



***United States Attorney
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**MANHATTAN U.S. ATTORNEY SETTLES CIVIL FRAUD LAWSUIT
AGAINST JEWELRY COMPANIES ENGAGED IN A
DECADE-LONG CUSTOMS FRAUD SCHEME**

*Whistle-Blower Lawsuit Exposing Bogus Invoicing
Leads To \$3.85 Million Settlement*

PREET BHARARA, the United States Attorney for the Southern District of New York, and JAMES T. HAYES, JR., the Special Agent-in-Charge of the New York Office of U.S. Immigrations and Customs Enforcement's ("ICE") Homeland Security Investigations ("HSI"), announced today that the United States has filed, and simultaneously settled, a civil customs fraud lawsuit against NOBLE JEWELRY LTD., an international jewelry company based in Hong Kong, and its related New York State corporations, NOBLE JEWELRY LIMITED and CHAD ALLISON CORPORATION (collectively, "THE NOBLE JEWELRY COMPANIES"), for using bogus invoices to cheat the United States out of more than \$1 million dollars in customs duties over the course of a decade. In the settlement, approved in Manhattan federal court by U.S. District Judge JOHN G. KOELTL, THE NOBLE JEWELRY COMPANIES accepted responsibility for under-reporting the value of their imported merchandise, and agreed to pay \$3.85 million to the United States as damages and penalties under the False Claims Act.

Manhattan U.S. Attorney PREET BHARARA stated: "This case is an excellent example of the essential public service a whistle-blower can perform by partnering with the government to expose illegal conduct that adversely affects the public fisc. It is also a reminder of our continued vigilance in pursuit of fraud and its perpetrators."

ICE HSI Special Agent-in-Charge JAMES T. HAYES, JR., stated: "Companies that break our nation's customs laws gain an unfair advantage over law-abiding competitors. ICE HSI will use

all of its resources to investigate companies that try to beat the system and bring them to compliance."

According to the Complaint filed in Manhattan federal court:

THE NOBLE JEWELRY COMPANIES are related through a common holding company, NOBLE JEWELRY HOLDINGS LIMITED, which is incorporated in the Cayman Islands and operates principally in Hong Kong. From approximately 1998 through 2010, THE NOBLE JEWELRY COMPANIES engaged in a fraudulent scheme to avoid the payment of customs duties by presenting the Government with bogus invoices, which significantly understated the value of the imported jewelry. The bogus invoices were used to calculate customs duties. THE NOBLE JEWELRY COMPANIES maintained a second set of books with accurate invoices, but they were withheld from the Government. Through this fraud, they avoided paying more than \$1 million dollars in customs duties.

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As part of the settlement, THE NOBLE JEWELRY COMPANIES have admitted wrongdoing, acknowledging that, between 1998 and 2010, they "repeatedly presented to the Government invoices for jewelry being imported into the United States that understated the value of the goods imported;" that they "maintained, for their own commercial use, separate invoices which accurately listed the value of the jewelry being imported;" that they took steps "to avoid detection;" and that their conduct "deprived the Government of hundreds of thousands of dollars of customs duties."

The allegations of fraud stated in the Complaint were first brought to the attention of federal law enforcement by a whistle-blower, who filed a lawsuit under the False Claims Act. The False Claims Act permits the Government to recover up to three times the amount of damages incurred by the United States, plus civil penalties ranging from \$5,500 to \$11,000 per violation. Private parties who have knowledge of fraud committed against the Government may file suit on behalf of the Government and share in any recovery. The United States may then intervene and file its own lawsuit for treble damages and penalties, as it did in this case.

Mr. BHARARA praised the investigative work of ICE. He also thanked U.S. Customs and Border Protection for its assistance.

The case is being handled by the Office's Civil Frauds Unit. Assistant United States Attorney BRIAN M. FELDMAN is in charge of the case.

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