

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

- - - - - x  
UNITED STATES OF AMERICA :  
-v.- :  
XIAO JU GUAN, : INDICTMENT  
a/k/a "Tony Guan" :  
Defendant. : 14 Cr.  
- - - - - x

COUNT ONE  
(Conspiracy)

The Grand Jury Charges:

BACKGROUND

The Defendant and His Co-Conspirators

1. At all times relevant to this Indictment, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, was the President and owner of an antiques business located in Richmond, British Columbia, ("Antiques Business-1"). At all times relevant to this Indictment, through his business, GUAN purchased art and other objects containing wildlife items such as elephant ivory, rhinoceros horn and coral. From at least in or about June 2012 through at least in or about May 29, 2014, GUAN and his co-conspirators ("CC-1," through "CC-4," respectively) purchased in the United States, and then smuggled into Canada, dozens of wildlife items containing rhinoceros horn, elephant ivory and

coral, with a market value in excess of \$500,000.

2. At all times relevant to this Indictment, the co-conspirators of XIAO JU GUAN, a/k/a "Tony Guan," the defendant, knowingly participated in the scheme in the following ways:

a. CC-1 resided in Canada and traveled to the United States with GUAN to assist in the purchase and smuggling of black rhinoceros horn by, among other things, acting as GUAN's English interpreter.

b. CC-2, CC-3 and CC-4 lived in Canada and helped GUAN buy and smuggle wildlife items from the United States, by, among other things, contacting sellers in the United States, negotiating transactions and wiring funds used for the purchase of wildlife items, and translating conversations and documents for GUAN in order to help purchase and unlawfully smuggle those items out of the United States.

#### The Relevant Wildlife Species

3. Rhinoceros are characterized by their enormous size, leathery skin and horns. Rhinoceros horn is a highly valued and sought after commodity despite the fact that international trade has been largely banned and highly regulated since 1976. Libation cups and other ornamental carvings are particularly sought after in China and other Asian countries as well as in the United States. The escalating value of these items has resulted in an increased demand for rhinoceros horn and helped to foster a

thriving black market, including modern carvings being sold as antiques. Most species of rhinoceros are extinct or on the brink of extinction as a result of this thriving black market.

4. Elephant ivory and carved art objects made from such ivory are also highly valued and sought after commodities despite the fact that international trade has been largely banned and highly regulated since 1976. The demand for antiques and art made of or containing elephant ivory has also resulted in a thriving black market, including modern carvings being sold as antiques. Elephants are threatened in many countries as a result of this thriving black market.

5. Coral is a living organism that forms a natural habitat for numerous species of marine life. Coral and objects made from coral are highly valued and sought after commodities. The illegal trade in coral threatens not only remaining coral reefs, but the fish that inhabit them and other wildlife that depend upon this habitat.

#### Law Governing Trade in Endangered Species

6. Convention on International Trade in Endangered Species of Wild Fauna and Flora ("CITES") is an international treaty providing protection to fish, wildlife and plants that were or could become imperiled due to the demands of international markets. CITES has been signed by over 170 countries including the United States, Canada and China. Trade in rhinoceros horn

and elephant ivory has been regulated under CITES since 1976. CITES was implemented in the United States under the authority of the Endangered Species Act ("ESA") and the regulations promulgated thereunder. 16 U.S.C. § 1538(c); 50 C.F.R. §§ 14 and 23. An animal species listed as protected within CITES cannot be exported from the United States without prior notification to, and approval from, the U.S. Fish & Wildlife Service ("USFWS"). 50 C.F.R. §§ 23.13 and 23.20. Species protected under CITES are listed in a series of appendices (Appendices I, II and III). All rhinoceros and elephant species are protected under either CITES Appendix I or II. Many species of coral are protected under CITES Appendix II. Under Appendix II of CITES, a species can be exported from the United States to a foreign country only if, prior to exportation, the exporter possesses a valid CITES export permit issued by the United States. 50 C.F.R. §§ 23.13 and 23.20. Under Appendix I of CITES, a species can be exported from the United States to a foreign country only if, prior to exportation, the exporter possesses a valid foreign import permit issued by the country of import and a valid export permit issued by the United States. 50 C.F.R. §§ 23.13, 23.20 and 23.35.

