

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

UNITED STATES OF AMERICA

CRIMINAL COMPLAINT

vs.

CASE NUMBER: 3:11- *mj-1271-JBT*

CHIN SHIH CHOU
a/k/a "Jeff"
QIAO CHU
a/k/a "Dott"

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief. Beginning at a time unknown, but at least by about August, 2011, and continuing until on or about November 15, 2011, in Duval County, Middle District of Florida, and elsewhere, the defendants did knowingly, willfully and intentionally, combine, conspire, confederate, and agree with each other and others to smuggle and clandestinely introduce into the United States merchandise which should have been invoiced; that is, honey with a country of origin of China, in violation of Title 18, United States Code, Section 545; all in violation of title 18, United States Code, Section 371.

I further state that I am a Special Agent with United States Department of Homeland Security, and that this Complaint is based on the following facts:

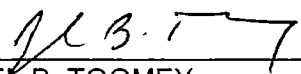
SEE ATTACHED AFFIDAVIT

Continued on the attached sheet and made a part hereof: Yes No



Signature of Complainant
Scott R. Kraich

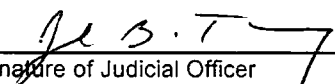
Sworn to before me and subscribed in my presence,



JOEL B. TOOMEY
United States Magistrate Judge
Name & Title of Judicial Officer

at

Jacksonville, Florida


Signature of Judicial Officer

CRIMINAL COMPLAINT AFFIDAVIT

I, Scott R. Kraich, being a duly sworn and appointed Special Agent for the United States Department of Homeland Security, Homeland Security Investigations (HSI), hereby declare as follows:

1. Your Affiant is a Special Agent of (HSI) and has been so employed since November 2008. Previously, Your Affiant was employed as a Correctional Probation Senior Officer and Correctional Probation Officer for the Florida Department of Corrections for approximately nine (9) years and six (6) months. Your Affiant has a Bachelor of Science Degree in Criminology from Florida State University and received specialized training in commercial fraud. Your Affiant is currently assigned to HSI's smuggling group and is responsible for investigating violations of federal law relating to, among other things, the importation of merchandise into the United States that has been presented to a United States customs house for acceptance through the use of false and fraudulent documentation or practices.

2. The information contained in this Affidavit is provided for the sole purpose of providing probable cause for the arrest of Chin Shih CHOU (aka "Jeff"), and Qiao CHU (aka "Dott"), for the offense of conspiring with others, known and unknown, to commit offenses against the United States, namely, to knowingly and fraudulently import and enter into the United States merchandise, to wit; honey, contrary to law, in violation of Title 18, United States Code, Section 371.

3. CHOU is a citizen and national of Taiwan, Republic of China, and is president of Fina Food Trading, Inc. CHU is a citizen and national of the Republic of China. He is secretary/manager and "unique agent-in-charge" of Demeter Group, Inc. located in the United States. As will be shown, CHOU and CHU utilized Demeter Group, Inc. and Fina Food Trading, Inc. to act as registered importers of record (IOR) to import and enter Chinese-origin honey into the United States.

4. The information set forth in this declaration is based on my personal knowledge, as well as information obtained from other sources. These include: other law enforcement agents and governmental agencies; public records, computer databases, and other searches; witness and informant interviews; and documents provided by customs house brokers and government agencies. Because this declaration is submitted for the limited purpose of establishing probable cause for the arrests of CHU and CHOU, this declaration does not set forth all known or compiled information concerning this investigation.

I. Background

5. Since September 2011, HSI Assistant Special Agent in Charge (ASAC), Jacksonville, Florida, has been investigating Fina Food Trading, Inc., Demeter Group, Inc. and other related corporate entities and affiliates for violations arising from the importation and entry of honey into the United States. These violations include, but are not limited to; a) fraudulently and knowingly

importing and entering into the United States merchandise, namely honey, contrary to law, in violation of Title 18 United States Code, Sections 545 and 542; and conspiring with others, known and unknown, to commit these and other offenses in violation of Title 18 United States Code, Section 371.

6. Between in or about May 2011 and November 2011, Your Affiant has evidence set forth in this affidavit documenting CHOU and CHU have utilized Fina Foods Trading, Inc. and Demeter Group, Inc. to fraudulently import and enter into the United States approximately 13 entries of Chinese-origin honey falsely declaring it as Rice Fructose Blending Syrup, Rice Fructose Syrup, and Fructose Blended Rice Syrup, thereby avoiding anti-dumping duties otherwise applicable to Chinese-origin honey totaling approximately \$2,455,788.80.

II. Antidumping Duties & the Importation of Merchandise Into the United States

7. The United States Department of Commerce (DOC) 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 DOC may impose is known as an "anti-dumping duty". An anti-dumping duty order is a formal determination issued by the DOC that duties should be collected on imports of a particular product from specified countries. Anti-dumping duties are intended to ensure fair competition between United States companies and foreign industry, and to counter international price discrimination that causes

injury to United States industries from "dumping". Dumping occurs when foreign merchandise is sold in the United States at less than fair market value.

8. According to DOC publication dated December 10, 2001, In October 2000, the DOC initiated an investigation concerning whether honey from China was being sold in the United States at less than fair market value. In December 2001, the DOC determined that Chinese-origin honey was sold into the United States at artificially low prices. As a result, the United States government imposed default anti-dumping duties on Chinese-origin honey. The scope of the Chinese-origin honey subject to anti-dumping duties includes: natural honey, artificial honey containing more than 50 percent natural honey by weight, and preparations of natural honey containing more than 50 percent natural honey by weight. The honey subject to anti-dumping duties is usually classifiable under subheadings 0409.00.00, 1702.90.90, and 2106.90.99 of the Harmonized Tariff Schedule of the United States (HTSUS), and is presently assessed at a rate of \$2.63 per net kilogram. Chinese-origin honey entering into the United States is required to be properly identified in CBP Forms 3461 and 7501 using applicable tariff classifications.

9. United States Customs and Border Protection (CBP) is responsible for, among other things, the examination of merchandise entering the United States ensuring that it is admissible and in compliance with United States law and the assessment and collection of taxes, fees, and duties on imported merchandise, including anti-dumping duties.

10. A customs house broker or agent normally handles the process of entering goods into the United States on behalf of an importer. This process includes the filing of entry documents with CBP based on information provided by the importer. The proper functioning and process by which merchandise enters the United States is dependant on accurate and truthful reporting by those providing information to a United States customs house.

11. CBP forms 3461 (entry-immediate delivery) and 7501 (entry summary) require importers to provide specific and truthful information relating to imported merchandise, including: a brief description of the merchandise, the merchandise's manufacturer, its value, and the merchandise's country of origin. Fina Food Trading, Inc., Demeter Group, Inc. and their designated custom house brokers or agents are required to file truthful entry documents with CBP concerning imported merchandise, including Chinese-origin honey. CBP officials rely on the truth and accuracy of this information to determine whether to approve the entry of the merchandise into the United States and to determine applicable duties owed to the United States.

III. Evidence Supporting Probable Cause for Arrest

A. Entry number BQK-21313456

12. On or about September 29, 2011, HSI agents received information from CBP that Demeter Group, Inc. was falsely describing importations of honey

as Rice Fructose Syrup being entering into the United States from China into the Port of Norfolk, Virginia, to evade anti-dumping duties.

13. Your Affiant contacted T. Customs Broker, Inc., the customs house broker who facilitated the process of entering goods into the United States on behalf of the importer, Demeter Group, Inc., under entry number BQK-21313456. Goods which make entry into the United States from foreign countries are assigned an entry number. The first three letters of the entry number identify the customs house broker that files the entry on behalf of the importer, followed by a unique eight digit number.

14. Your Affiant received from T. Customs Broker, Inc. CBP Form 3461 (entry-immediate delivery), CBP Form 7501 (entry summary) and specification documents regarding entry number BQK-21313456, that was filed for the importation of nine shipping containers. Each container housed 64, 55-gallon barrels. Your Affiant observed: the importer of record was Demeter Group, Inc., DBA Sweet Heart Group, the description of merchandise was Rice Fructose Blending Syrup, the manufacturer was Huijia Biochemical International Co., LTD., and the declared country of origin was China. The commodity of Rice Fructose Blending Syrup was classified as a "sugar, incl., invert, other," under tariff code 1702.90.9000 with a duty rate of 5.1 percent of the total entered value of the merchandise. For this entry, the total entered value was \$150,336, thus the duty assessed was \$7,667.14.

15. Your Affiant reviewed a CBP laboratory report that stated on August 25, 2011, the CBP laboratory took six samples from entry number BQK-

21313456 which revealed the syrup in each bottle was more than 50 percent honey. Based on these laboratory results, CBP classified the true commodity as "natural honey, white," under tariff code 0409.00.0042, subject to anti-dumping duties at a rate of \$2.63 per net kilogram. The assessed weight was 167,040 kilograms, thus the anti-dumping duty owed for entry number BQK-21313456 was \$439,315.20.

16. Your Affiant received information from CBP which stated CBP rejected entry number BQK-21313456 for importation into the United States, and CBP notified T. Customs Broker, Inc. that lab results determined the product was honey, not Rice Fructose Blending Syrup, thus the entry was subject to anti-dumping duties. Due to the fact that the importer, Demeter Group Inc., was not forthcoming with the duties, CBP issued a penalty to the importer for failure to pay the anti-dumping duties.

17. Your Affiant contacted T. Customs Broker, Inc. and received information that T. Customs Broker, Inc. entered into a CBP Power of Attorney contract with Demeter Group Inc., DBA Sweet Heart Group, on May 11, 2011, under President David Lo, and Qiao "Dott" CHU executed the Power of Attorney on behalf of Demeter Group, Inc. CHU was the only T. Customs Broker, Inc.'s business point of contact regarding entry number BQK-21313456.

