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U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

January 2010 Grand Jury

Case No. **10CR3099** **JAH**

UNITED STATES OF AMERICA,	)	Case No.
	)	<b>10CR3099</b>
Plaintiff,	)	<b>JAH</b>
	)	<u>INDICTMENT</u>
v.	)	Title 18, U.S.C., Sec. 371 -
ARTURO HUIZAR-VELAZQUEZ (1),	)	Conspiracy to Defraud the United
JESUS DE LA TORRE-ESCOBAR (2),	)	States and Commit Offenses against
	)	the United States; Title 18,
Defendants.	)	U.S.C., Sec. 542 - Entry of Goods
	)	by Means of False Statements;
	)	Title 18, U.S.C. 1001 - False or
	)	Fictitious Statements; Title 18
	)	U.S.C., Sec. 2 - Aiding and
	)	Abetting; Title 18, U.S.C.,
	)	Sec. 1343 - Wire Fraud; Title 18,
	)	U.S.C., Sec. 1956 - Laundering of
	)	Monetary Instruments; Title 18,
	)	U.S.C., Secs. 981(a)(1)(C),
	)	982(a)(1), and Title 28, U.S.C.,
	)	Sec. 2461 - Criminal Forfeiture

The grand jury charges:

Introductory Allegations

1. At all times material to this indictment, defendant ARTURO HUIZAR-VELAZQUEZ was a businessman who, among other things, controlled companies involved in the importation of steel wire garment hangers to the United States. Two of the companies defendant ARTURO HUIZAR-VELAZQUEZ controlled were Proveedoras de Limpiaduria de Tijuana and Huizar Cleaner de Mexico, both of which operated out of Tijuana, Baja California, Mexico.

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1           2.     At all times material to this indictment, defendant JESUS  
2 DE LA TORRE-ESCOBAR was an employee of defendant ARTURO HUIZAR-  
3 VELAZQUEZ. Defendant ARTURO HUIZAR-VELAZQUEZ would direct defendant  
4 JESUS DE LA TORRE-ESCOBAR to perform tasks on behalf of Proveedoras  
5 de Limpiaduria de Tijuana and Huizar Cleaner de Mexico as well as  
6 other companies.

7           3.     Defendant ARTURO HUIZAR-VELAZQUEZ maintained at least two  
8 bank accounts in the United States, one with Wells Fargo Bank and the  
9 other with Bank of America. Defendant JESUS DE LA TORRE-ESCOBAR would  
10 travel from Mexico to the United States to make cash deposits into  
11 these bank accounts on behalf of defendant ARTURO HUIZAR-VELAZQUEZ.  
12 Defendant ARTURO HUIZAR-VELAZQUEZ would use these bank accounts to  
13 wire payments to Chinese companies that manufactured steel wire  
14 garment hangers.

15           4.     In return for the payments, the Chinese companies would ship  
16 steel wire garment hangers from the People's Republic of China to  
17 defendant ARTURO HUIZAR-VELAZQUEZ in Mexico. Defendants ARTURO  
18 HUIZAR-VELAZQUEZ and JESUS DE LA TORRE-ESCOBAR would then arrange for  
19 boxes of these Chinese wire garment hangers to be stamped "Made in  
20 Mexico." After stamping these boxes "Made in Mexico," defendant  
21 ARTURO HUIZAR-VELAZQUEZ would cause the Chinese steel wire garment  
22 hangers to be shipped from Mexico to the United States. Defendant  
23 JESUS DE LA TORRE-ESCOBAR would assist in shipping the Chinese steel  
24 wire garment hangers by, among other things, arranging for them to be  
25 loaded onto a container.

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1           3.     It was part of the conspiracy that defendants ARTURO HUIZAR-  
2 VELAZQUEZ and JESUS DE LA TORRE-ESCOBAR would defraud the United  
3 States by interfering with and obstructing the lawful governmental  
4 functions of the United States Customs and Border Protection to  
5 collect duties at international borders and enforce trade regulations,  
6 including anti-dumping regulations, all by deceit, craft and trickery  
7 and by means that are dishonest.

