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District of New Jersey

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Ringleader Of International Rhino Smuggling Conspiracy Sentenced In New Jersey To 70 Months In Prison For Wildlife Trafficking Crime

NEWARK, N.J. – Zhifei Li, the owner of an antique business in China, was sentenced today to 70 months in prison for heading an illegal wildlife smuggling conspiracy in which 30 rhinoceros horns and numerous objects made from rhino horn and elephant ivory worth more than \$4.5 million were smuggled from the United States to China.

The sentence – one of the longest ever imposed in the United States for a wildlife smuggling offense – was announced by Paul J. Fishman, U.S. Attorney for the District of New Jersey; Sam Hirsch, the Acting Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice; Wifredo A. Ferrer, U.S. Attorney for the Southern District of Florida, and Dan Ashe, Director of the U.S. Fish and Wildlife Service (USFWS).

“The multibillion-dollar illegal wildlife market is supplied by animal poaching of unthinkable brutality and fed by those willing to profit from such cruelty,” said U.S. Attorney Fishman. “Zhifei Li appropriately faces 70 months in prison for orchestrating schemes worth millions of dollars and for violating laws meant to protect the most vulnerable species.”

“Li was the ringleader of a criminal enterprise that spanned the globe and profited from an illegal trade that is pushing endangered animals toward extinction,” said Acting Assistant Attorney General Hirsch. “As this case clearly demonstrates, rhino trafficking is increasingly organized, well financed and a threat to the rule of law. The United States is resolved to bring wildlife traffickers to justice.”

Li, 30, of Shandong, China, the owner of Overseas Treasure Finding in Shandong, previously pleaded guilty before U.S. District Judge Esther Salas to a total of 11 counts: one count of conspiracy to smuggle and violate the Lacey Act; seven counts of smuggling; one count of illegal wildlife trafficking in violation of the Lacey Act; and two counts of making false wildlife documents. Judge Salas also imposed the sentence today in Newark federal court.

Li was arrested in Florida in January 2013 on federal charges brought under seal in New Jersey and shortly after arriving in the country. Before he was arrested, he purchased two endangered black rhinoceros horns from an undercover USFWS agent in a Miami Beach hotel room for \$59,000 while attending an antique show. Li was arrested as part of “Operation Crash” – a nationwide effort led by the USFWS and the Justice Department to investigate and prosecute those involved in the black market trade of rhinoceros horns and other protected species.

In papers filed in Newark federal court, Li admitted that he was the “boss” of three antique dealers in the United States whom he paid to help obtain wildlife items and smuggle them to him via Hong Kong. One of those individuals was Qiang Wang, aka “Jeffrey Wang,” who was sentenced to 37 months in prison on Dec. 5, 2013, in the Southern District of New York. Li played a leadership and organizational role in the smuggling conspiracy by arranging for financing to pay for the wildlife, purchasing and negotiating prices, directing how to smuggle the items out of the United States, and getting the assistance of additional collaborators in Hong Kong to receive the goods and smuggle them to him in mainland China.

Rhinoceros are an herbivore species of prehistoric origin and one of the largest remaining mega-fauna on earth. They have no known predators other than humans. All species of rhinoceros are protected under United States and international law. Since 1976, trade in rhinoceros horn has been regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (known as CITES), a treaty signed by over 170 countries around the world to protect fish, wildlife and plants that are or may become imperiled due to the demands of international markets.

In pleading guilty, Li admitted that he sold 30 smuggled, raw rhinoceros horns worth approximately \$3 million – approximately \$17,500 per pound – to factories in China where raw rhinoceros horns are carved into fake antiques known as Zuo Jiu, which means “to make it as old” in Mandarin. In China, there is a centuries-old tradition of drinking from an intricately carved “libation cup” made from a rhinoceros horn. Owning or drinking from such a cup is believed by some to bring good health, and true antiques are highly prized by collectors. The escalating value of such items has resulted in an increased demand for rhinoceros horn that has helped fuel a thriving black market, including for recently carved fake antiques.

“Wild populations of rhinos are being slaughtered at appalling rates due to the greed and indifference of criminals like Li and his accomplices. The sentence handed down today serves notice to other organized trafficking and poaching rings that their crimes will not go unpunished,” said U.S. Fish and Wildlife Service Director Ashe. “We will relentlessly work across the U.S. government and with the international law enforcement community to destroy these networks, while strengthening protections for rhinos in the wild and reducing demand for horn in consumer countries.”

In addition to the prison term, Judge Salas ordered Li to serve two years of supervised release and to forfeit \$3.5 million in proceeds of his criminal activity as well as several Asian artifacts. Various ivory objects seized by the USFWS as part of the investigation have also been surrendered.

The investigation is continuing and is being handled by the U.S. Fish & Wildlife Service’s Office of Law Enforcement, the U.S. Attorney’s Office for the District of New Jersey, the U.S. Attorney’s Office for the Southern District of Florida and the Justice Department’s Environmental Crimes Section.

The government is represented by Assistant U.S. Attorneys Kathleen P. O’Leary and Barbara Ward of the New Jersey U.S. Attorney’s Office Criminal Division and Asset Forfeiture and Money Laundering Unit, Assistant U.S. Attorney Thomas Watts-Fitzgerald of the U.S. Attorney’s Office for

the Southern District of Florida and Senior Counsel Richard A. Udell of the Justice Department's Environmental Crimes Section of the Environment and Natural Resources Division.

Additional information, including a detailed joint factual statement and photo exhibits, can be found here: <http://go.usa.gov/8nYY>.

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Defense counsel: Gary Cutler Esq., New York

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