

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	
	)	
v.	)	Criminal No. 15-cr-10348-RWZ
	)	
GUAN ZONG CHEN,	)	
a/k/a GRAHAM CHEN,	)	
	)	
Defendant.	)	
	)	
	)	

**JOINT FACTUAL STATEMENT**

The United States Attorney for the District of Massachusetts and the Environmental Crimes Section of the United States Department of Justice (collectively referred to herein as “the government”) and the defendant, Guan Zong Chen, also known as Graham Chen (referred to herein as “defendant” or “Chen”) agree that this Joint Factual Statement is true and accurate, and provides a joint statement of facts, relevant conduct and stipulations in support of the defendant’s guilty plea in the above-captioned matter to the Superseding Indictment. The defendant agrees that, had this matter proceeded to trial, the government would have proven, beyond a reasonable doubt, the charges set forth in the Superseding Indictment.

1. Chen, a citizen of Australia, owned a business operating in both China and Australia that purchased, imported and sold Asian artifacts, including items made from endangered and protected wildlife species such as rhinoceros horn, elephant ivory, and coral. Chen purchased such items from U.S. auction houses via telephone and internet bidding. Chen smuggled items in his personal luggage during visits to the United States and through the U.S. Postal Service and other mail services, which he arranged after picking up the items from the auction houses.

2. In 2009, Chen was arrested in China and charged with smuggling elephant ivory from auction houses located in the United States, including U.S. Auction House #1 and U.S. Auction House #2. At the time of his arrest in Chengdu, China, 87 ivory items were seized in his possession. As a result of his conviction in China, Chen’s travel outside of China was restricted for a 3 year period.

3. After his conviction in China, Chen continued to smuggle wildlife items out of the United States and into China by seeking and obtaining the assistance of co-conspirators, including Jin Yie Yang and Carla Marsh.

4. Yang worked as Chen's assistant. Yang assisted Chen by helping him to buy items on-line and in telephone auctions. On November 2, 2010, Chen sent an email to Carla Marsh, who owned a UPS Store in Concord, Massachusetts, and who Chen had previously employed to ship items out of the United States. Chen asked if she was still in the shipping business. Yang sent a follow-up email the same day indicating that Chen had many items in the United States that needed to be shipped out.

5. Together, Yang and Marsh helped Chen to smuggle wildlife merchandise out of the United States in various ways. Chen and Yang participated in on-line and telephone auctions of wildlife merchandise taking place in the United States. Chen provided funds to Yang to pay for items that Chen won at auction. Chen asked Yang to travel to the United States to pick up wildlife items purchased at auction and to hand carry or ship them to Marsh. Yang agreed to assist and Chen paid his expenses. Chen provided Yang funds to pay Marsh to repack wildlife items, prepare shipping documents and to ship the items to Hong Kong without export certificates required by the Convention on International Trade in Endangered Species ("CITES") and the Endangered Species Act and without required declaration to the U.S. Fish & Wildlife Service.

6. Items made of rhinoceros horn, elephant ivory and coral were shipped with false documents that instead referred to them as non-wildlife items such as porcelain, wood, plastic, or as artifacts, in order to prevent detection by U.S. Customs and Chinese authorities. The false documents were made by Marsh and submitted when the packages were mailed using the U.S. Postal Service and other mail services. Chen intended and was aware that the packing and shipping documents prepared by Marsh improperly identified wildlife as non-wildlife items. The packing and shipping records typically used false descriptions such as wood or plastic to describe items made of ivory and other wildlife. Wildlife items were shipped to Hong Kong to individuals assisting Chen. Non-wildlife items were primarily shipped directly to Chen in Mainland China. Chen paid the expenses to pick up, pack and mail packages to Mainland China and Hong Kong to be ultimately received by Chen.

7. Chen paid and caused the payment for wildlife items purchased in the United States by electronically wiring funds to the auction house from accounts in China, by using credit cards, and by having Yang and Marsh conduct financial transactions on his behalf. At the time he purchased the items and asked that they be exported out of the United States, Chen was aware that CITES permits were needed in order to lawfully export wildlife items from the United States (and to import them into China), and that the required permits had not been sought or obtained. As part of the conspiracy, the wildlife items shipped to Hong Kong were transported over land to his store in Shanghai, China, where they were sold.

Between 2010 and 2012, Yang made approximately eight trips to the United States on behalf of Chen and in furtherance of the smuggling conspiracy. Chen paid Yang for his services and covered his expenses.