18. Your Affiant reviewed an investigative memorandum from the U.S. Food and Drug Administration (FDA) which stated on October 19, 2011, CHU declared that he was secretary/manager and the most responsible person for Demeter Group, Inc. in the United States, and Demeter Group, Inc. was recently

sold by Wei-Tang Lo, aka David Lo, to Zhong-Heng Yang. CHU admitted in the memorandum that the word honey was not used in association with Demeter Group, Inc. shipments because there is a "tariff per kilo" associated with honey.

19. Your Affiant contacted Marvin Gonzalez, an Account Executive for T. Customs Broker, Inc. Gonzalez provided a written statement to Your Affiant which stated on August 29, 2011, CBP advised Gonzalez of an entry summary rejection regarding entry number BQK-21313456 and he then notified Top Ocean Consolidation Services, Inc. immediately via email. Top Ocean Consolidation Services, Inc. is a freight forwarder that was hired by Demeter Group, Inc. to facilitate the movement and customs entry for Demeter Group, Inc. regarding entry number BQK-21313456. Top Ocean Consolidation Services, Inc. provided customs clearance to Demeter Group, Inc. by way of their in-house customs house broker, T. Customs Service, Inc. Your Affiant reviewed the email sent by Gonzalez to Jonathan Woo, a Customer Service Representative for Top Ocean Consolidation Service, Inc., on August 29, 2011, which stated U.S. Customs just advised that they had a sample of the syrup sent to the lab and it returned as actual honey and CBP is now asking for the entry to be re filed by a local broker to include anti-dumping duties.

20. Woo told Your Affiant that he had notified CHU that his syrup tested positive for honey and was subject to anti-dumping duties. Woo stated that he had conducted business with CHU in the past and had met him on several occasions. Your Affiant presented Woo with a photo spread via email wherein he identified CHU as the person he had met and spoken with on the telephone on

August 29, 2011. Woo also provided a written statement to Your Affiant that stated on August 29, 2011, Woo advised CHU via telephone that his syrup tested positive for honey and it was subject to the anti-dumping duty.

B. Entry numbers BLW-05460437 and BLW-05460429

21. On or about September 29, 2011, HSI agents received information from CBP that Demeter Group, Inc. falsely manifested importations of honey as Rice Fructose Syrup which made entry into the United States from China through the Port of Jacksonville, Florida on September 22, 2011, to evade anti-dumping duties.

22. Your Affiant contacted customs house broker, Complete Customs Service, who facilitated the process of entering goods into the United States on behalf of the importer, Demeter Group, Inc., for entry under entry numbers BLW-05460437 and BLW-05460429.

23. Your Affiant received from Complete Customs Service CBP Form 3461 (entry-immediate delivery), CBP Form 7501 (entry summary) and specification documents regarding entry numbers BLW-0540437 and BLW-05460429, that held six containers. Your affiant observed that the importer of record was Demeter Group, Inc., DBA Sweet Heart Group, the entry date was September 22, 2011, the manufacturer was Huijia Biochemical International Co., LTD, the description of merchandise was Rice Fructose Syrup, and the country of origin was China. The entry date of September 22, 2011 is significant because CHU received knowledge on August 29, 2011 that the commodity of

Rice Fructose Blending Syrup from the manufacturer Huijia Biochemical International Co., LTD was subject to anti-dumping duties regarding a previous entry outlined in paragraphs 12 through 20. The commodity of Rice Fructose Syrup was classified as a "sugar, incl., invert, other," under tariff code 1702.90.9000 with a duty rate of 5.1 percent of the total entered value of the merchandise. For entry numbers BLW-0540437 and BLW-05460429, the combined entered value was \$99,110, thus the duty assessed was \$5,054.61.

24. On September 30, 2011, CBP obtained samples from one container on detention at the Port of Jacksonville, Florida and samples from five containers located at the Grimes Companies in Jacksonville, Florida, regarding entry numbers BLW-05440437 and BLW-05460429. Your Affiant reviewed CBP laboratory reports that stated on October 4, 5, and 20, 2011, the CBP laboratory reported that samples taken from the five separate containers regarding entry numbers BLW-0540437 and BLW-05460429 were more than 50 percent honey which made entry numbers BLW-0540437 and BLW-05460429 subject to anti-dumping duties at the rate of \$2.63 per net kilogram. Based on these laboratory results, Demeter Group, Inc. falsely described the goods as Rice Fructose Syrup to circumvent payment of anti-dumping duty in the amount of \$146,438.40 per entry for a total of \$292,876.80.

