrary to law, namely, Title 18, United States Code, Section 1001, in that, the description of the Chinese-origin honey, that is, a material fact, was falsified, concealed, and covered up by trick and scheme as a product other than honey during the importation and entry process, including on CBP entry forms 3461 and 7501, matters within the jurisdiction of the executive branch of the United States, namely, the Department of Homeland Security, Bureau of Customs and Border Protection, and thereafter, HUNG YI LIN, and others known and unknown, arranged and caused the four container loads to be transported through the Northern District of Illinois.

FURTHER AFFIANT SAYETH NOT.


Matthew T. Gauder
Special Agent
ICE - Homeland Security Investigation

Subscribed and sworn
before me this 8th day of February, 2013


Honorable Geraldine Brown
United States Magistrate Judge