8. On or about November 4, 2010, Chen was involved in purchasing a rhinoceros horn libation cup from a New York auction house. At Chen's direction, the carved rhinoceros horn was picked up and paid for on or about December 4, 2010 by Yang, who transported it to Concord, Massachusetts, where it was then packed by Marsh inside a porcelain vase and shipped without required declaration or permits to a person assisting Chen in China.

9. As set forth in the Superseding Indictment, between approximately August 2010 and approximately May 2012, Chen purchased and exported and caused the purchase and export of wildlife artifacts from auction houses in California, Florida, New York, Texas, Pennsylvania, and Ohio with a value of more than \$700,000, inclusive of a buyer's premium and not including other costs including transportation, packing, and shipping. Chen knew at the time that none of these items were declared to the U.S. Fish & Wildlife Service prior to export and none were exported with CITES export permits as he knew was required. The false paperwork that accompanied the packages provided false non-wildlife descriptions and understated the value so as to avoid suspicion, inspection and taxes. Some of the wildlife items smuggled with Yang and Marsh's assistance were purchased by Chen prior to August.

#### Defendant Chen's Visit in 2014

10. On March 1, 2013, Marsh sent an email to Yang stating: "I was cleaning out the store and going through what we have left for Guan Zong Chen. What are we going to do with all the pieces? So much Ivory. The large ivory carving of the Imperial Archer is too large to be shipped to him in Australia.... He paid \$9,750 for it. Then we have the other ivory statues, some painted, some not and some coral. Would it be best for me to get in touch with him?" Yang responded by email dated March 3, 2013, stating: "About Mr. Chen's ivories, he said he will come in Sep this year. So I ask him to pay you some money as storage fee. And he agreed to pay \$1000 to you...."

11. Chen's trip to the United States occurred in March 2014, after he had completed his sentence in China for smuggling ivory. Chen traveled to New York and drove to Concord, Massachusetts, where he visited Marsh at her store. During the visit, Chen reviewed items that she had stored on his behalf and discussed future business. During the visit, Chen also provided Marsh with instructions to pack and ship an ivory statue that she had held for him. Consistent with his instructions, Marsh wrapped and exported the statue made from elephant ivory with a false customs declaration claiming that the package contained a "wooden statue" with an estimated value of \$50. The ivory was exported without the required declaration or permits. The list of items to be forfeited listed in the Superseding Indictment and in the plea agreement reflect items purchased,

received, and concealed by defendant Chen and stored at Marsh's shipping store with the intent to export them from the United States contrary to law and without required declarations or permits.

#### Raw Rhino Horns

12. Chen also sought and purchased raw rhinoceros horns in the United States for export to China knowing that it was illegal to do so without declaration and permits which, in all likelihood, would be denied by both the United States and China. Chen asked Marsh, among others, to see if she could find any for sale. An email dated November 16, 2010, from Yang on behalf of Chen asked: "And do you remember the large Rhino head? Can you contact with the owner? If you can offer me some useful information, I will pay you commission." Marsh replied the same day: "Regarding the Rhino head, I followed that all the way to the end, especially when it came up for sale again. The owner had been given very strict instructions by the Fish & Wildlife people that the Rhino head could not be sold to anyone outside the state of Michigan."

13. In July 2008, Chen was contacted by individuals employed at U.S. Auction House #1 and offered the opportunity to purchase a black rhinoceros head mount, including two uncarved rhinoceros horns. Chen faxed a handwritten note in Chinese to Auction House #1 on or about July 12, 2008, promising to pay \$85,000 for the rhinoceros head, as well as \$65,000 for other purchases he had made at auction. In 2009, Chen visited Auction House #1 in Beverly Hills, California. During the visit, Chen was assisted by Jacob Chait, one of the managers at the auction house. Chait instructed employees to assist with packing and transporting the rhinoceros horn mount to the Los Angeles International Airport. Chait did not arrange or provide a CITES export permit and was aware that Chen was leaving the country. Chen exported the rhinoceros head mount on an outbound flight to Hong Kong without required declaration or permits.