7. In addition to the CITES export document requirements set forth above, Title 50, Code of Federal Regulations, Section 14.63, requires that a completed Declaration for Importation or Exportation of Fish or Wildlife signed by the exporter, or the

exporter's agent, be filed with USFWS prior to the export of any wildlife at the port of exportation.

8. The ESA also makes it unlawful to export any endangered wildlife species. 16 U.S.C. § 1538(a)(1)(A)). Under the ESA, the term "endangered species" includes any species in danger of extinction throughout all or a significant portion of its range. All species of wildlife determined to be endangered or threatened under the ESA are listed in Title 50, Code of Federal Regulations, Section 17.11. The species *Diceros bicornis*, commonly known as the black rhinoceros, is listed as an endangered species.

9. The Lacey Act, *inter alia*, makes it unlawful for a person to knowingly make a false record, account and identification for wildlife including objects made from and containing rhinoceros horn, elephant ivory and coral. 16 U.S.C. §§ 3372 and 3373(d)(3)(A).

#### MEANS AND METHODS OF THE CONSPIRACY

10. In furtherance of the conspiracy and to effect the illegal objects thereof, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, and others known and unknown, including CC-1, CC-2, CC-3, and CC-4, purchased and assisted in purchasing wildlife objects made from and containing rhinoceros horn, elephant ivory and coral in the United States, including from individuals, auction houses and galleries located in New York, Ohio, Florida,

Iowa and California. GUAN located, bid on, and purchased many of these wildlife objects, and directed others to do so, through an on-line auction house headquartered in Manhattan, New York.

11. In furtherance of the conspiracy and to effect the illegal objects thereof, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, and others known and unknown, including CC-1, CC-2, CC-3, and CC-4, then smuggled and assisted in the smuggling of these wildlife objects out of the United States to Canada through various unlawful methods.

a. In some instances, GUAN and his co-conspirators mailed and caused the mailing of wildlife objects, including those made from and containing rhinoceros horn, elephant ivory, and coral, from the sellers' locations in the United States to package-receiving businesses in Point Roberts, Washington, located less than 1 mile from the Canadian border and approximately 17 miles from Antiques Business-1 in Canada. GUAN then knowingly transported, and caused the transportation, of the items across the border to Canada, without the required declarations to or permits from the United States Fish and Wildlife Service and/or United States Customs and Border Protection, in a deliberate effort to evade the laws requiring those declarations and permits.

b. In other instances, GUAN and his co-conspirators exported and caused the export of wildlife objects, including

those made from and containing rhinoceros horn, elephant ivory, and coral, from the United States using the United States Postal Service and other privately-owned express mail services, also without the required declarations or permits, and by using false shipping labels and Customs Declarations that contained false statements, through which GUAN and his co-conspirators deliberately concealed the true contents and value of the packages, and undervalued their contents.

#### THE WILDLIFE TRANSACTIONS

12. From in or about June 2012, through at least on or about May 29, 2014, XIOA JU GUAN, the defendant, directed the purchase in the United States - in New York, Ohio, Iowa, Florida and California, among other places - of dozens of wildlife items with a market value in excess \$500,000. The majority of those purchases were made through the transactions described below:

#### The New York Deal

a. On or about April 7, 2014, GUAN, assisted by CC-2, sent an email to an Undercover Special Agent with the U.S. Fish and Wildlife Service ("UC-1") who was posing as a seller of rhinoceros horns. In the email, GUAN inquired about the price of two rhinoceros horns that UC-1 was purporting to sell. GUAN stated, in sum and substance, via email, that he would travel to the United States to purchase the items in person. Between on or about April 9, 2014, and on or about April 15, 2014, GUAN,

assisted by CC-2, exchanged email messages with UC-1 and agreed, via email, to purchase two black rhinoceros horns for a total of \$45,000. On or about April 17, 2014, GUAN, assisted by CC-2, sent an email to UC-1 proposing, in sum and substance, that he would make a \$1,000 down payment and provide the remaining \$44,000 when the transaction was concluded. Between on or about May 4, 2014, and on or about May 5, 2014, GUAN directed the transfer of approximately \$1,000 from a bank in Canada to UC-1's New York City bank, a transfer that was described in bank paperwork as being "for a watch."

