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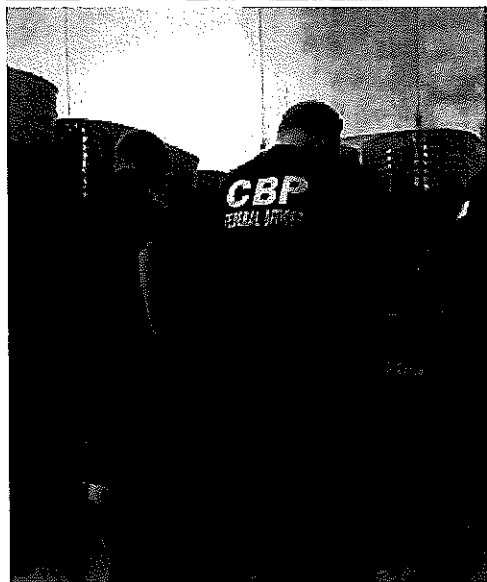
News Releases

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Intellectual Property Rights

06/30/2016

HSI Chicago seizes nearly 60 tons of honey illegally imported from China



CHICAGO — Special agents with U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) seized nearly 60 tons of illegally imported Chinese honey Wednesday that was destined for U.S. consumers.

The smuggled honey was contained in 195 55-gallon drums that were falsely declared as originating from Vietnam to evade anti-dumping duties applicable to Chinese-origin honey.

The honey likely originated from the same exporter in Vietnam as another 60 tons of honey that was seized by HSI Chicago in the Midwest in April. Wednesday's seizure was allegedly imported into the United States by a shell importer of record in New York, New York. Agents located the honey by combing through transportation shipping records to piece together its whereabouts.

Prior to seizing the smuggled honey, HSI sent samples to the U.S. Customs and Border Protection (CBP) Laboratory for analysis, where it was determined that the honey had a greater than 99 percent probability match with honey from China. Similar to the April seizure, Wednesday's seizure was accompanied by altered reports from a private laboratory with analyses completely unrelated to the seized honey. The private laboratory fully cooperated with HSI and is considered a victim of identity theft.

"Food fraud is a growing epidemic across all types of products," said James M. Gibbons, special agent in charge for HSI Chicago. "From seafood to vintage wines to honey, food products with any economic value are being intentionally adulterated, smuggled, or simply misrepresented by knowing participants to maximize profits. Protecting the American consumer from smuggled and potentially unsafe imported food is one of HSI's enforcement priorities."

With assistance from CBP Chicago, HSI seized the illicit honey June 29 from a warehouse in suburban Chicago. The seized honey will be destroyed in its entirety following its successful forfeiture at the conclusion of the government's ongoing investigation.

HSI has stepped up its efforts regarding commercial fraud investigations that focus on U.S. economic, and health and safety interests. These anti-dumping criminal schemes create a divergent market that negatively affects legitimate businesses. In the case of honey, the United States relies on legitimately imported foreign-origin honey to meet the demand in the foodservice and commercial baking sectors; but that honey must be lawfully sourced from reputable buyers and sellers.

With the recent enactment of the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), Congress recognized that industries and companies that circumvent U.S. law and regulation remain a risk to this nation's economic security. Among its provisions, TFTEA requires ICE and CBP to collaborate to enhance trade enforcement, with specific emphasis on honey illegally imported into the United States in violation of U.S. customs and trade laws.

In December 2001, the U.S. Commerce Department imposed anti-dumping duties after determining that Chinese-origin honey was being sold in the United States at less than fair-market value. The duties first imposed were as high as 221 percent of the declared value. Later these duties were assessed against the entered net weight, currently at \$2.63 per net kilogram, in addition to a "honey assessment fee" of 1.5¢ per pound on all honey.

In 2008, federal authorities in Chicago began investigating allegations of organizations circumventing anti-dumping 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. In these multi-year investigations, HSI Chicago and the Department of Justice together convicted nine individuals (not including 10 remaining foreign fugitives) in a series of global schemes which evaded nearly \$260 million in anti-dumping duties on honey from China, and which also involved honey containing antibiotics prohibited in food.

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