25. Your Affiant reviewed information received from the customs house broker for Complete Customs Service Bing Chu, no relation to Qiao CHU, herein referred to as "BC", regarding numbers BLW-0540437 and BLW-05460429. Your Affiant observed that Complete Customs Service entered into a Customs

Power of Attorney contract with Demeter Group, Inc., dba Sweet Heart Group under the CEO name and signature Zhongheng Yang on August 2, 2011. Your Affiant also observed a Customs Power of Attorney that appeared to be signed by Yang on August 2, 2011, empowering Qiao CHU as a unique agent in charge of the business of Demeter Group, Inc. and granting CHU the right to conduct all the business of Demeter Group, Inc. in the United States. Additionally, Your Affiant observed California Driver License Number F2924672 representing the identification of CHU attached to the Power of Attorney contract. As demonstrated in paragraphs 26 through 29, Your Affiant also received information that the shipping and storage of these entries was paid for and contracted by Chin Shih CHOU, aka "Jeff" after being imported into the United States, contrary to law by Demeter Group, Inc. and CHU.

26. Your Affiant received information from BC, that CHU would often provide CHOU with delivery orders over the phone while in the Complete Customs Service office for shipments when they arrived in the United States. Your Affiant reviewed email correspondence between CHU and Complete Customs Service dated August 11, 2011, where CHU explained that "Jeff", aka CHOU, is CHU's partner and helps him do a lot of work for the business, and CHOU has the right to know all the things about CHU's shipments. Your Affiant also reviewed an additional email correspondence from Complete Customs Service to CHOU and CHU regarding the warehousing and storage instructions for entries BLW-05460437 and BLW-05460429 upon customs release.

27. Based on this information, Your Affiant presented Complete Customs Service Employee Sandy Chu, no relation to Qiao CHU, with a photo spread via email where she identified CHOU as the person she knows as "Jeff" and as the person she had previously seen in the Complete Customs Service office.

28. On or about September 30, 2011, HSI agents received information from CBP that entry numbers BLW-0540437 and BLW-05460429 entered into the commerce of the United States and were physically located at a warehouse in Jacksonville, Florida called The Grimes Companies.

29. Your Affiant observed information from Neil Porter, the Director of Operations for The Grimes Companies. Porter provided Your Affiant with delivery orders which stated The Grimes Companies received entry numbers BLW-05460437 and BLW-05460429 from the Port of Jacksonville, Florida, on September 26, 2011. Your Affiant also reviewed documentation from Porter that stated on August 29, 2011, The Grimes Companies entered into contract for the storage and shipping of entry numbers BLW-05460437 and BLW-05460429 with Cratos Group, Inc. and the representative Scich-chieh Cratos, who at that time identified himself as "Jeff". Your Affiant then received an outgoing wire funds transfer request from Porter regarding his client, "Jeff" with Cratos Group, Inc. The wire transfer receipt indicated that on September 30, 2011, EastWest Bank wired \$17,007.76 from account number 8254002218 to the Grimes Companies. The Originator's ID and TIN information on the wire transfer receipt indicated the following: Taiwan Passport Number 211055827 and Tax ID Number 46-

0494474. This Taiwan Passport Number identified the true identity of the individual conducting the wire transfer, and "Jeff," as Chin Shih CHOU, DOB: 10/29/63, Citizen of Taiwan.

C. Entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747

30. HSI agents received information that Demeter Group, Inc. falsely manifested importations of honey as Rice Fructose Blending Syrup which made entry into the United States from China through the Port of Savannah, Georgia, on August 3, 2011, and the Port of Wilmington, North Carolina, on August 12, 2011, to evade anti-dumping duties.

31. Your Affiant contacted customs house broker, Complete Customs Service, who facilitated the process of entering goods into the United States on behalf of the importer, Demeter Group, Inc., for entry under entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747.

32. Your Affiant reviewed from Complete Customs Service CBP Form 3461 (entry-immediate delivery), CBP Form 7501 (entry summary), and specification documents regarding entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747, that held 24 containers. Each container housed 64, 55-gallon barrels. Your affiant observed that the importer of record was Demeter Group, Inc., DBA Sweet Heart Group, and the entry dates were August 3, 2011, regarding entry number BLW-

05451907 and August 12, 2011, regarding entry numbers BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747. The manufacturer was Huijia Biochemical International Co., LTD, the description of merchandise was Rice Fructose Blending Syrup and the country of origin was China. The commodity of Rice Fructose Blending Syrup was classified as a "sugar, incl., invert, other," under tariff code 1702.90.9000 with a duty rate of 5.1 percent of the total entered value of the merchandise. For entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747 the total entered value was \$398,113, thus the duty assessed was \$20,303.76. The assessed weight was 445,440 kilograms, thus the anti-dumping duties owed for entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, and BLW-05453747 was \$1,171,507.20. Paragraphs 37 through 53 will demonstrate, these entries made entry into the United States from China labeled as Rice Fructose Blending Syrup, the labels were removed, approximately 1,536 barrels comprised within the five entries were labeled as "Amber Honey", and the barrels entered into the commerce of the United States. Additionally, as will be cited in paragraphs 37 through 53, Your Affiant received information that the shipping and storage of these entries was paid for and contracted by CHOU after being imported into the United States, contrary to law by Demeter Group, Inc. and CHU.