b. On or about May 16, 2014, CC-2 sent text messages and spoke with UC-1, stating, in sum and substance, that (i) he (CC-2) had sent messages from GUAN to UC-1 at GUAN's direction because GUAN did not speak English, (ii) GUAN was interested in purchasing additional rhinoceros horns, and (iii) UC-1 should send photographs and weights of any additional horns for sale.

c. On or about May 29, 2014, and after agreeing to purchase black rhinoceros horns from UC-1, GUAN and CC-1 flew from Vancouver to New York City. Later that day, at a storage rental facility in the Bronx, New York, GUAN purchased and took possession, from UC-1 and another undercover agent working with UC-1 (the "UC Agents"), of two black rhinoceros horns, for which he paid \$16,000 in cash, and \$28,000 in the form of a cashier's check bearing the name of CC-4. During the meeting, prior to



paying for the horns, GUAN closed the exterior door of the storage pod in which GUAN, CC-1 and the UC Agents were standing. GUAN also directed CC-1 to ask the UC Agents for assistance in packing the black rhinoceros horns and shipping them to a package receiving business in Point Roberts, Washington, so that they could be smuggled out of the United States. After telling the UC Agents they intended to ship the black rhinoceros horns to Washington State, CC-1 stated, in sum and substance, that they had "some people" to take the horns back to Canada.

d. Later in the day, on or about May 29, 2014, GUAN and CC-1 took the black rhinoceros horns to a packing and shipping store in Manhattan, New York, and provided the black rhinoceros horns in a box to the shipping clerk, with a piece of paper on which GUAN had written an address in Point Roberts, Washington. In response to a question from the shipping clerk as to what was in the package to be mailed, GUAN directed CC-1 to state, in sum and substance, that the package contained "handicraft."

#### The Ohio Deal

e. On or about December 8, 2012, Antiques Business-1 participated in an internet auction hosted by an on-line auction house headquartered in Manhattan, New York. Antiques Business-1 was the successful bidder on a rhinoceros horn and paid a total of approximately \$30,090 to a dealer located in Ohio (the "Ohio

Dealer") for the item. On or about December 14, 2012, after being advised that it would take approximately 60 days to apply for a CITES permit required to ship wildlife out of the United States, GUAN, assisted by CC-2, sent an internet chat message to the Ohio Dealer stating, in sum and substance, that two months was too long to wait and that he would provide a United States address for shipping the item.

f. On or about December 29, 2012, GUAN, with the assistance of CC-2, sent another chat message to the Ohio Dealer providing an address in Point Roberts, Washington, and stating, in sum and substance, that he could arrange for people to pick the item up for him and bring it to Canada.

g. On or about January 4, 2013, GUAN caused the mailing of the rhinoceros horn from the Ohio Dealer to a package receiving business in Point Roberts, Washington. In or around January 2013, GUAN knowingly exported and caused the export of the rhinoceros horn purchased from the Ohio Dealer from Point Roberts, Washington, to Canada without declaration to the U.S. Fish & Wildlife Service and without a CITES export permit.