8           4.     It was also part of the conspiracy that defendants ARTURO  
9 HUIZAR-VELAZQUEZ and JESUS DE LA TORRE-ESCOBAR would cause to be  
10 entered and introduced into the commerce of the United States, Chinese  
11 manufactured steel wire garment hangers by means of causing the boxes  
12 containing them to be falsely stamped "Made in Mexico."

13           5.     It was also part of the conspiracy that defendants ARTURO  
14 HUIZAR-VELAZQUEZ and JESUS DE LA TORRE-ESCOBAR would knowingly and  
15 willfully make false, fraudulent, and fictitious material statements  
16 to Customs and Border Protection officers, in a matter within the  
17 jurisdiction of the United States Department of Homeland Security, by  
18 furnishing Chinese manufactured steel wire garment hangers in boxes  
19 falsely stamped "Made in Mexico."

20   MANNER AND MEANS OF CONSPIRACY

21           6.     In furtherance of this conspiracy and to effect the objects  
22 thereof, defendants ARTURO HUIZAR-VELAZQUEZ and JESUS DE LA TORRE-  
23 ESCOBAR, and other co-conspirators known and unknown to the Grand Jury  
24 utilized the following manner and means among others:

25           a.     Defendants ARTURO HUIZAR-VELAZQUEZ and JESUS DE LA  
26                   TORRE-ESCOBAR would transport cash from Mexico into  
27                   the United States.

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- 1           b. Defendants ARTURO HUIZAR-VELAZQUEZ and JESUS DE LA  
2           TORRE-ESCOBAR would deposit the cash in two bank  
3           accounts located in the United States.
- 4           c. Defendant ARTURO HUIZAR-VELAZQUEZ would then cause  
5           money to be wired from these accounts to an overseas  
6           account controlled by companies located in the  
7           People's Republic of China.
- 8           d. Defendant ARTURO HUIZAR-VELAZQUEZ would email F.H. and  
9           others to order Chinese manufactured steel wire  
10          garment hangers from a company in the People's  
11          Republic China, causing said hangers to be shipped via  
12          ocean container from the People's Republic of China,  
13          through the United States, to a warehouse in Tijuana,  
14          Baja California, Mexico.
- 15          e. Defendant JESUS DE LA TORRE-ESCOBAR would pick up day  
16          laborers and transport them to the warehouse in  
17          Tijuana where the ocean container containing the steel  
18          wire garment hangers was kept.
- 19          f. Defendants ARTURO HUIZAR-VELAZQUEZ and JESUS DE LA  
20          TORRE-ESCOBAR would instruct day laborers to unload  
21          the boxes of hangers from the ocean container.
- 22          g. Defendant ARTURO HUIZAR-VELAZQUEZ would then instruct  
23          day laborers to stamp the boxes "Made in Mexico" to  
24          create the false impression that the hangers were  
25          manufactured in Mexico.
- 26          h. Defendant JESUS DE LA TORRE-ESCOBAR would assist in  
27          re-loading the boxes onto the ocean container, knowing  
28          that they had been falsely labeled "Made in Mexico."

1 i. Defendant ARTURO HUIZAR-VELAZQUEZ would falsely assert  
2 to a representative of Ferrer Brokers, Inc. that the  
3 container contained a cargo of steel wire garment  
4 hangers made in Mexico.

5 j. Defendant ARTURO HUIZAR-VELAZQUEZ would cause Ferrer  
6 Brokers, Inc., to assert falsely to officials of  
7 United States Customs and Border Protection that said  
8 steel wire garment hangers were manufactured in Mexico  
9 and thus not subject to any import duty.

10 k. Defendant ARTURO HUIZAR-VELAZQUEZ would cause the  
11 entry of the hangers from Mexico into the United  
12 States without paying a special anti-dumping duty on  
13 the hangers, thus depriving the United States of tax  
14 revenue owed to it.

15 l. Defendant ARTURO HUIZAR-VELAZQUEZ would then obtain  
16 profits from this venture and pay defendant JESUS DE  
17 LA TORRE-ESCOBAR for his services.

