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**HONEY IMPORTER INDICTED ON FEDERAL CHARGES ALLEGING  
INTERNATIONAL CONSPIRACY TO ILLEGALLY IMPORT  
HONEY FROM CHINA TO AVOID U.S. IMPORT DUTIES**

CHICAGO A Chinese business agent for several honey import companies was arrested in Los Angeles on federal charges out of Chicago for allegedly conspiring between 2004 and 2006 to illegally import Chinese-origin honey that was falsely identified as originating in South Korea, Taiwan, and Thailand to avoid U.S. antidumping duties. The defendant, **Shu Bei Yuan**, was arrested without incident on Tuesday, in Los Angeles, California, 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 (ICE) Homeland Security Investigations (HSI) in Chicago. Yuan appeared late yesterday in U.S. District Court in Los Angeles.

Yuan, also known as “Kathy Yuan,” 44, of the Republic of China, was an employee of Blue Action Enterprise, Inc., a California-based honey import company and other related companies, including 7 Tiger Enterprises, Inc. and Honey World Enterprise Inc., both of which are now defunct, all of which she allegedly used to fraudulently import Chinese-origin honey into the United States. According to the indictment, Yuan worked with Hung Ta Fan, a/k/a “Michael Fan,” who owned and operated Blue Action, 7 Tiger, and Honey World, to bring Chinese-origin honey into the United

States using false and fraudulent means. Fan was arrested on April 1, 2010 and in August 2010, Fan pleaded guilty in federal district court in Chicago to conspiring to illegally import Chinese-origin honey to avoid more than \$5 million in U.S. antidumping duties. Fan was sentenced to 30 months in prison in November 2010.

Between March 2005 and June 2006, the indictment alleges that Yuan and others allegedly caused Blue Action and 7 Tiger to fraudulently import approximately six shipments of Chinese-origin honey falsely declared as originating in South Korea, Taiwan, and Thailand. The six shipments of honey had a total declared value of approximately \$290,464, and avoided antidumping duties applicable to Chinese honey totaling approximately \$533,872. In total, the indictment charges Yuan with five criminal counts.

“Ms. Yuan allegedly mislabeled Chinese honey shipments to avoid paying import tariffs, in essence defrauding the U.S. government of hundreds of thousands of dollars,” said Gary Hartwig. “The stability of our domestic honey industry is potentially threatened when importers illegally dump low-cost Chinese honey into the U.S. marketplace. ICE HSI will continue to aggressively investigate importing schemes that circumvent government regulations and put law-abiding businesses at a disadvantage.”

According to the indictment, the charges against Yuan relate to an ongoing investigation of the honey importing practices of Alfred L. Wolff, Inc. (ALW), and other corporate affiliates of Wolff & Olsen, headquartered in Hamburg, Germany, including ALW Germany, ALW Honey, and ALW Beijing, and ALW Hong Kong. In September 2010, a federal grand jury sitting in Chicago indicted ten ALW executives and five ALW companies in an \$80 million honey fraud importation ring. In total, the Chicago U.S. Attorney’s Office has charged 20 individuals and companies out of its honey-

related investigations.

In December 2001, the U.S. Commerce Department determined that Chinese honey was being sold in the United States at artificially low prices and imposed antidumping duties. Between June 2004 and October 2005 antidumping duties on Chinese-origin honey was approximately 183%. In June 2006, the rate switched to approximately 212%. Honey originating from South Korea, Taiwan, and Thailand was not subject to any antidumping duties.

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

If convicted, the most serious charge in the indictment carries a maximum penalty of 20 years in prison and a \$250,000 fine. The Court, however, would determine a reasonable 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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