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**TEN CHARGED IN \$200 MILLION SMUGGLING  
OPERATION INTO THE PORT OF NEWARK**

*Defendants charged with bypassing border  
security measures at the Port of Newark  
by paying more than \$500,000 in bribes*

MICHAEL J. GARCIA, the United States Attorney for the Southern District of New York, KYLE A. HUTCHINS, the Special-Agent-in-Charge of the Newark, New Jersey, Field Office of the Department of Homeland Security's U.S. Immigration and Customs Enforcement ("ICE"), and SUSAN T. MITCHELL, the Director of Field Operations of the U.S. Customs and Border Protection ("CBP") of New York, today announced the arrests of ten individuals on charges related to the smuggling and trafficking of counterfeit goods. These criminal charges follow a long-term undercover investigation into an elaborate scheme to defeat federal border and port security measures at Port Newark-Elizabeth Marine Terminal ("Port Newark") in Elizabeth, New Jersey by smuggling massive amounts of counterfeit merchandise from China into the United States. The retail value of genuine versions of this merchandise is estimated to be more than \$200 million. In addition to the arrests, federal authorities executed four search warrants across the New York metropolitan area and seized two trucks that were used to transport counterfeit goods. According

to the Complaint unsealed earlier today in Manhattan federal court:

Since June 2006, a global criminal ring has smuggled and attempted to smuggle through Port Newark more than one hundred 40-foot-long steel shipping containers loaded with counterfeit merchandise -- including counterfeit Nike shoes; Burberry and Chanel handbags; and Polo Ralph Lauren and Baby Phat brand clothing. As part of this scheme, the defendants and their co-conspirators paid more than \$500,000 in cash bribes to an undercover ICE agent (hereinafter the "UC") who posed as a corrupt longshoreman's union official, stationed at Port Newark, who had the ability to clear imported cargo through United States customs and border security measures without detection or seizure.

The ring routinely concealed these Chinese-made counterfeit goods in shipping containers with fraudulent bills of lading, which are shipping documents certifying the shipper has received specified goods as cargo for delivery to a specific person at a specific location. The bills of lading falsely described the cargo. For example, one bill of lading claimed a container held "noodles," when in fact it contained counterfeit Nike sneakers. Once these containers cleared CBP inspection protocols at Port Newark, the defendants typically transported them to warehouses throughout the New York City metropolitan area for short-term storage pending distribution to retail-level customers.

Throughout this investigation, the UC maintained near-daily contact with members of the smuggling ring, including the defendants charged in the Complaint. Hundreds of the UC's conversations with the defendants were secretly recorded and most of the UC's face-to-face meetings were monitored in real time by other federal agents.

The following defendants are charged in the Complaint:

- MICHAEL CHU, a/k/a "Michael Choi," a/k/a "Schuching M. Chu," a/k/a "Shu Ching Chu," a/k/a "Michael Shuching Chu," who is alleged to have personally paid more than \$100,000 in cash bribes to the UC and smuggled through the Port approximately 20 containers of counterfeit goods with an estimated Manufacturer's Suggested Retail Price ("MSRP"), if genuine, exceeding \$24 million. CHU, 70, resides in Manhattan.
- GRACE QUEZON, a/k/a "Charmaine Dabao," who worked with

CHU in smuggling containers through the Port and, together with her associates, allegedly paid more than at least approximately \$400,000 in bribes to the UC. QUEZON smuggled and attempted to smuggle more than 25 containers of counterfeit goods. Genuine versions of these goods would have an estimated value exceeding \$99 million. QUEZON, 38, resides in Jersey City, New Jersey.

- ROBIN HUFF, a federally licensed customs broker, who assisted the criminal scheme by monitoring the status of CHU's incoming containers at Port Newark through an electronic cargo database that CBP makes available to customs brokers. By exploiting his access to this CBP database, HUFF allegedly facilitated the smuggling of these containers through the Port on behalf of the ring. HUFF, 46, resides in Brooklyn, New York.
- HSI FENG LI, a/k/a "The General," a/k/a "Xue Feng Li" who allegedly stated he was in a position to send 50 containers of counterfeit goods to the UC each month for smuggling through the Port. LI also worked with CHU. LI, 61, resides in Brooklyn, New York.
- CHI ON WONG, a/k/a "Tommy Wong," and MAN WAI CHENG, a/k/a "Man Wei Chen," a/k/a "Tina Wong," a married couple who operate KT Express, Inc., a Brooklyn-based trucking company that allegedly charged smugglers a premium to transport containers of counterfeit goods from Port Newark to locations across the New York metropolitan area. WONG, 36, and CHENG, 34, reside in Brooklyn, New York.
- Named in the complaint as FNU LNU, a/k/a "Mr. Ding," a/k/a "Paul Ding," now identified as YEE KHIONG TING, who allegedly coordinated shipments of counterfeit merchandise, paid cash bribes to the UC, and sold counterfeit goods after they had been cleared into the United States. Ding, 44, resides in Queens, New York.
- TROY KING, 37, who allegedly worked with CHU, and subsequently QUEZON, to smuggle containers of counterfeit goods through the Port. KING was responsible for arranging payments, making collections, and overseeing operations in the United States. KING resides in Queens, New York,
- WING KI LEE, a/k/a "Joe," 36, who allegedly worked with

KING to smuggle containers into the United States on behalf of "Stanley," a manufacturer in China who was a primary supplier of counterfeit merchandise for CHU, QUEZON, and KING. LEE resides in Jersey City, New Jersey.

- DICK ONG, 57, who is alleged to have worked with CHU and tracked the containers that CHU was importing, including arranging for their pickup from the Port and monitoring their status. ONG resides in Bergenfield, New Jersey.

The three-count Complaint charges ten participants in the ring with conspiring to smuggle goods into the United States, smuggling goods into the United States, and trafficking in counterfeit goods. If convicted, each defendant faces a maximum sentence of 35 years' imprisonment, a maximum fine of the greatest of \$2.5 million or twice the gross gain or loss from the offense, and an obligation to pay restitution to the manufacturers of the genuine products.

The defendants arrested today are expected to appear this afternoon in Manhattan Federal Court before United States Magistrate Judge FRANK MAAS.

Earlier today, ICE agents also searched four locations associated with the members of this smuggling organization. In particular, search warrants were executed at QUEZON's residence in New Jersey, a Manhattan office suite used by CHU and his associates, a house in Brooklyn used as KT Express's base of operations, and office space in Brooklyn used by DING. Federal agents seized at least \$80,000 in cash, and two of the trucks that KT Express used to transport containers from the Port.

This prosecution is being handled by the Major Crimes Unit of the United States Attorney's Office. Assistant United States Attorneys ROSEMARY NIDIRY, CHRISTINE MEDING, NICHOLAS S. GOLDIN, and RUA M. KELLY are in charge of the prosecution.

Mr. GARCIA praised the investigative work of ICE and thanked CBP for its cooperation. He added the investigation is continuing.

The charges contained in the complaint are merely accusations and the defendants are presumed innocent unless and until proven guilty.

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