#### The Florida Deals

##### Florida Deal #1

h. On or about June 25, 2012, Antiques Business-1 participated in an internet auction hosted by an on-line auction house headquartered in Manhattan, New York. Antiques Business-1

was the successful bidder on a rhinoceros horn, and five lots of elephant ivory carvings and two non-wildlife items, and paid a total of approximately \$37,779.50 for the items to a dealer in Florida (the "Florida Dealer"). On or about June 26, 2012, after being told by a shipping company that it would not mail rhinoceros horn and ivory to Canada, CC-3, at the direction of GUAN, sent an email to the Florida Dealer asking to be referred to a different shipper to ship the wildlife merchandise to Canada. On or about June 27, 2012, CC-3, at the direction of GUAN, contacted a different shipping company to arrange shipment of the rhinoceros horn and elephant ivory to Canada.

i. On or about July 2, 2012, CC-3, at the direction of GUAN, sent a wire transfer to the Florida Dealer in the amount of approximately \$37,779.50. On or about July 10, 2012, CC-3, at the direction of GUAN, knowingly wrote and submitted and caused the writing and submission of a false and fictitious U.S. customs declaration describing the rhinoceros horn purchased from the Florida Dealer as a "Wooden Horn," removing the word ivory from the description of the ivory items, falsely declaring the value of each item, and falsely declaring the total value as \$887.50 rather than the actual purchase price of \$37,789.50.

j. On or about July 10, 2012, GUAN caused the export from the United States of the rhinoceros horn and elephant ivory carvings obtained from the Florida Dealer to Antiques Business-1

in Canada, via a private mail service without declaration to the U.S. Fish & Wildlife Service and without a CITES export permit.

Florida Deal #2

k. On or about November 2, 2013, CC-4, at the direction of GUAN, participated in an internet auction on behalf of Antiques Business-1 hosted by an on-line auction house headquartered in Manhattan, New York. As a result, Antiques Business-1 was the successful bidder on two coral sculptures and paid a total of approximately \$107,690 to the Florida Dealer.

l. Between on or about November 2, 2013, and on or about May 29, 2014, GUAN knowingly caused the export from the United States of the two coral sculptures purchased from the Florida Dealer to Antiques Business-1 in Canada, without declaration to the U.S. Fish & Wildlife Service.

The Iowa Deal

m. Between on or about April 15 and on or about April 16, 2014, CC-4, at the direction of GUAN, participated in an internet auction on behalf of Antiques Business-1 hosted by an on-line auction house headquartered in Manhattan, New York. As a result, Antiques Business-1 was the successful bidder on approximately twelve lots of elephant ivory carvings and approximately four lots of non-wildlife merchandise and paid a total of approximately \$14,880 to a dealer in Iowa (the "Iowa Dealer"). On or about April 22, 2014, GUAN charged \$14,880 on

his business credit card to the Iowa Dealer for the twelve lots of elephant ivory carvings and four lots of non-wildlife merchandise.

n. On or about May 10, 2014, GUAN knowingly caused the mailing of ivory items purchased from the Iowa Dealer to an address in Point Roberts, Washington. Between on or about May 23, 2014, and on or about May 29, 2014, GUAN caused the export from the United States of elephant ivory carvings purchased from the Iowa Dealer to Antiques Business-1 in Richmond, British Columbia, Canada, without declaration to the U.S. Fish & Wildlife Service and without a CITES export permit.

#### The California Deals

##### California Deal #1

o. On or about September 14, 2013, CC-4, at the direction of GUAN, participated in an internet auction on behalf of Antiques Business-1 hosted by an on-line auction house headquartered in Manhattan, New York. As a result, Antiques Business-1 was the successful bidder on a carved coral sculpture and paid a total of approximately \$19,680 to a dealer in California ("California Dealer-1"). On or about September 17, 2013, and after paying \$19,680, CC-4, at the direction of GUAN, requested, in sum and substance, that California Dealer-1 provide an invoice stating that the coral sculpture actually cost \$200 in order to avoid the "crazy tax." On or about September 26, 2013,

GUAN caused the export from the United States of the coral objects purchased from California Dealer-1 to Antiques Business-1 in Canada via a private mail service and without the required declaration to the U.S. Fish & Wildlife Service.

California Deal #2

p. On or about November 4, 2013, CC-4, at the direction of GUAN, participated in an internet auction on behalf of Antiques Business-1 hosted by an on-line auction house headquartered in Manhattan, New York. As a result, Antiques Business-1 was the successful bidder on an ivory sculpture for which it paid a total of approximately \$14,520 to a dealer in California ("California Dealer-2"). Between on or about November 4, 2013, and on or about May 29, 2014, GUAN knowingly caused the export from the United States of the ivory sculpture purchased from California Dealer-2, to Antiques Business-1, in Canada without declaration to the U.S. Fish & Wildlife Service and without a CITES export permit.