14. In March 2009, individuals employed at U.S. Auction House #1 offered Chen a second rhinoceros horn mount. This mount consisted of two black rhinoceros horns mounted on a wooden plaque. On March 30, 2009, Chen emailed an employee at Auction House #1 stating: "Dear friend, Please tell me the net weight (just Horn, without the wooden base). Tell me a best price and how to transport them to China." Chen received a response from the employee which copied Jacob Chait and stated that the horns were 4¾ and 3 ¼ lbs respectively. Chen agreed to purchase the two rhinoceros horns with the understanding that Jacob Chait would bring them to China. Jacob Chait hand carried the horns on a flight to Hong Kong and then drove them to mainland China without declaration or permits issued by either the United States or China.

15. On September 29, 2009, an employee of Auction House #1 sent an email and photograph to Chen regarding a third rhinoceros horn mount stating: "Are you interested in buying this Rhino head?" Chen inquired about the price and whether it could


be shipped to Hong Kong. Chen's attempt to purchase this black rhinoceros horn head mount with two horns was ultimately unsuccessful.

ACKNOWLEDGMENT OF JOINT FACTUAL STATEMENT

I have had this Joint Factual Statement read to me in my native language, Mandarin, in its entirety and discussed it with my attorney. I hereby acknowledge that it truly and accurately sets forth my criminal conduct.






  
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GUAN ZONG CHEN      Date 10/24/17  
Defendant

I certify that Guan Zong Chen has read this Joint Factual Statement and that we have translated it for him. I believe that he understands the statement and that he is signing it freely, voluntarily, and knowingly because it is accurate.





  
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JOSHUA HANYE      Date 10/24/17  
Attorney for Defendant

**Exhibits in Support of the Joint Factual Statement**  
***United States v. Guan Zong Chen***  
**Criminal No. 15-cr-10348-RWZ**

1. False wildlife document declaring ivory sculpture to be a “wooden statute.” [Count 2]
2. Example of false wildlife document declaring wildlife as “decorative plastic figurines.”
3. Rhinoceros Horn Libation Cup purchased from New York Auction House [Count 4].
4. Carved elephant ivory tusks purchased from California Auction House (Lot 238) [Count 5].
5. Carved elephant ivory and coral purchased from California Auction House (Lots: 28, 231) [Count 5].
6. Carved elephant ivory purchased from California Auction House (Lot 229) [Count 5].
7. Carved and painted elephant ivory purchased from California Auction House (Lots 162, 163) [Count 6].
8. Carved ivory statutes purchased from California Auction House (lot 267) [Count 7].
9. Carved ivory and coral purchased from Texas Auction House (lots 115, 171, 188, 284) [Count 8].
10. Carved ivory pieces seized from shipper in Concord, Massachusetts on August 5, 2014.

