



U.S. Department of Justice

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**FIVE INDIVIDUALS INDICTED AND ARRESTED FOR CONSPIRACY TO SMUGGLE GOODS INTO THE UNITED STATES AND MONEY LAUNDERING**

SAN JUAN, P.R. – Yesterday, a Federal grand jury returned a three-count indictment against five individuals and three companies for conspiracy to smuggle goods into the United States, and conspiracy to commit money laundering, announced Rosa Emilia Rodríguez-Vélez, United States Attorney for the District of Puerto Rico. The investigation was conducted by the Immigration and Customs Enforcement (ICE) Department of Homeland Security (HIS) and Customs and Border Patrol (CBP) Import Specialist Branch.

According to the indictment, the defendants knowingly and willfully combined, conspired, confederated, and agreed with each other to smuggle and clandestinely introduce, or attempt to smuggle or clandestinely introduce, merchandise imported from China, to wit: aluminum, by passing false and fraudulent invoices and documents through a CBP customhouse with the intent to defraud the United States of approximately \$26.7 million in lawful antidumping and countervailing duties accruing upon said merchandise.

The defendants and entities are:

- Samuel García-Adarme - the owner of Sultana Screens & Aluminum Sales and Vice President of Aluwest Industries;
- Edrick García -Vázquez - the President of PRP Trading Corp;
- Armando García-Vázquez - the Vice President of PRP Trading and the Chief Financial Officer of Sultana Screens & Aluminum Sales;
- Carlos Minguela-Ortiz - the accountant for Sultana Screens & Aluminum Sales and PRP Trading;
- William Tang Piu Wong - the owner of AGI Trading Corporation, facilitated the importation of Chinese manufactured goods into United States commerce;
- Sultana Screens & Aluminum Sales - located in Mayagüez, and two additional locations in Caguas and Ponce, P.R., imported aluminum and manufacturing related products for sale;
- PRP Trading Corp. - located in Arecibo, P.R., imported aluminum; and
- Aluwest Industries - located in Ponce, P.R., manufactured aluminum products.

The object of the conspiracy was that defendants Samuel García-Adarme, Edrick García-Vázquez, Armando García-Vázquez and Carlos Minguela-Ortiz, owners and/or principals of Sultana Screens & Aluminum Sales, PRP Trading, and Aluwest Industries, with the assistance of William Tang Piu Wong, would purchase aluminum from China, transship the aluminum to Malaysia, repackage the aluminum and create false invoices to make it appear as though the aluminum originated in Malaysia, and then import the aluminum into Puerto Rico in order to avoid payment of the antidumping and countervailing duties (ADD/CVD).

ADD and CVD are additional duties imposed on goods entering into U.S. commerce for consumption. The imposition of ADD/CVD is a prerogative of the U.S. Department of Commerce (DOC) to avoid imported merchandise being sold below fair market value. Since November 2010, the Department of Commerce imposed antidumping and countervailing duties on Chinese-origin aluminum, which ranged from 30 - 33% of the declared value of the imported aluminum, and 374.15% of the declared value of the imported aluminum, respectively.

Count two of the indictment charges defendants Edrick and Armando García-Vázquez, Minguela Ortiz and Wong, along with the three companies, with conspiracy to commit wire fraud. The defendants, having devised a scheme or artifice to defraud the United States by means of false and fraudulent pretenses did cause to be transmitted by means of wire communications in interstate and foreign commerce electronic mailings for the purpose of executing such scheme or artifice.

Count three charges all defendants with conspiracy to commit money laundering. They conspired to transfer and attempted to transfer funds, that is \$6,907,985.43 in United States currency from Puerto Rico to Malaysia, with the intent to promote the carrying on of a specified unlawful activity, which was smuggling goods into the United States.

The forfeiture allegations include a money judgment of \$26,758,437.86 for the unpaid ADD/CVD and a money judgment of \$6,907, 985.43 for the money laundering count. The government seeks to forfeit real estate properties and bank accounts as substitute assets.

“These individuals are charged with defrauding the United States government of tens of millions of dollars in lawfully imposed duties,” said United States Attorney, Rosa Emilia Rodríguez-Vélez. “We will continue to investigate and prosecute those who engage in corrupt acts which directly affect fair market competition in imported goods” stated Rodríguez-Vélez.

“The ICE HSI Anti-Dumping and Countervailing Duties (ADD/CVD) Program is one way that HSI protects U.S. businesses from fraudulent trade practices. ADD/CVD orders are issued by the Department of Commerce (DOC) and collected and distributed by CBP. Antidumping duties are assessed when importers sell merchandise at less than fair market value, which causes material injury to a domestic industry producing a comparable product. The United States can also impose countervailing duties to offset foreign government subsidy payments on exports of foreign businesses. Duties are imposed to offset the dumping or subsidies provided by the foreign country in order to maintain the competitiveness of United States industry and to foster a level business playing field,” said Ángel Meléndez, special agent in charge of HSI San

Juan. “HSI is responsible for investigating importers who evade the payment of ADD/CVD on imported merchandise. ADD/CVD cases are long-term, transnational investigations that require significant coordination between domestic and international offices and with our foreign law enforcement counterparts.”

“CBP is responsible for enforcing the antidumping and countervailing duties (AD/CVD) law and collecting the ADD/CVD duties assessed against applicable imports. Importers who willfully circumvent the provisions of the ADD/CVD law through illegal transshipment, undervaluation or misclassification of merchandise in order to avoid paying these duties will be identified and investigated,” said Marcelino Borges, Director of Field Operations for Puerto Rico and the USVI. “Our officers and trade experts remain vigilant to detect these violators and enforce all trade related laws.”

The case is being prosecuted by Senior Litigation Counsel, Assistant United States Attorney Scott Anderson. If found guilty, the defendants could face a possible sentence of twenty (20) years in prison.

Indictments contain only charges and are not evidence of guilt. Defendants are presumed to be innocent unless and until proven guilty.

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