

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

:

**CRIMINAL COMPLAINT**

v.

:

Mag. No. 19-3662

HAO QIN,

:

a/k/a "John Chin"

:

:

:

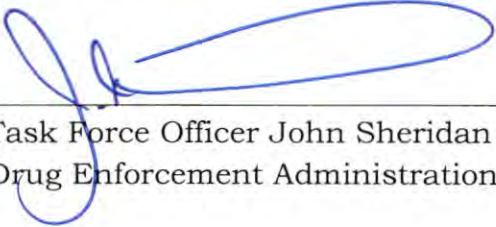
I, John Sheridan, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

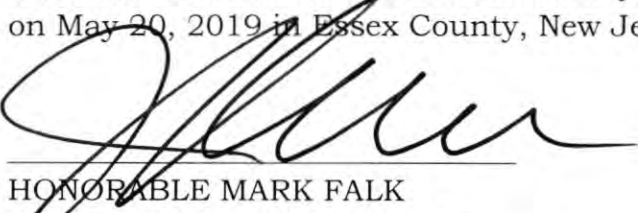
I further state that I am a Task Force Officer with the United States Drug Enforcement Administration, and that this Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

  
\_\_\_\_\_  
Task Force Officer John Sheridan  
Drug Enforcement Administration

Sworn to before me and subscribed in my presence,  
on May 20, 2019 in Essex County, New Jersey

  
\_\_\_\_\_  
HONORABLE MARK FALK  
United States Magistrate Judge

**ATTACHMENT A**

**COUNT ONE**

**(Conspiracy to Import Controlled Substance Analogues)**

From in or around March 2012 through May 2019, in the District of New Jersey and elsewhere, the defendant,

**HAO QIN,  
a/k/a "JOHN CHIN,"**

did knowingly and intentionally conspire and agree with others to import into the United States from a place outside thereof, namely China, a quantity of a mixture and substance containing a detectable amount of one or more controlled substance analogues, as defined in Title 21, United States Code, Section 802(32)(A), specifically: (a) N-(1-Phenethylpiperidin-4-yl)-N-phenylfuran-2-carboxamide Hydrochloride ("Furanyl Fentanyl"); (b) N-(4-fluorophenyl)-N-(1-phenethylpiperidin-4-yl) isobutyramide (4-fluoroisobutyryl fentanyl) ("4-FIBF"); and (c) 1-(5-fluoropentyl)-3-(1-naphthoyl)indole ("AM-2201"), knowing that the substances were intended for human consumption, contrary to Title 21, United States Code, Sections 952(a), 960(b)(3), and 813.

All in violation of Title 21, United States Code, Section 963.

**COUNT TWO**  
**(Conspiracy to Commit International Money Laundering)**

From in or around March 2012 through May 2019, in the District of New Jersey and elsewhere, the defendant,

**HAO QIN,**  
**a/k/a "JOHN CHIN,"**

did knowingly and intentionally conspire and agree with others to transport, transmit, and transfer, and attempt to transport, transmit, and transfer monetary instruments and funds from a place inside the United States to and through a place outside of the United States, namely, China, with the intent to promote the carrying on of specified unlawful activity, namely conspiracy to import controlled substance analogues, contrary to Title 18, United States Code, Section 1956(a)(2)(A).

In violation of Title 18, United States Code, Section 1956(h).

## **ATTACHMENT B**

I, John Sheridan, am a Task Force Officer with the United States Drug Enforcement Administration ("DEA"). I have been personally involved in the investigation of this matter. The information contained in this Criminal Complaint is based on my personal knowledge and on information obtained from other sources, including but not limited to: (a) statements made or reported by various witnesses with knowledge of relevant facts; (b) my review of publicly-available information relating to the defendant; and (c) my review of audio recordings and other recorded communications. Because this affidavit is being submitted for the sole purpose of establishing probable cause to support the issuance of a Complaint, I have not included each and every fact known to the Government concerning this matter. Where statements of others are set forth herein, these statements are related in substance and in part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

### ***Background***

1. The DEA has been investigating the importation, distribution, and use of controlled substance analogues, including synthetic opioids and synthetic cannabinoids, by manufacturing companies based in China and elsewhere. The distribution, manufacture, and possession of controlled substance analogues is punishable under the Analogue Act, 21 U.S.C. § 843, if such analogues are substantially similar in chemical makeup and pharmacological effect as a controlled substance, and are intended for human consumption.

