



The Shrimp e-Advocate

The Southern Shrimp Alliance (SSA) is a non-profit alliance of members of the U.S. shrimp industry in eight states committed to preventing the continued deterioration of America's shrimp industry and to ensuring the industry's future viability. SSA serves as the national voice for the shrimp fishermen and processors in Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.

BELLEVUE MAN PLEADS GUILTY TO FEDERAL CHARGES OVER COUNTERFEIT HONEY IMPORTS

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**U.S. DEPARTMENT OF JUSTICE
U.S. ATTORNEY'S OFFICE
WESTERN DISTRICT OF WASHINGTON**

FOR IMMEDIATE RELEASE

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BELLEVUE MAN PLEADS GUILTY TO FEDERAL CHARGES OVER COUNTERFEIT HONEY IMPORTS

Plea Comes as German and Chinese Companies and Individuals are Indicted in Conspiracy.

CHUNG PO LIU, 69, of Bellevue, Washington, pleaded guilty last week in connection with the illegal importation of Chinese honey. The plea comes just as 11 individuals and six companies were indicted in Chicago for conspiring to illegally import more than \$40 million in Chinese honey.

CHUNG PO LIU was charged in May 2009, following a federal investigation of honey imports to the U.S. The Seattle investigation revealed that LIU submitted false paperwork

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claiming that the honey had been produced in Thailand or the Philippines and thereby avoided high import fees on Chinese honey. One of the shipments included honey tainted with an antibiotic banned in U.S. food. LIU pleaded guilty August 26, 2010, to a felony: the entry of goods by means of false statements. LIU also pleaded guilty to a misdemeanor: the introduction of adulterated food into interstate commerce. LIU is scheduled to be sentenced by U.S. District Judge James L. Robart on November 29, 2010.

Some of the shipments of Chinese honey that LIU received are detailed in the Chicago case, however LIU is not charged in that indictment. The indictment unsealed today in the Northern District of Illinois alleges that six German and Chinese companies and their employees conspired to ship more than 600 loads of falsely labeled Chinese honey to the U.S. The scheme was aimed at avoiding nearly \$80 million in tariffs on the honey. Much of the honey was adulterated with Ciprofloxian, an antibiotic used in China that is not fit for human consumption and is banned from the U.S. food supply. In 2007 and 2008, more than 2100 drums of honey were seized in Seattle, Tacoma, Minneapolis and in the Chicago area. More on the Chicago case here:

http://www.justice.gov/usao/iln/pr/chicago/2010/pr0901_01.pdf

"As evidenced in these two investigations, public safety remains a high priority for this agency. While the activities of the defendant in this case are criminal, introducing tainted honey into our nation's food supply needlessly jeopardizes the health and safety of the American public," said Leigh Winchell, special agent in charge of U.S. Immigration and Customs Enforcement's Homeland Security Investigations in Seattle.

According to records filed in the case, LIU, through his companies Rainier Cascade and Evergreen Produce, purchased honey from China which was then shipped to the Philippines and Thailand where it was re-labeled to make it appear it was a product from these countries. When the honey arrived in the United States, LIU declared to Customs officials that the honey was the product of either the Philippines or Thailand. Because of communications LIU had received from employees of the Chinese honey supplier, LIU was in a position to know that the

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honey originated in China rather than the Philippines or Thailand. Because of his false declarations about the true origins of the honey, LIU avoided \$2.9 million in tariffs on the Chinese honey. In the plea agreement LIU admits that between 2005 and 2008 he imported 22 shipments that were Chinese honey that was re-labeled to hide the country of origin. LIU made approximately \$200,000 in gross profit on the honey. Under the terms of the plea agreement, LIU must forfeit twice his gross profit - \$400,000 - to the U.S. LIU is also forfeiting four honey shipments seized from LIU's facilities or at the Port of Seattle. The Chicago indictment seeks forfeiture of \$78 million in anti-dumping fees, and more than \$39.5 million representing the value of more than 600 shipments.

In the plea agreement, LIU also admits that a shipment of Chinese honey that arrived at the Port of Seattle in 2008, was contaminated with the antibiotic Ciproflaxacin. Ciproflaxacin is an unsafe food additive and caused the honey to be adulterated.

Under the terms of the plea agreement, prosecutors will recommend a sentence for LIU of up to two years in prison.

The case is being investigated by U.S. Immigration and Customs Enforcement Homeland Security Investigations (HSI), the U.S. Food and Drug Administrations (USDA), the Port of Seattle Police Department and Customs and Border Protection (CBP).

The case was prosecuted by Assistant United States Attorneys Norman Barbosa, Mary K. Dimke, Darwin Roberts, and Special Assistant United States Attorney John Odell. Mr. Odell is an attorney with U.S. Immigration and Customs Enforcement (ICE) specially designated to handle federal prosecutions.

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