18 OVERT ACTS

19 7. In furtherance of this conspiracy and to effect the objects  
20 thereof the following overt acts, among others, were committed within  
21 the Southern District of California, and elsewhere:

22 a. On or about July 31, 2009, defendant ARTURO HUIZAR-  
23 VELAZQUEZ caused \$24,000 to be wired from a bank  
24 account in the United States to a bank account  
25 controlled by a wire hanger export company located in  
26 the People's Republic of China.

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- 1           b.    On or about February 25, 2010, defendant JESUS DE LA  
2           TORRE-ESCOBAR entered the United States from Mexico  
3           with \$9,545 cash in his pockets.
- 4           c.    On or about February 26, 2010, defendant JESUS DE LA  
5           TORRE-ESCOBAR caused \$9,500 to be deposited in a Wells  
6           Fargo bank account.
- 7           d.    On or about March 9-17, 2010, defendant ARTURO HUIZAR-  
8           VELAZQUEZ caused to be shipped from the People's  
9           Republic of China to Mexico an ocean container  
10          containing approximately 18,900 kilograms of steel  
11          wire garment hangers manufactured in the People's  
12          Republic of China.
- 13          e.    On or about March 17-19, 2010, defendant ARTURO  
14          HUIZAR-VELAZQUEZ caused boxes of said steel wire  
15          garment hangers to be labeled "Made in Mexico."
- 16          f.    On or about March 17-19, 2010, defendant JESUS DE LA  
17          TORRE-ESCOBAR caused to be loaded boxes of steel wire  
18          garment hangers onto a container knowing them to have  
19          been falsely labeled "Made in Mexico."
- 20          g.    On or about March 19, 2010, defendant ARTURO HUIZAR-  
21          VELAZQUEZ caused a portion of these steel wire garment  
22          hangers to enter the United States from Mexico through  
23          the Otay Mesa Cargo Facility.
- 24          h.    On or about March 19, 2010, defendant ARTURO HUIZAR-  
25          VELAZQUEZ caused it to be falsely asserted to  
26          officials of United States Customs and Border  
27          Protection that said wire hangers were manufactured in  
28          Mexico.

1 i. On or about March 19, 2010, defendant ARTURO HUIZAR-  
2 VELAZQUEZ caused it to be asserted falsely to  
3 officials of United States Customs and Border  
4 Protection that no import duties were owed on said  
5 wire hangers.

6 All in violation of Title 18, United States Code, Section 371.

7 Count 2

8 1. The Introductory Allegations and the allegations in Count 1  
9 are realleged as if set forth herein.

10 2. On or about March 19, 2010, within the Southern District of  
11 California and elsewhere, defendants ARTURO HUIZAR-VELAZQUEZ and JESUS  
12 DE LA TORRE-ESCOBAR, did knowingly cause to be entered and introduced  
13 into the commerce of the United States, Chinese manufactured steel  
14 wire garment hangers by means of falsely stamping boxes containing  
15 said hangers "Made in Mexico"; in violation of Title 18, United States  
16 Code, Section 542, and Title 18, United States Code, Section 2.

17 Count 3

18 1. The Introductory Allegations and the allegations in Count 1  
19 are realleged as if set forth herein.

20 2. On or about March 19, 2010, within the Southern District of  
21 California and elsewhere, defendants ARTURO HUIZAR-VELAZQUEZ and JESUS  
22 DE LA TORRE-ESCOBAR, did knowingly and willfully make false,  
23 fraudulent, and fictitious material statements to Customs and Border  
24 Protection officers, in a matter within the jurisdiction of the United  
25 States Department of Homeland Security, in that they furnished Chinese  
26 manufactured steel wire garment hangers in boxes falsely stamped "Made  
27 in Mexico"; in violation of Title 18, United States Code,  
28 Section 1001(a)(3), and Title 18, United States Code, Section 2.