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SHIP TO	GUAN ZONG CHEN	Comments:					
	HONG KONG 999077 HONG KONG						
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I certify that the particulars given in this customs declaration are correct. This item does not contain any undeclared dangerous articles, or articles prohibited by legislation or by postal or customs regulations. I have met all applicable export filing requirements under the federal law and regulations.							
Sender's signature: 		Date: 4/17/2014					
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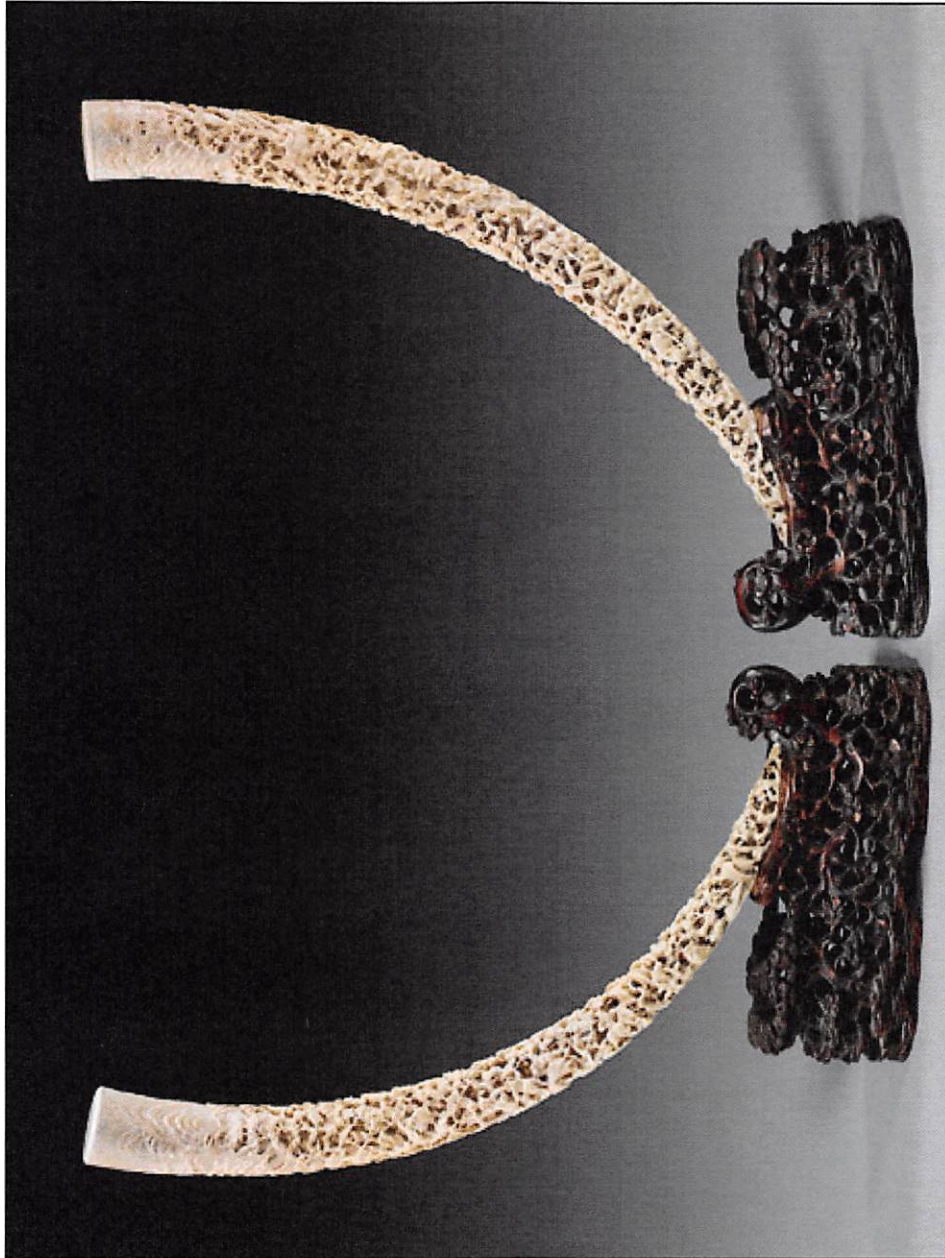
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<b>From</b> US	License Number: Certificate Number: Invoice Number:		Nondelivery Instructions:				
<b>To</b> HONG KONG HONG KONG	Importer's Telephone/Fax/Email: Phone: Fax: Email: Comments (e.g., goods subject to quarantine, sanitary/phytosanitary inspection, or other restrictions):		Scheduled Delivery Date:				
<b>Detailed description of contents:</b> DECORATIVE PLASTIC FIGURINES		Qty 1	Weight lb. 11 oz. 0	Value (US \$) \$50.00	HS Tariff Number 1775.6	Country of Origin CN	
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I certify that the particulars given in this customs declaration are correct. This item does not contain any dangerous article, or articles prohibited by legislation or by postal or customs regulations. I have met all applicable export filing requirements under the Foreign Trade Regulations.				POSTAL USE ONLY Date In: Time In: Employee Initials:			
Sender's signature:		Date:					
PS Form 2976-A-EMI		Do not duplicate this form without USPS approval		The item/parcel may be opened officially		4 - Sender's Copy	