2. For purposes of this Complaint, the substance known as N-phenyl-N-[1-(2-phenylethyl)-4-piperidinyl] propanamide, as referenced in 21 U.S.C. § 841, shall be referred to by its more common name, "Fentanyl." Fentanyl is a Schedule II controlled substance, and a potent synthetic opioid analgesic similar to, but many times stronger than morphine.

3. Furanyl Fentanyl is a controlled substance analogue that is substantially similar in chemical structure to Fentanyl. Moreover, Furanyl Fentanyl has an effect on the human central nervous system that is substantially similar to Fentanyl.<sup>1</sup>

---

<sup>1</sup> Effective on or about November 29, 2016, Furanyl Fentanyl became a Schedule I controlled substance and its distribution, manufacture, importation, and possession was prohibited under the Controlled Substances Act.

4. 4-FIBF is a controlled substance analogue that is substantially similar in chemical structure to Fentanyl. Moreover, 4-FIBF has an effect on the human central nervous system that is substantially similar to Fentanyl.<sup>2</sup>

### ***Overview of the Conspiracy***

5. In connection with this investigation, the DEA received information from a cooperating witness (the "CW")<sup>3</sup> that defendant HAO QIN, a/k/a "JOHN CHIN" ("CHIN") and others are involved in the distribution of controlled substances and controlled substance analogues used to manufacture synthetic cannabinoids for human consumption in New Jersey and elsewhere, as well as the laundering of their illegal proceeds. The CW began cooperating with law enforcement and acting at its direction in 2016.

6. Over the course of the conspiracy, CHIN has held high-level executive positions at one or more pharmaceutical and chemical companies located in China. CHIN's co-conspirators include, among others, another executive ("CC-1"), and an assistant ("CC-2"), who, among other things, acted as a customer service representative for CHIN's clients.

7. Since at least 2012, CHIN and CC-1, with the aid of CC-2 and others, have used pharmaceutical and chemical manufacturing companies in China to distribute controlled substances and controlled substance analogues to the United States and elsewhere. Specifically, from approximately March 2012 through 2013, the CW purchased approximately 500 kilograms of controlled substance analogues and other synthetic drugs from CHIN and his co-conspirators, all of which were distributed to the CW in the United States. The CW, in turn, distributed those drugs to the CW's customers in the United States for human consumption.

8. The CW's day-to-day purchases were coordinated through CC-2, who handled administrative matters for CHIN. The CW's communications with CHIN were focused on their business dealings generally, including discussions

---

<sup>2</sup> Effective on or about March 23, 2017, 4-FIBF became a Schedule I controlled substance and its distribution, manufacture, importation, and possession was prohibited under the Controlled Substances A

<sup>3</sup> Information provided by the CW has proven reliable in past investigations, and has directly led to multiple seizures of narcotics and narcotics proceeds, as well as the arrest and successful prosecution of approximately 7 individuals in a separate federal investigation.



of large-scale chemical purchases and potential money laundering opportunities.

***The CW's Purchases of Controlled Substance Analogues***

9. On or about March 12, 2012, in response to an Internet inquiry, the CW received an email from CC-2 containing a price list for various controlled substance analogues offered by CHIN and CC-2's chemical business, including AM-2201. As of March 12, 2012, AM-2201 was a recognized controlled substance analogue within the meaning of the Analogue Act.<sup>4</sup> Thereafter, the CW began purchasing kilogram quantities of synthetic chemicals, including AM-2201, from CHIN through CC-2.

10. On or about March 31, 2012, CC-2 sent the CW an invoice for the purchase of, among other things, 1 kilogram of AM-2201 for approximately \$1,280. The invoice, signed by CC-2, directed the CW to make the required payment to CHIN via a bank account ("Bank Account-1") in the name of a business controlled by CHIN ("Company-1").

