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QUEENS COUNTERFEIT CIGARETTE RING GOES UP IN SMOKE
FOLLOWING FIVE-MONTH MULTI-COUNTY PROBE

Three Defendants Arrested; 500,000 Packs of Cigarettes With a Street Value of \$3.4 Million and \$325,000 In Cash Seized

Queens County District Attorney Richard A. Brown, joined by Nassau County District Attorney Kathleen Rice and Nassau County Police Department Commissioner Lawrence W. Mulvey, today announced that three alleged members of a Queens-based counterfeit cigarette ring have been arrested and nearly 58,000 cartons of illegal, untaxed cigarette and \$325,000 in cash have been seized following a raid on a Corona warehouse. More than half of the untaxed cigarettes seized at the warehouse are believed to be counterfeit and imported from China, posing a serious health risk to their consumers.

District Attorney Brown said, "Cigarette bootlegging is a multi-million dollar business that rips off the public both by flooding the market place with inferior products – containing dangerously high levels of tar and nicotine – while at the same time fueling an underground economy that does not pay much-needed state and local sales taxes. This case, I believe, will go a long way toward closing down the illegal distribution network that has retail outlets all across Queens County – indeed, across the entire New York City-metropolitan area – filled with untaxed counterfeit cigarettes."

District Attorney Brown noted that the counterfeit cigarettes pose an even greater health risk than most because they have bypassed U.S. safety inspections and regulations and are thought to possess incredibly high levels of tar and nicotine.

Nassau District Attorney Rice said, "Dodging taxes and ripping off local and state government aren't new concepts, but a ring of this magnitude is alarming. When you couple the financial blow these crimes have on local budgets with the potential health risks the counterfeit cigarettes can pose to their consumers, it becomes imperative we crack rings like this one."

District Attorney Rice also noted that the counterfeit cigarettes were not "fire safe" cigarettes, as required by New York State law. "Fire safe" cigarettes include a mechanism designed to extinguish the cigarette if the smoker discontinues its use for a small period of time. Absent this safety mechanism, these cigarettes pose a potentially dangerous public safety concern.

District Attorney Brown identified the defendants as Chinese nationals Min Liang Yu, 21, of 92-06 50th Avenue in Elmhurst, Queens, Ru Dong Chen, 46, of 748 40th Street in Brooklyn, and Yulin Zhuang, 43, of 630 57th Street, also in Brooklyn. The three defendants were arraigned Friday, August 10, 2007, before Queens Criminal Court Judge Ira Margulies on a 423,453-count complaint, charging each of the defendants with 297,450 counts of first-degree trademark counterfeiting, 125,000 counts of first-degree criminal possession of a forged instrument and three counts of violating the New York State tax law. Bail was set at \$500,000 for Yu, and \$250,000 each for Chen and Zhuang. The defendants, who face up to fifteen years in prison if convicted, were ordered to return to court on August 21, 2007.

The investigation began in February 2007 after the Nassau County Police Department received a tip about counterfeit cigarettes coming into Nassau County. The Police Department's Asset Forfeiture Bureau began investigating the ring and conducted a series of purchases from distribution points in Nassau and Queens Counties. The investigation led to the surveillance of a Corona, Queens, warehouse which was ultimately believed to be the New York-metropolitan headquarters for the operation. The Nassau County District Attorney applied for and received a search warrant that was executed late last week.

The investigation was conducted by the Queens County District Attorney's Investigations Division, the Nassau County District Attorney's Rackets Bureau, the Nassau County Police Department's Asset Forfeiture Bureau, the New York State Department of Taxation and Finance's Office of Tax Enforcement and the United States Department of the Treasury's Bureau of Alcohol, Tobacco and Firearms.

Assistant District Attorney Andrew H. Kaufman, of the District Attorney's Special Proceedings Bureau, is prosecuting the case under the supervision of Assistant District Attorneys Anthony M. Communiello, Bureau Chief, and Oscar W. Ruiz, Deputy Bureau Chief, and the overall supervision of Executive District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

It should be noted that criminal charges are merely an accusation and that defendants are presumed innocent until proven guilty.

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Note to Editors: Press release e-version posted at www.queensda.org.