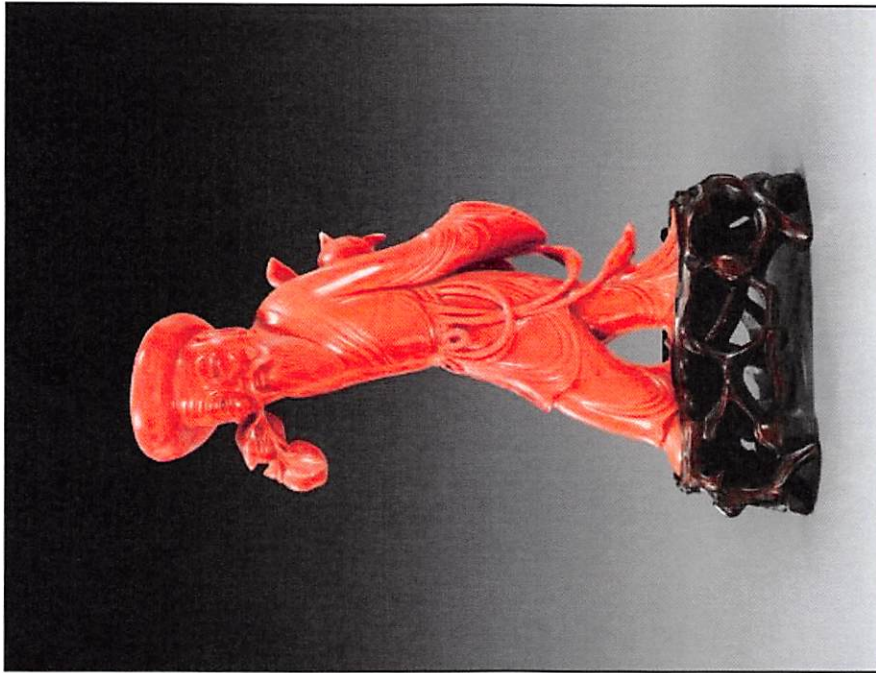


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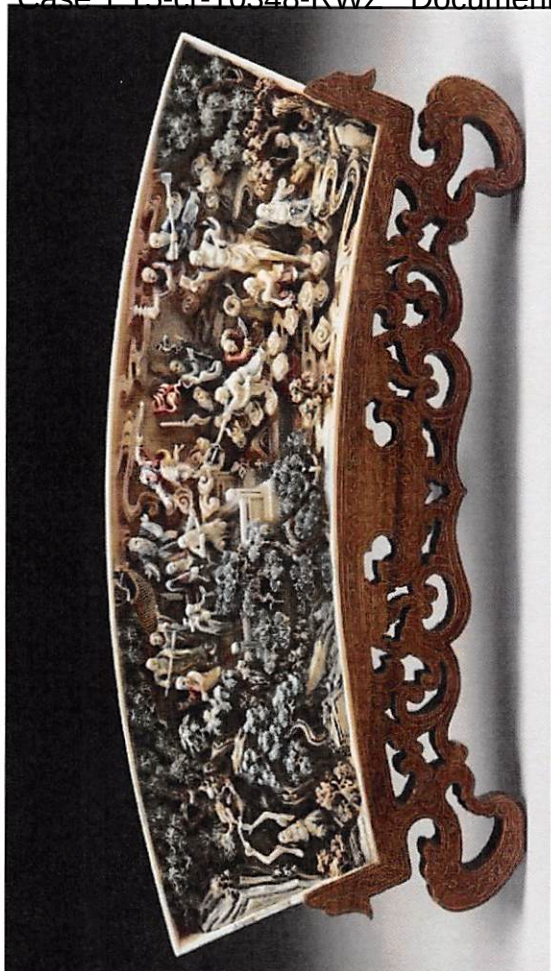








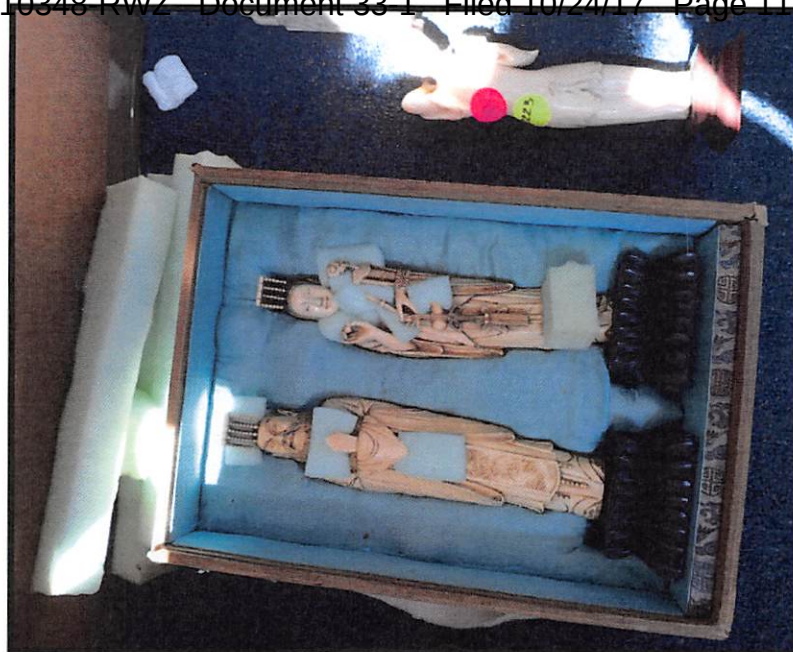




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