Count	Date	Communication
11	7/23/09	\$10,483.00 wire transfer sent from Bank of America to a company in the People's Republic of China
12	7/31/09	\$24,000.00 wire transfer sent from Bank of America to a company in the People's Republic of China
13	9/11/09	\$11,245.00 wire transfer sent from Bank of America to a company in the People's Republic of China
14	9/16	\$12,829.00 wire transfer sent from Wells Fargo Bank to a company in the People's Republic of China
15	9/23/09	\$14,973.60 wire transfer sent from Bank of America to a company in the People's Republic of China
16	9/24/09	\$14,870.00 wire transfer sent from Bank of America to a company in the People's Republic of China
17	9/30/09	\$14,078.80 wire transfer sent from Wells Fargo Bank to a company in the People's Republic of China
18	10/27/09	\$12,662.72 wire transfer sent from Bank of America to a company in the People's Republic of China
19	11/18/09	\$13,258.60 wire transfer sent from Bank of America to a company in the People's Republic of China
20	11/23/09	\$14,964.40 wire transfer sent from Bank of America to a company in the People's Republic of China
21	12/17/09	\$13,324.50 wire transfer sent from Bank of America to a company in the People's Republic of China
22	1/4/10	\$13,594.38 wire transfer sent from Bank of America to a company in the People's Republic of China
23	1/6/10	\$13,717.00 wire transfer sent from Bank of America to a company in the People's Republic of China
24	2/8/10	\$15,612.90 wire transfer sent from Bank of America to a company in the People's Republic of China

Count	Date	Communication
25	3/1/10	\$14,000.00 wire transfer sent from Bank of America to a company in the People's Republic of China
26	3/1/10	\$10,000 wire transfer sent from Bank of America to a company in the People's Republic of China
27	4/5/10	\$19,150.50 wire transfer sent from Bank of America to a company in the People's Republic of China
28	4/5/10	\$10,000 wire transfer sent from Bank of America to a company in the People's Republic of China
29	5/7/10	\$13,102.20 wire transfer sent from Bank of America to a company in the People's Republic of China

All in violation of Title 18, United States Code, Section 1343.

Counts 30-55

1. Within the Southern District of California and elsewhere, defendant ARTURO HUIZAR-VELAZQUEZ did transmit and transfer, monetary instruments to a place outside the United States from within the United States with the intent to promote a specified unlawful activity, to wit, wire fraud, Title 18, United States Code, Section 1343, as set forth below:

Count	Date	Communication
30	12/22/08	\$15,668.80 wire transfer sent from Bank of America to a company in the People's Republic of China
31	12/22/08	\$15,848.40 wire transfer sent from Bank of America to a company in the People's Republic of China
32	2/2/09	\$16,308.20 wire transfer sent from Bank of America to a company in the People's Republic of China
33	4/13/09	\$11,690.70 wire transfer sent from Bank of America to a company in the People's Republic of China

Count	Date	Communication
34	5/26/09	\$22,559.09 wire transfer sent from Bank of America to a company in the People's Republic of China
35	6/25/09	\$14,497.35 wire transfer sent from Wells Fargo Bank to a company in the People's Republic of China
36	7/2/09	\$17,293.40 wire transfer sent from Bank of America to a company in the People's Republic of China
37	7/23/09	\$10,483.00 wire transfer sent from Bank of America to a company in the People's Republic of China
38	7/31/09	\$24,000.00 wire transfer sent from Bank of America to a company in the People's Republic of China
39	9/11/09	\$11,245.00 wire transfer sent from Bank of America to a company in the People's Republic of China
40	9/16/09	\$12,829.00 wire transfer sent from Wells Fargo Bank to a company in the People's Republic of China
41	9/23/09	\$14,973.60 wire transfer sent from Bank of America to a company in the People's Republic of China
42	9/24/09	\$14,870.00 wire transfer sent from Bank of America to a company in the People's Republic of China
43	9/30/09	\$14,078.80 wire transfer sent from Wells Fargo Bank to a company in the People's Republic of China
44	10/27/09	\$12,662.72 wire transfer sent from Bank of America to a company in the People's Republic of China
45	11/18/09	\$13,258.60 wire transfer sent from Bank of America to a company in the People's Republic of China
46	11/23/09	\$14,964.40 wire transfer sent from Bank of America to a company in the People's Republic of China
47	12/17/09	\$13,324.50 wire transfer sent from Bank of America to a company in the People's Republic of China