California Deal #3

q. On or about February 10, 2014, CC-4, at the direction of GUAN, participated in an internet auction on behalf of Antiques Business-1 hosted by an on-line auction house headquartered in Manhattan, New York. As a result, Antiques Business-1 was the successful bidder on an ivory sculpture for which it paid a total of approximately \$21,780 to a dealer in

California ("California Dealer-3"). Between on or about February 10, 2014, and on or about May 29, 2014, GUAN caused the export from the United States of the ivory sculpture purchased from California Dealer-3, to Antiques Business-1 in Canada without declaration to the U.S. Fish & Wildlife Service and without a CITES export permit.

#### STATUTORY ALLEGATIONS

13. From at least in or about December 2012, through at least on or about May 29, 2014, in the Southern District of New York, and elsewhere, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, and others known and unknown, including CC-1, CC-2, CC-3, and CC-4, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to violate Title 18, United States Code, Section 554, and Title 16, United States Code, Sections 3372(d) and 3373(d)(3)(A), to wit, GUAN and others known and unknown, purchased wildlife, including objects made from and containing rhinoceros horn, elephant ivory, and coral, in the United States and exported those items to Canada, in violation of United States law, by, among other things, failing to make the required declarations and obtain the required permits to transport such items out of the United States, and by falsely labeling the contents of the packages containing those items.

14. It was a part and an object of the conspiracy that XIAO

JU GUAN, a/k/a "Tony Guan," the defendant, and others known and unknown, fraudulently and knowingly exported and sent from the United States wildlife objects made from and containing rhinoceros horn, elephant ivory and coral, contrary to United States law, and received, concealed, bought, sold, and facilitated the transportation, concealment and sale of such merchandise, prior to exportation, knowing the same to be intended for exportation contrary to United States law, in violation of Title 18, United States Code, Section 554.

15. It was a further part and an object of the conspiracy that XIAO JU GUAN, a/k/a "Tony Guan," the defendant, together with others known and unknown, knowingly made a false record, account, and label for, and false identification of, wildlife, including objects made from and containing rhinoceros horn, elephant ivory and coral, that had been and was intended to be transported in interstate and foreign commerce, in violation of Title 16, United States Code, Sections 3372(d) and 3373(d)(3)(A).

#### Overt Acts

16. In furtherance of the conspiracy, and to effect the illegal objects thereof, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, and others known and unknown, including CC-1, CC-2, CC-3, and CC-4, committed the following overt acts, among others, in the Southern District of New York and elsewhere:



The New York Deal

a. Between on or about April 7, 2014, and on or about April 15, 2014, GUAN, assisted by CC-2, sent numerous emails to UC-1 to negotiate the purchase of two black rhinoceros horns.

b. On or about May 4, 2014, GUAN directed the transfer of approximately \$1,000 from a bank in Canada to UC-1's New York City bank.

c. On or about May 29, 2014, GUAN and CC-1 flew from Vancouver to New York City.

d. On or about May 29, 2014, at a storage rental facility in the Bronx, New York, GUAN paid \$44,000 to UC-1 and took possession of two black rhinoceros horns.

e. On or about May 29, 2014, GUAN and CC-1 went to a store in Manhattan, New York to mail the two black rhinoceros horns to an address in Point Roberts, Washington.

The Ohio Deal

f. On or about December 14, 2012, and on or about December 29, 2012, GUAN, assisted by CC-2, sent internet chat messages to the Ohio Dealer regarding the shipment of a rhinoceros horn.

g. On or about January 4, 2013, GUAN caused the mailing of the rhinoceros horn from the Ohio Dealer to Point Roberts, Washington.

