



Press Release

For Immediate Release
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August 11, 2011
FY-11-7

ALCOHOL IMPORTER ADMITS SMUGGLING DISTILLED SPIRIT FROM KOREA INTO THE UNITED STATES, RELATED CRIMES

CAMDEN, N.J. – A former Medford, N.J., resident in the business of importing alcohol from Korea admitted today to smuggling a distilled spirit into the United States, failing to pay the proper taxes on the imports, and laundering the profits back into the operation, U.S. Attorney Paul J. Fishman announced.

U.S. citizen Do Young “Nick” Lee, 42, of Tysons Corner, Va., pleaded guilty to an Information charging him with one count each of smuggling, money laundering, and evasion of excise tax. Lee entered his guilty plea before U.S. District Judge Noel L. Hillman in Camden federal court.

According to documents filed in this case and statements made in court:

Lee operated Morning Calm International, Inc., principally based in Philadelphia, which imported the distilled spirit Cheungpung Soju into the United States from Korea. The tax rate for wines is significantly less than that for distilled spirits. Lee admitted that to reduce the amount of excise taxes levied on his imports, he submitted, and caused customs brokers to submit, documents to U.S. Customs and Border Protection claiming that the Soju was rice wine.

Between December 2005 and February 2008, Lee imported at least 14 shipments of Soju into various United States ports, including Port Newark, in which he falsely classified the Soju as rice wine. The false classification allowed Lee to avoid paying approximately \$101,818 in excise taxes to the U.S. government.

Lee admitted that once he received the Soju, he sold it to various restaurants and businesses, some of which did not have liquor licenses, throughout southern New Jersey, Pennsylvania, Maryland, Georgia and California. Lee used the proceeds of those sales to wire approximately \$415,059 from New Jersey and elsewhere to Korea to pay for additional Soju – which also was then smuggled into the United States by the submission of false entry documents.

The smuggling charge to which Lee pleaded guilty carries a maximum potential penalty of 20 years in prison and \$250,000 fine; the money laundering charge carries a maximum potential penalty of 20 years in prison and a \$500,000 fine; and the evasion of excise tax charge carries a maximum potential penalty of five years in prison and a \$250,000 fine. Lee is currently scheduled to be sentenced on November 18, 2011.

U.S. Attorney Fishman credited special agents of IRS – Criminal Investigation, acting as agents of the U.S. Treasury Alcohol and Tobacco Tax & Trade Bureau (TTB) – together with TTB investigators – under the direction of Special Agent in Charge Timothy Marsh for the purposes of this investigation; special agents of the U.S. Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations, Newark Field Office, under the direction of Acting Special Agent in Charge Andrew M. McLees; as well as officers and inspectors of U.S. Customs and Border Protection, under the leadership of Director of New York Field Operations Robert E. Perez, for the investigation of the case.

The government is represented by Assistant U.S. Attorney Jason M. Richardson of the U.S. Attorney's Office Criminal Division in Camden.

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Defense counsel: Peter J. Scuderi Esq., Philadelphia