Count	Date	Communication
48	1/4/10	\$13,594.38 wire transfer sent from Bank of America to a company in the People's Republic of China
49	1/6/10	\$13,717.00 wire transfer sent from Bank of America to a company in the People's Republic of China
50	2/8/10	\$15,612.90 wire transfer sent from Bank of America to a company in the People's Republic of China
51	3/1/10	\$14,000.00 wire transfer sent from Bank of America to a company in the People's Republic of China
52	3/1/10	\$10,000 wire transfer sent from Bank of America to a company in the People's Republic of China
53	4/5/10	\$19,150.50 wire transfer sent from Bank of America to a company in the People's Republic of China
54	4/5/10	\$10,000 wire transfer sent from Bank of America to a company in the People's Republic of China
55	5/7/10	\$13,102.20 wire transfer sent from Bank of America to a company in the People's Republic of China

All in violation of Title 18, United States Code, Section 1956(a)(2)(A).

CRIMINAL FORFEITURE

As a result of the commission of the felony offenses alleged in Counts 1, 2 and Counts 4 through 29, said violations being punishable by imprisonment for more than one year, and pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), defendants ARTURO HUIZAR-VELAZQUEZ and JESUS DE LA TORRE-ESCOBAR shall, upon conviction, forfeit to the United States all rights, title and interest in any and all property constituting, or derived from proceeds, the defendants obtained

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1 directly or indirectly, as a result of such violations, including, but  
2 not limited to:

3 1. A monetary judgment equaling the sum of not less than  
4 \$5,000,000.00 based on the gross proceeds realized from the  
5 aforementioned offenses by the conspirators; and,

6 2. Cash or other funds deposited in bank accounts or located  
7 elsewhere in the United States, including but not limited to Bank of  
8 America Account # xxxxx-x0200 and Wells Fargo Bank Account  
9 # xxxxxx6105;

10 All in violation of Title 18, United States Code, Section 981(a)(1)(C)  
11 and Title 28, United States Code, Section 2461(c).

12 As a result of the commission of the felony offense alleged in  
13 Counts 30 through 55, said violations being punishable by imprisonment  
14 for more than one year, and pursuant to Title 18, United States Code,  
15 Section 982(a)(1), defendant ARTURO HUIZAR-VELAZQUEZ shall, upon  
16 conviction, forfeit to the United States all rights, title and  
17 interest in any and all property involved in such offense, and any  
18 property traceable to such property, including but not limited to:

19 1. Cash or other funds deposited in bank accounts or located  
20 elsewhere in the United States, including but not limited to Bank  
21 of America Account # xxxxx-x0200 and Wells Fargo Bank Account  
22 # xxxxxx6105;

23 2. Any interest in Proveedoras de Limpiaduria de Tijuana and  
24 Huizar Cleaner de Mexico; and,

25 All in violation of Title 18, United States Code, Section 982(a)(1).

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1 If any of the above-described forfeitable property, as a result  
2 of any act or omission of the defendant -

- 3 (1) cannot be located upon the exercise of due diligence;  
4 (2) has been transferred or sold to, or deposited with, a  
5 third person;  
6 (3) has been placed beyond the jurisdiction of the Court;  
7 (4) has been substantially diminished in value; or  
8 (5) has been commingled with other property which cannot  
9 be subdivided without difficulty;

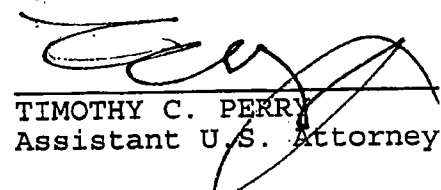
10 it is the intent of the United States, pursuant to Title 21, United  
11 States Code, Section 853(p) and Title 18, United States Code,  
12 Section 982(b), to seek forfeiture of any other property of the  
13 defendants up to the value of the said property listed above as being  
14 subject to forfeiture.

15 DATED: August 4, 2010.

16 A TRUE BILL:

17   
18 \_\_\_\_\_  
19 Foreperson

20 LAURA E. DUFFY  
21 United States Attorney

22 By:   
23 TIMOTHY C. PERRY  
24 Assistant U.S. Attorney