

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA) No.
))
) v.) Violation: Title 18, United States
)) Code, Sections 545 and 2
HUNG YI LIN, a/k/a KATY LIN))
))

The SPECIAL AUGUST 2012 GRAND JURY charges:

At times material to this indictment:

1. The United States Department of Commerce was charged with regulating commerce in the United States, and as part of its responsibilities had the authority to impose duties on certain foreign imports. One type of duty the Department of Commerce imposed was known as an “antidumping duty.” Dumping occurred when foreign merchandise was sold in the United States at less than fair market value and when U.S. industries were injured. Antidumping duties were intended to ensure fair competition between United States companies and foreign industry, and to counter international price discrimination that caused injury to United States industries from “dumping.”

2. In December 2001, the Department of Commerce determined that Chinese-origin honey was being sold into the United States at less than fair market value. As a result, the United States government imposed default antidumping duties on Chinese-origin honey. From about January 2009 through the present, antidumping duties were assessed against the entered net weight of the imported

honey at \$2.63 per net kilogram, in addition to a “honey assessment fee” of one cent per pound on all honey.

3. The United States Department of Homeland Security, Bureau of Customs and Border Protection (CBP) was an agency of the United States and was responsible for, among other things, the examination of merchandise entering the United States to ensure that it was admissible under and in compliance with United States laws, and the assessment and collection of taxes, fees, and duties on imported merchandise, including antidumping duties and honey assessment fees.

4. CBP entry forms 3461 (Entry/Immediate Delivery) and 7501 (Entry Summary) required importers to provide specific and truthful information relating to imported merchandise, including a description of the merchandise and the merchandise’s harmonized tariff code, manufacturer, value, and country of origin. A customhouse broker or agent normally handled the process of entering goods into the United States on behalf of an importer, which included filing entry documents with CBP based on information provided by the importer.

5. Chinese-origin honey imported and entered into the United States using a harmonized tariff code other than for honey and described as a product other than honey, including various sugars, syrups and juices (collectively “sugars and syrups”), was considered a misdeclared product. When CBP was misled about the description of Chinese-origin honey, it would not know to impose the required antidumping duties on the misdeclared honey.

6. KBB Express Inc. was a freight forwarding company located in South El Monte, California that provided nationwide transportation, delivery, and other logistical services for imported and entered merchandise, including Chinese-origin honey.

7. Defendant HUNG YI LIN (a/k/a “KATY LIN”) owned and operated KBB Express Inc., and also served as the U.S. agent for at least twelve importers of record that were controlled by Chinese honey producers and manufacturers. These importers of record included Bright Step (United States) Limited; Sweet Campo Co., Ltd.; Migrow Trading Inc.; Chix Trading Inc.; Rouka International Inc.; Oliv Amber Trading Co., Ltd.; Titto International Inc.; Stariver Trading Inc.; Tobest Trading Co., Ltd.; Russa International Inc.; Sunny (USA) Trading Inc.; and Silver Spoon International Inc. As the U.S. agent for these companies, LIN handled the process of importing, and coordinated with customhouse brokers to enter and bring in, Chinese-origin honey into the United States without paying antidumping duties and honey assessment fees.

8. Between about 2009 and about 2012, LIN, while acting as the U.S. agent for at least twelve importers of record, participated in a scheme along with others known and unknown to knowingly and wilfully falsify, conceal, and cover up by trick and scheme the contents of hundreds of shipping containers of Chinese-origin honey by materially misdescribing them as sugars and syrups during the importation and entry process within CBP’s jurisdiction, including on CBP entry forms 3461 and 7501.

9. As part of the scheme, LIN obtained, circulated, and maintained, and caused others to obtain and circulate, false and fraudulent bills of lading, invoices, packing lists, and other papers, including CBP entry forms 3461 and 7501, which LIN knew to be materially false and fraudulent and which records were used to falsely and fraudulently declare Chinese-origin honey as sugars and syrups.

10. Between about 2009 and about 2012, after knowing that the content of hundreds of containers of Chinese-origin honey were falsified, concealed, and covered up as sugars and syrups during the importation and entry process, LIN caused KBB Express Inc. to deliver the Chinese honey to warehouses in California and Texas, where LIN caused sugar and syrup labels and Chinese country of origin indicia to be removed from the drums of honey and at times replaced with labels that identified the product as honey of varying origins, and at other times with no labels at all, before the drums continued into the commerce of the United States, including to U.S. honey packers, as honey from countries other than China.

11. Between about December 2009 and about January 2010, LIN arranged and caused for ten container loads of this honey to be transported by rail from California to the Northern District of Illinois. These ten container loads consisted of the following ten container numbers: TRIU0511370, TRIU0526364, TRIU0515307, TRIU0526030, DNAU2625313, DNAU2623563, TRIU0511620, TRIU0488876, TRIU0462948, and TRIU0517681.

12. In or about January 2010, upon their arrival in the Northern District of Illinois, LIN arranged and caused for these same ten containers to be loaded on

individual semi-trucks and transported from the Northern District of Illinois to Indiana.

13. For the period from about 2009 and continuing until about 2012, as part of the scheme, LIN and others known and unknown caused losses to the United States of approximately \$39,203,144 in avoided antidumping duties and honey assessment fees on Chinese-origin honey with a declared entered value of approximately \$11,489,306.

14. As part of the scheme, LIN and others, misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the acts and the purposes of the acts done in furtherance of their criminal activities.

15. In or about January 2010, in the Northern District of Illinois, Eastern Division and elsewhere,

HUNG YI LIN,

defendant herein, facilitated the transportation of imported merchandise, namely, ten container loads of Chinese-origin honey knowing the same to have been imported and brought into the United States contrary to law, namely, Title 18, United States Code, Section 1001, in that the contents of the ten container loads were materially falsified, concealed, and covered up by trick and scheme as products other than Chinese-origin honey during the importation and entry process, including on CBP entry forms 3461 and 7501, matters within the jurisdiction of the executive branch of the United States, namely, the Department of Homeland Security, Bureau of Customs and Border Protection, and thereafter, HUNG YI LIN,

defendant herein, arranged and caused the ten container loads to be transported through the Northern District of Illinois;

In violation of Title 18, United States Code, Sections 545 and 2.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY