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**CALIF. HONEY BROKER SENTENCED TO THREE YEARS IN PRISON FOR
AVOIDING \$39.2 MILLION IN TARIFFS ON CHINESE-ORIGIN HONEY**

CHICAGO — A California woman was sentenced today to three years in federal prison for illegally transporting hundreds of container loads of Chinese-origin honey through the Chicago area after it entered the country illegally. The defendant, HUNG YI LIN, also known as “Katy Lin,” 42, of Temple City, Calif., pleaded guilty in May to three counts of violating U.S. importation laws by falsely declaring that the honey shipments contained sugars, syrups, and apple juice concentrate to avoid \$39.2 million in anti-dumping duties.

Lin, who owns and operates KBB Express Inc., of South El Monte, Calif., and served as the U.S. agent for at least 12 importers that were controlled by Chinese honey producers and manufacturers, was sentenced to a year in prison on each of the three counts, to be served consecutively, by U.S. District Judge Milton Shadur. Lin was ordered to begin serving her sentence on Nov. 12. She was also ordered to pay restitution of \$512,852 in unpaid tariffs.

“This sentence is the result of an extensive worldwide investigation that successfully dismantled the largest food fraud scheme in U.S. history,” said Gary Hartwig, Special Agent-in-Charge of HSI Chicago. “Lin’s illegal business practices cheated the U.S. government of nearly \$40 million, while also inflicting damage on the domestic honey marketplace. We remain

committed to protecting U.S. businesses from fraudulent trade practices, while fostering and facilitating the movement of legitimate trade across our borders that is critical to our economy.”

According to court documents, between 2009 and 2012, Lin schemed to falsify the importation documents for hundreds of containers of Chinese-origin honey by misrepresenting the contents as sugars and syrups. As a result, the honey, which had an aggregate declared value of nearly \$11.5 million when it entered the country, avoided antidumping duties and honey assessments totaling \$39.2 million.

The sentence was announced by Gary S. Shapiro, United States Attorney for the Northern District of Illinois and Mr. Hartwig, as well as officials with Field Operations for U.S. Customs and Border Protection (CBP) in Chicago, and the Chicago Field Office of the Food and Drug Administration’s Office of Criminal Investigations.

Lin was among a group of individuals and companies who were charged earlier this year in the second phase of an investigation led by agents of U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HIS). See:

http://www.justice.gov/usao/iln/pr/chicago/2013/pr0220_02.html

In December 2001, the Commerce Department determined that Chinese-origin honey was being sold in the United States at less than fair market value, and imposed antidumping duties. The duties were as high as 221 percent of the declared value, and later were assessed against the entered net weight, currently at \$2.63 per net kilogram, in addition to a “honey assessment fee” of one cent per pound of all honey. In October 2002, the Food and Drug Administration issued an import alert for honey containing the antibiotic Chloramphenicol, a broad spectrum antibiotic that is used to treat serious infections in humans, but which is not approved for use in honey.

Honey containing certain antibiotics is deemed “adulterated” within the meaning of federal food and drug safety laws.

In 2008, federal authorities began investigating allegations involving circumventing antidumping duties through illegal imports, including transshipment and mislabeling, on the “supply side” of the honey industry. The second phase of the investigation involved the illegal buying, processing, and trading of honey that illegally entered the U.S. on the “demand side” of the industry.

The government is being represented by Assistant U.S. Attorney Andrew S. Boutros.

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