D. Entry numbers CDA-10163689 and CDA-10163655

33. HSI agents received information that Fina Food Trading, Inc. falsely manifested importations of honey as Fructose Blended Rice Syrup that made entry into the United States from China through the Port of Savannah, Georgia on August 16, 2011 in order to evade anti-dumping duties.

34. Your Affiant contacted customs house broker, Preferred CHB, Inc., who facilitated the process of entering goods into the United States on behalf of the importer, Fina Food Trading, Inc., for entry under entry numbers CDA-10163655 and CDA-10163689.

35. Your Affiant received from Preferred CHB, Inc. CBP Form 3461 (entry-immediate delivery), CBP Form 7501 (entry summary) and specification documents regarding entry numbers CDA-10163655 and CDA-10163689, said to contain five containers, each container housing 64, 55-gallon barrels. Your Affiant observed: the importer of record was Fina Food Trading, Inc., the entry date was August 16, 2011, the manufacturer was Wuhu Food Co., LTD, the description of merchandise was Fructose Blended Rice Syrup, and the country of origin was China. The commodity of Fructose Blended Rice Syrup was classified as a "Cont Sug From Cane or Sug," under tariff code 2106.90.9997 with a duty rate of 6.4 percent of the total entered value of the merchandise. For entry numbers CDA-10163655 and CDA-10163689, the total entered value was \$78,880, thus the duty assessed was \$5,048.32. The assessed weight was 92,800 kilograms, thus the anti-dumping duties owed for entry numbers CDA-10163655 and CDA-10163689 was \$244,064. As will be demonstrated in

paragraphs 37 through 53, these entries made entry into the United States from China labeled as Rice Fructose Blending Syrup, the labels were removed, approximately 320 barrels comprised within the two entries were labeled as "Amber Honey", and the barrels entered the commerce of the United States.

36. Your Affiant received information from Erin Ting, customs house broker for Preferred CHB, Inc., which stated Preferred CHB, Inc. entered into a Customs Power of Attorney contract with Fina Food Trading, Inc. under the President name Chin Shih CHOU on May 2, 2011. United States Visa Control Number 20062515110001, Taiwan Passport Number 211055827, was provided as identification for CHOU. Ting also stated to Your Affiant that CHOU was her only business point of contact regarding entry numbers CDA-10163655 and CDA-10163689.

E. **Relabeling of Entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, BLW-05453747, CDA-10163689 and CDA-10163655**

37. Your Affiant received information that entry numbers CDA-10163689, CDA-10163655, and BLW-05451907 entered into the United States from China through the Port of Savannah, Georgia, and were delivered to a storage warehouse in Savannah, Georgia, named JIT Warehouse and Logistic LLC. As will be demonstrated in paragraph 38, while located at JIT Warehouse and Logistic LLC, the individual barrels within these entries were stripped of the labels under which they were imported into the United States.

38. Your Affiant sent a Department of Homeland Security Summons to JIT Warehousing and Logistic LLC. In response to this Summons, Your Affiant reviewed a wire transfer receipt that indicated on September 16, 2011, EastWest Bank wired \$5,259.52 from account number 8254002218 in the name of Fina Food Trading, Inc. to JIT Warehousing and Logistics LLC. In addition, Your Affiant reviewed an invoice dated August 30, 2011 that indicated \$225.00 was billed to Fina Food Trading, Inc. to remove labels regarding entry number CDA-10163689 and a Pick Up order that indicated entry number CDA-10163689 arrived at their warehouse from the Port of Savannah, Georgia, on August 11, 2011. A second invoice dated August 30, 2011, indicated \$150.00 was billed to Fina Food Trading, Inc. to remove labels regarding entry number CDA-10163655, and a Pick Up order which indicated entry number CDA-10163655 arrived at their warehouse from the Port of Savannah, Georgia, on August 11, 2011. A third invoice dated August 18, 2011, indicated \$675.00 was billed to Fina Food Trading, Inc. to remove labels regarding entry number BLW-05451907, and a Pick Up order which indicated entry number BLW-05451907 arrived at their warehouse from the Port of Savannah, Georgia on August 3, 2011.

39. Your Affiant reviewed email correspondence from JIT Warehouse and Logistic LLC which indicated JIT Warehouse and Logistic LLC business correspondence was with CHOU aka "Jeff" at fina.chou@ymail.com. A subpoena returned from Yahoo verified the Yahoo mail name fina.chou@ymail

.com was active from the country of Taiwan under the full name of Chin Shih CHOU.

40. Your Affiant received information that entry numbers BLW-05453598, BLW-05453739, BLW-0545374, and BLW-05453754 entered into the United States from China through the Port of Wilmington, North Carolina, and were delivered to a storage warehouse in Wilmington, North Carolina named East Carolina Bonded Warehouse. As cited in paragraphs 41 and 42, while located at East Carolina Bonded Warehouse, the individual barrels within these entries were stripped of the labels with which they were imported into the United States.

