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CHINESE HONEY SUPPLIER ARRESTED ON U.S. CHARGES FOR ALLEGEDLY CONSPIRING TO EVADE U.S. RESTRICTIONS ON IMPORTED HONEY FOR CHICAGO OFFICE OF GERMAN FOOD DISTRIBUTOR

CHICAGO – A Chinese executive of a honey manufacturer in China was arrested early today in Los Angeles on federal charges filed in Chicago for allegedly conspiring to illegally import honey that was falsely identified as coming from the Philippines to avoid U.S. anti-dumping duties. The defendant, **Yong Xiang Yan**, was arrested without incident three days after he entered the United States voluntarily and before departing on a domestic flight today at Los Angeles International Airport, announced Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, and Gary J. Hartwig, Special Agent-in-Charge of U.S. Immigration and Customs Enforcement in Chicago.

Also today, two other Chinese nationals, including Boa Zhong Zhang, who was traveling with Yan, and a suburban Seattle resident were arrested on federal charges filed in Seattle for allegedly conspiring to defraud the United States by submitting false customs documents regarding shipments of honey to the United States.

Yan, 60, is the president of Changege City Jixiang Bee Product Co Ltd., a honey manufacturer located in Henan, China. He was charged with conspiracy in a criminal complaint and is expected to appear today in U.S. District Court in Los Angeles.

According to the complaint affidavit filed in Chicago, the charges against Yan stem from an ongoing investigation of the honey importing practices of Alfred L. Wolff, Inc. (ALW), the food ingredients component of Wolff & Olsen, headquartered in Hamburg, Germany. Two Chicago-based executives of ALW, Stefanie Giesselbach and Magnus Von Buddenbrock, were arrested in Chicago on federal conspiracy charges in May 2008, and are cooperating while the charges against them remain pending, the new affidavit states. Between 2005 and 2008, ALW's Chicago office imported nearly \$30 million of honey into the United States, it adds.

The complaint affidavit against Giesselbach and Von Buddenbrock stated that the Commerce Department and International Trade Administration imposed anti-dumping duties, at a default rate of 221 percent, on the importation of honey manufactured in the People's Republic of China, effective in July 2007. In October 2002, the Food and Drug Administration issued an import alert for honey containing the antibiotic chloramphenicol, a broad spectrum antibiotic that is used to treat serious infections in humans, but which is not approved for use in food producing animals, including bees. Honey containing chloramphenicol is deemed unsafe and adulterated within the meaning of the federal food and drug laws. None of the charges allege any instances of illness or other public health consequences attributed to consumption of the honey, nor does it identify any store brands or domestic supply chain of any honey that was allegedly illegally imported or adulterated.

The Yan complaint alleges that emails between ALW personnel in Chicago and its affiliated supplier/representative in China, corroborate information provided by Von Buddenbrock that Yan — referred to in the emails as “Mr. Nonstop Smoker” — was transshipping honey from China, through the Philippines, to the United States. ICE agents reviewed purchase orders and shipping and payment records issued by ALW’s Chicago office for three shipments, totaling 15 full container loads, of Chinese honey that were re-labeled through the Philippines in 2005. The additional anti-dumping duties that would have been imposed if these shipments were imported lawfully directly from China would have totaled in excess of 221 percent of the declared value, the charges allege.

ICE agents also allege that Yan’s company, Jixiang, was importing full container loads of Chinese honey into the port of Seattle fraudulently labeled as having originated in Thailand as recently as February 2008. Those containers were seized by ICE agents in April 2008.

The government is being represented by Assistant U.S. Attorneys Andrew Boutros and William Hogan.

If convicted, the conspiracy charge carries a maximum penalty of five years in prison and a \$250,000 fine. The Court, however, would determine the appropriate sentence to be imposed under the advisory United States Sentencing Guidelines.

The public is reminded that a complaint contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

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