### The Florida Deals

h. On or about June 26, 2012, CC-3, at the direction of GUAN, sent an email to the Florida Dealer asking to be referred to a different shipper able to ship wildlife merchandise to Canada.

i. On or about July 2, 2012, CC-3, at the direction of Guan, sent a wire transfer to the Florida Dealer in the amount of approximately \$37,779.50.

j. On or about July 10, 2012, GUAN caused the mailing of a rhinoceros horn and elephant ivory carvings obtained from the Florida Dealer to Antiques Business-1 in Canada.

k. Between on or about November 2, 2013, and May 29, 2014, GUAN caused the export from the United States of two coral sculptures purchased from the Florida Dealer to Antiques Business-1 in Canada.

### The Iowa Deal

l. On or about April 22, 2014, GUAN charged \$14,880 on his credit card for the purchase of twelve lots of elephant ivory carvings and four lots of non-wildlife merchandise from the Iowa Dealer.

m. On or about May 10, 2014, GUAN caused the mailing of ivory items purchased from the Iowa Dealer to an address in Point Roberts, Washington.

The California Deals

n. On or about September 17, 2013, CC-4 requested via electronic message that California Dealer-1 provide a record indicating that a coral sculpture cost \$200.

o. Between on or about September 26, 2013 and on or about May 29, 2014, GUAN caused the export from the United States of ivory and coral sculptures purchased from California Dealer-1, California Dealer-2, and California Dealer-3, to Antiques Business-1 in Canada.

(Title 18, United States Code, Sections 371 and 2.)

COUNT TWO

(Attempted Smuggling)

The Grand Jury further charges:

17. The allegations set forth in paragraphs 1 through 12(d) are repeated and realleged as if set forth fully herein.

18. From at least on or about April 7, 2014, through on or about May, 29, 2014, in the Southern District of New York and elsewhere, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, did fraudulently and knowingly export and send from the United States, and attempt to export and send from the United States, merchandise, articles, and objects contrary to United States laws and regulations, and did receive, conceal, buy, sell and facilitate the transportation, concealment, and sale of such merchandise, articles and objects, prior to exportation, knowing

the same to be intended for exportation contrary to United States laws and regulations, to wit, GUAN purchased two black rhinoceros horns in the Bronx, New York with the intention of exporting them from the United States, and thereafter concealed and exported and attempted to export such articles and objects, knowing that the export of such articles and objects was contrary to law, specifically Title 16, United States Code, Sections 1538(c), 1540(d), 3372(d)(1) and 3373(d)(3)(A).

(Title 18, United States Code, Sections 554 and 2.)

**COUNT THREE**

(False Wildlife Records)

The Grand Jury further alleges:

19. The allegations set forth in paragraphs 1 through 12(d) are repeated and realleged as if set forth fully herein.

20. From at least on or about April 7, 2014, through on or about May, 29, 2014, in the Southern District of New York and elsewhere, XIAO JU GUAN, a/k/a "Tony Guan," the defendant, knowingly made and submitted, and caused to be made and submitted, a false record, account, and label for, and false identification of, wildlife which was intended to be transported in interstate and foreign commerce, to wit, GUAN caused a declaration of contents for a package that he intended to transport, first from Manhattan, New York to the state of

Washington, and then to Canada, to falsely state that the package contained handicrafts worth \$200, when, in truth and in fact, and as GUAN well knew, the package instead contained two rhinoceros horns worth in excess of \$45,000.

(Title 16, United States Code, Sections 3372(d) and 3373(d)(3)(A)(i) and Title 18, United States Code, Section 2.)



Preet Bharara  
PREET BHARARA  
UNITED STATES ATTORNEY

---

---

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

---

---

**UNITED STATES OF AMERICA**

**- v -**

**XIAO JU GUAN,  
a/k/a "Tony Guan,**

**Defendant.**

---

---

**INDICTMENT**


14 Cr.

(Title 18, United States Code, Sections 371, 554, and 2; Title  
18, United States Code, Sections 3372(d) and 3373(d)(3))

---

**PREET BHARARA**  
United States Attorney.

**A TRUE BILL**

  
\_\_\_\_\_  
Foreperson.

---

---