41. On or about October 14, 2011, Your Affiant sent a Department of Homeland Security Summons to East Carolina Bonded Warehouse. In response to this Summons, Your Affiant reviewed a personal check which indicated on August 25, 2011, Fina Food Trading paid \$7,975.00 to East Carolina Bonded Warehouse from EastWest Bank account number 8254002218. Additionally, East Carolina Bonded Warehouse provided an invoice dated August 24, 2011, which indicated \$400.00 was billed to Fina Food Trading, Inc. for "Removing Labels From Drums." East Carolina Bonded Warehouse also provided Pick Up Orders that indicated entry numbers BLW-05453598, BLW-05453739, BLW-0545374, and BLW-05453754 arrived at East Carolina Bonded Warehouse from the Port of Wilmington, North Carolina on August 19, 2011. Your Affiant reviewed an additional invoice dated August 24, 2011, which described the commodity of the entries as Rice Fructose Drums Blending Syrup.

42. Your Affiant spoke William Tomlinson, Warehouse Manager at East Carolina Bonded Warehouse, via telephone. Tomlinson explained to Your Affiant the barrels regarding the entry numbers BLW-05453598, BLW-05453739, BLW-05453747, and BLW-05453754 were labeled as rice fructose before he removed the labels per the request of his customer, "Jeff". Your Affiant reviewed email correspondence from East Carolina Bonded Warehouse that indicated their business correspondence was with Chin Shih CHOU, aka "Jeff" at fina.chou@ymail.com.

43. Your Affiant received information that entry numbers BLW-05451907, BLW-05453598, BLW-05453739, BLW-05453754, BLW-05453747, CDA-10163689 and CDA-10163655 were received at Laney and Duke Terminal Warehouse in Jacksonville, Florida from East Carolina Bonded Warehouse and JIT Warehouse and Logistics LLC. As will be demonstrated in paragraphs 44 through 56, upon arrival at Laney and Duke Terminal Warehouse, these seven entries with 29 containers and approximately 1,856 barrels were labeled as "Amber Honey" and then shipped into the commerce of the United States.

44. On September 30, 2011, Your Affiant and HSI SA Gary Chwast interviewed Jessica Hogan, the Business Development Coordinator for Laney and Duke Terminal Warehouse in Jacksonville, Florida and Daniel Lee, General Manager for Laney and Duke Terminal Warehouse. Hogan stated she entered into business for shipping and storage with Fina Food Trading, Inc. and Chin Shih CHOU (aka "Jeff"). Hogan and Lee stated that CHOU was physically present at their warehouse from September 1, 2011 through September 7, 2011.

Hogan and Lee stated that CHOU and an individual named "Danny," later identified as Wei Tang Lo, aka David Lo, brought labels that were printed with the words "amber honey" to the warehouse. Hogan stated that she witnessed CHOU and "Danny" put the labels on the barrels and that she also helped CHOU and LO do this. Hogan also stated that CHOU told her that he paid JIT Warehouse and Logistics in Savannah, Georgia to remove the old labels. Hogan further stated "Danny" produced his own Bills of Lading that were provided to the truck drivers as they came to pick up the barrels.

45. Your Affiant reviewed documents obtained from Laney and Duke Terminal Warehouse, which stated that from August 24, 2011, through September 12, 2011, Laney and Duke Terminal Warehouse received 29 containers of a commodity listed on Bills of Lading as "Rice Syrup" from JIT Warehouse and Logistics in Savannah, Georgia and East Carolina Bonded Warehouse in Wilmington, North Carolina. In addition, Your Affiant reviewed 29 separate Bills of Lading that indicated the commodity "Drums of Honey" and "Honey Drums", with the listed consignees of Groeb Farm in Belleview, Florida for 23 of the Bills of Lading and Glorybee Foods, Inc. in Eugene, Oregon for six of the Bills of Lading.

46. Your Affiant also reviewed two outgoing wire funds transfer requests. One wire transfer receipt indicated on August 22, 2011, EastWest Bank wired \$5,880.60 from account number 8254002218 to Laney and Duke Terminal Warehouse. The Originator's ID and TIN information on the wire transfer receipt indicated the following: Taiwan Passport Number 211055827

and Tax ID Number 46-0494474. The second wire transfer receipt indicated on August 23, 2011, EastWest Bank wired \$19,968.90 from account number 8254002218 to Laney and Duke Terminal Warehouse. The Originator's ID and TIN information on the wire transfer receipt indicated the following: Taiwan Passport Number 211055827 and Tax ID Number 46-0494474. These passport numbers identified the individual conducting the wire transfer as Chin Shih CHOU, DOB: 10/29/63, Citizen of Taiwan.