11. In or around April 2013, CHIN and CC-2 travelled to the United States and met with the CW in person. During the April 2013 visit, the CW and CHIN discussed, among other things, a joint venture to invest in real estate with the proceeds of the CW's and CHIN's illegal narcotics business.

12. During the course of the conspiracy, and prior to the CW's cooperation, CHIN agreed to provide synthetic chemicals to the CW on loan or "credit." As a result of CHIN fronting to the CW dozens of kilograms of chemicals between in or around 2013 and 2014, the CW accumulated approximately \$578,350 in debt owed to CHIN. The CW ceased communicating with CHIN and CC-2 in or around 2016.

13. In or around July and August of 2016, at law enforcement's direction, the CW communicated with CC-1 through Skype<sup>5</sup> regarding purchase of Fentanyl and Fentanyl analogues. On or about August 15, 2016, CC-1 sent a package to the CW at an address in West Orange, New Jersey (the "August 2016 Shipment") which constituted a free sample of CC-1's chemicals. When law enforcement agents opened the August 2016 Shipment, it was found

---

<sup>4</sup> Effective on or about July 9, 2012, AM-2201 became a Schedule I controlled substance and its distribution, manufacture, importation, and possession was prohibited under the Controlled Substances Act.

<sup>5</sup> Skype is an Internet-based service that enables users to video chat with one another without a telephone connection.

to contain approximately two plastic bags containing a hard powder substance. When the contents of the two bags were tested in a laboratory, they were found to contain approximately 21.1983 grams of Furanyl Fentanyl, and approximately 19.1119 grams of 4-FIBF, respectively. During CC-1's communications with the CW, CC-1 referenced payment information for future drug purchases at a bank account based in China ("Bank Account-2"), in the name of a chemical manufacturing company ("Company-2").

### ***CHIN's Continued International Money Laundering Conspiracy***

14. On or about November 15, 2018, in response to an inquiry the CW had made through CC-2 via Skype, the CW received a text message from CHIN through an encrypted text messaging service called "WeChat." Thereafter, from on or about November 15, 2018 through on or about December 3, 2018, the CW and CHIN communicated via WeChat. In those communications, the CW and CHIN discussed, among other things, the CW's outstanding debt to CHIN for synthetic chemicals CHIN had previously distributed to the CW on credit.

15. At law enforcement's direction, the CW offered to make a partial payment on the outstanding debt. Wire instructions provided by CHIN to the CW directed that CW make the payment into Bank Account-2, the same Chinese bank account to which the CW had previously sent money to pay CC-1 for the Furanyl Fentanyl and 4-FIBF received in the August 2016 Shipment.

16. On or about January 10, 2019, law enforcement agents sent an international wire transfer in the amount of approximately \$5,000 from an undercover bank account (the "UC Bank Account") based in New Jersey to Bank Account-2 (the "January UC Transfer"). Wire records confirm that the January UC Transfer into Bank Account-2 was successful. Subsequent communications with the CW also revealed that Bank Account-2 was being utilized by CHIN and others to receive illicit proceeds.

17. From on or about February 28, 2019 through April 18, 2019, CHIN and the CW discussed the CW's transfer of additional funds to repay CHIN for the outstanding drug debt. On or about March 28, 2019, CHIN provided wire instructions for a new bank account in his name ("Bank Account-3"). Bank Account-3 was held in CHIN's name with a bank located in the United States. On or about April 10, 2019, law enforcement agents sent a wire transfer in the amount of approximately \$5,000 from the UC Bank Account to Bank Account-3. Thereafter, CHIN confirmed that he had received the funds in China from Bank Account-3.

18. From on or about April 25, 2019 through May 14, 2019, CHIN and the CW discussed the CW's purchase of a sample of Anafavil, a suspected analogue of Viagra. CHIN indicated to the CW that the sample would cost approximately \$1,780, and asked that the funds be wired to him through Bank Account-3. On or about May 2, 2019, law enforcement agents sent a wire transfer in the amount of approximately \$1,780 from the UC Bank Account to Bank Account-3. In response to receiving the funds, CHIN caused a parcel to be sent to an undercover mailbox located in the District of New Jersey, which is believed to contain the sample of Anafavil. The parcel is awaiting interception and laboratory testing by law enforcement.