47. On October 13, 2011, Your Affiant and Food and Drug Administration (FDA) SA Will Brannon met with Lee and Hogan. Your Affiant presented Lee and Hogan with two separate photo spreads where they identified Wei-Tang Lo as "Danny" and Chin Shih CHOU as "Jeff". Per FDA Investigative Memorandum cited in paragraph 18, Demeter Group, Inc. was recently sold by Wei-Tang Lo to Zhong-Heng Yang. Hogan also stated that the labels produced by CHOU and "Danny" which they affixed to the barrels stated "Amber Honey".

48. On October 14, 2011, Your Affiant had a telephone conversation with Hogan. Hogan stated CHOU and "Danny" placed labels on all the barrels received at Laney and Duke Terminal Warehouse from JIT Warehouse and Logistics and East Carolina Bonded Warehouse. Hogan stated CHOU made the comment to her that he paid JIT Warehouse and Logistics to remove the original labels off of the shipments identifying the contents as "Rice Fructose Syrup."

49. On October 20, 2011, Your Affiant conducted a follow up telephone conversation with Hogan. Hogan stated that Laney and Duke Terminal Warehouse contracted SLS trucking to pick up the shipments from JIT

Warehouse and Logistics and East Carolina Bonded Warehouse. CHOU paid Laney and Duke Terminal Warehouse for the shipping and transportation. Hogan explained she was only at the warehouse for part of the time while "Danny" and CHOU were at Laney and Duke Terminal Warehouse. Hogan stated that Harold Sandve, the Warehouse Manager for Laney and Duke Terminal Warehouse, would have more specifics regarding how long Lo and CHOU were at the warehouse because he was physically working in the warehouse where Lo and CHOU spent a majority of their time.

50. On October 13, 2011, Your Affiant and FDA SA Will Brannon interviewed Harold Sandve. Your Affiant presented Sandve with a photo array where he identified Wei-Tang Lo aka "Danny" as an individual physically at Laney and Duke Terminal Warehouse in Jacksonville, Florida from September 1, 2011 through September 2, 2011. Sandve was unable to positively identify CHOU from a separate photo array, but stated "Danny" was with another Asian Male who was at the warehouse from September 1, 2011, until all the shipments left the warehouse. Your Affiant showed Sandve the 14 Bills of Lading from JIT Warehouse and Logistics regarding shipments received at Laney and Duke Terminal Warehouse from August 24, 2011 through September 2, 2011, in addition to 15 Bills of Lading from East Carolina Bonded Warehouse regarding shipments received at Laney and Duke Terminal Warehouse from August 31, 2011 through September 12, 2011. Sandve identified all 29 Bills of Lading as the shipments received into Laney and Duke Terminal Warehouse as "Rice Syrup." Your Affiant then showed Sandve the 29 Bills of Lading that indicated the

commodities as "Drums of Honey" and "Honey Drums" with the listed consignees of Grobe Farm or Glorybee Foods, Inc. Sandve identified these Bills of Lading as the ones that the Asian Male produced to the truck drivers as they came to pick up the barrels. Sandve explained the Asian Male and "Danny" gave one copy of the Bills of Lading to the truck drivers and another copy to Patricia, an employee of Laney and Duke Terminal Warehouse. Sandve explained that "Danny" and the other Asian Male taped new labels to the top of the barrels and set up trucks to pick up the products.

51. On October 20, 2011, Your Affiant had a follow up telephone conversation with Sandve. Sandve explained that "Danny" and the skinny, Asian Male affixed their own labels to the tops of all the barrels within the 29 shipments. Sandve stated the skinny, Asian Male gave his own Bills of Lading to the truck drivers. Your Affiant asked Sandve if he knew who this skinny, Asian Male was and Sandve explained he knew this individual as "Jeff" because Jessica Hogan and Daniel Lee told him that this was his name. On October 13, 2011, Your Affiant presented Lee and Hogan with a photo spread where they identified CHOU as "Jeff" as cited in paragraph 47. Sandve explained to Your Affiant that "Jeff" was present for all the shipments that were shipped out beginning on September 1, 2011 and ending on September 21, 2011.

52. On October 20, 2011, Your Affiant met with Sandve at Laney and Duke Terminal Warehouse. Sandve provided 29 Bills of Lading which he produced for the truck drivers to sign before the shipments left the warehouse. Sandve explained when he saw the Bills of Lading that CHOU planned to provide

to the truck drivers, he knew the Description of Articles & Special Marks section stating "Drums of Honey" and "Honey Drums" and the Shipper (From) section stating Mega Farm US or Mega Farms US in Hacienda Heights, California were incorrect depictions of what the barrels reportedly contained and where the shipments were being shipped from. Thus, Sandve produced his own Bills of Lading that represented the description as "Rice Syrup" being shipped from Laney and Duke Warehouse in Jacksonville, Florida. Sandve claimed he made the truck drivers sign these Bills of Lading and he kept these Bills of Lading for his records. Sandve stated CHOU refused to let him provide a copy of these Bills of Lading to the truck drivers and CHOU only wanted to provide them with his own Bills of Lading which stated the contents as "Drums of Honey" and "Honey Drums."

53. On October 26, 2011, Your Affiant and SA Chwast called and spoke with Troy Groeb, Vice President of Operations for Groeb Farms, Inc. Your Affiant asked Groeb the following questions: "Do you purchase anything but honey?" Groeb responded, "No". "Do you ever purchase anything that is less than 50 percent honey?" Groeb stated, "No, that's what is in our contracts, we don't purchase anything else but honey."

F. Entry numbers CDA-10167342, CDA-10167334, and CDA-10167326

54. Your Affiant received information from HSI SA Melinda LeCompte that Fina Food Trading, Inc. falsely manifested importations of honey as Fructose Blended Rice Syrup which made entry into the United States from China through

the Port of Baltimore, Maryland on September 1, 2011 to evade anti-dumping duties.

55. Your Affiant contacted customs house broker, Preferred CHB, Inc., who facilitated the process of entering goods into the United States on behalf of the importer, Fina Food Trading, Inc. and Fina Food Trading, Inc., President Chih Shih CHOU, for entry under entry numbers CDA-10167342, CDA-10167334, and CDA-10167326.

56. Your Affiant reviewed from Preferred CHB, Inc. CBP Form 3461 (entry-immediate delivery), CBP Form 7501 (entry summary) and specification documents regarding entry numbers CDA-10167342, CDA-10167334, and CDA-10167326, which held six containers. Your affiant observed that the importer of record was Fina Food Trading, Inc., the entry date was September 1, 2011, the manufacturer was Wuhu Food Co., LTD, the description of merchandise was Fructose Blended Rice Syrup and the country of origin was China. The commodity of Fructose Blended Rice Syrup was classified as a "Cont Sug From Cane or Sug," under tariff code 2106.90.9997 with a duty rate of 6.4 percent of the total entered value of the merchandise. For entry numbers CDA-10167342, CDA-10167334, and CDA-10167326, the total entered value was \$100,224, thus the duty assessed was \$6,414.33. The assessed weight was 111,360 kilograms, thus the anti-dumping duties owed for entry numbers CDA-10167342, CDA-10167334, and CDA-10167326 was \$292,876.80.

57. Your Affiant reviewed a CBP laboratory report that stated on September 21, 2011, the CBP laboratory took six samples each from entry

numbers CDA-10167342, CDA-10167334, and CDA-10167326 that revealed the syrup in each bottle was more than 50 percent honey. Based on these laboratory results, entry numbers CDA-10167342, CDA-10167334, and CDA-10167326 were subject to anti-dumping duties at a rate of \$2.63 per net kilogram, thus the anti-dumping duties owed for these entries was \$292,876.80.

58. On or about October 26, 2011, CBP administratively seized entry numbers CDA-10167342, CDA-10167334, and CDA-10167326 based on the fact that the importer, Fina Foods Trading, Inc., falsely described the goods as Fructose Blended Rice Syrup to circumvent payment of anti-dumping duties.

59. On November 11, 2011, Your Affiant spoke with Erin Ting, customs house broker for Preferred CHB, Inc. Ting verified CHOU was her only business point of contact regarding entry numbers CDA-10167342, CDA-10167334, and CDA-10167326. Ting stated to Your Affiant that she notified CHOU on October 21, 2011, via telephone, that CBP laboratory results were over 50 percent honey, thus entry numbers CDA-10167342, CDA-10167334, and CDA-10167326 were subject to anti-dumping duties. Ting stated to Your Affiant that CHOU told her the shipper must have made a mistake and sent him the wrong product because CHOU does not buy honey. Ting stated to Your Affiant that CHOU then requested that entry numbers CDA-10167342, CDA-10167334, and CDA-10167326 be exported back to China. Ting stated to Your Affiant that CHOU was unable to export the entries because CBP had seized them. Based on Your Affiant's training and experience, when CBP samples and determines that entries are more than 50 percent honey, it is common practice for importers who falsely

describe honey in an effort to avoid anti-dumping duties to attempt to have the entries exported back to China. This is in an effort to re-containerize and then attempt to re-import the entries back into the United States.

60. Based on the foregoing, I respectfully submit that there is probable cause to believe that Qiao CHU and Chin Shih CHOU did knowingly, willfully and intentionally combine, conspire, confederate and agree with each other and others to smuggle and clandestinely introduce into the United States merchandise which should have been invoiced; that is, honey with a country of origin of China, in violation of Title 18, United States Code, Section 545; all of which in violation of Title 18, United States Code, Section 371.

FURTHER AFFIANT SAYETH NOT.

Executed this 15th day of November, 2011

A handwritten signature in black ink, appearing to read "Scott Kraich", written over a horizontal line.

Scott Kraich, Special Agent
Homeland Security Investigations
Jacksonville, Florida