

# Treasury Sanctions Chinese Fentanyl Trafficker Jian Zhang

April 27, 2018

**WASHINGTON** – Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) identified Chinese fentanyl trafficker Jian Zhang as a Significant Foreign Narcotics Trafficker pursuant to the Foreign Narcotics Kingpin Designation Act (Kingpin Act). In addition, OFAC designated four additional Chinese nationals acting on behalf of Jian Zhang and Zaron Bio-Tech (Asia) Limited, an entity registered in Hong Kong that is owned or controlled by Jian Zhang.

“Combating the flow of fentanyl into the United States is a top priority of this administration. Today, Treasury is targeting Jian Zhang’s fentanyl trafficking network, which has directly contributed to American deaths related to the opioid crisis,” said Sigal Mandelker, Under Secretary for Terrorism and Financial Intelligence. “This action will disrupt the flow of fentanyl and other synthetic opioids into the United States, and serves as a warning that Treasury will continue to target the assets of those who deal in illicit opioids and synthetic narcotics. We thank the Justice Department for its close cooperation on these actions, which is part of our whole-of-government approach to combating fentanyl trafficking.”

As a result of today’s action, any assets in which these persons have an interest in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. OFAC’s regulations generally prohibit all dealings by U.S. persons or within (or transiting) the United States that involve any property or interests in property of blocked persons.

The four key financial associates of Zhang designated today – Na Chu, Yeyou Chu, Cuiying Liu, and Keping Zhang – conducted financial transactions through money service businesses to launder illicit narcotics proceeds for Zhang and his organization, which shipped or arranged for the shipment of fentanyl and analogue controlled substances to the United States.

OFAC also designated Zhang’s Chinese chemical company Zaron Bio-Tech (Asia) Limited, which is registered in Hong Kong but operates out of the Shanghai region of China. The company produces food additives and allegedly operates several factories in China, Vietnam, Thailand, and Singapore. Zhang used Zaron Bio-Tech (Asia) Limited to facilitate the unlawful importation of fentanyl and other controlled substances into the United States.

On October 17, 2017, Deputy Attorney General Rod J. Rosenstein announced the unsealing of an indictment in the District of North Dakota against Jian Zhang. The indictment charges Jian Zhang and others with multiple violations, including engaging in a continuing criminal enterprise, drug distribution and importation resulting in death, and money laundering. The indictment alleges that Zhang and co-conspirators distributed and arranged the distribution of hundreds of packages of fentanyl and analogue controlled substances that resulted in the death of four individuals and the serious bodily injury of five individuals. The indictment further alleges that Zhang was the principal administrator, organizer, and leader of the continuing criminal enterprise and used his company, Zaron Bio-Tech (Asia) Limited, to further his illegal activities.

“Fentanyl is the number-one killer drug in the United States today, and most of it comes from China,” said Attorney General Jeff Sessions. “We allege that Jian Zhang and some of his associates have conspired to bring enormous quantities of fentanyl and fentanyl analogues into this country and that Americans died as a result. I want to thank Secretary Mnuchin and Undersecretary Mandelker for today’s designation. It will help us to stop the flow of deadly drugs into this country. I can assure them – and I can assure the American people – that the Department of Justice will do everything in our power to prosecute this case, to bring fentanyl traffickers to justice, and to finally end our national drug crisis.”

OFAC coordinated closely with the following agencies in order to execute today’s action: the U.S. Attorney’s Office for the District of North Dakota, the Drug Enforcement Administration, Homeland Security Investigations, and the Narcotic and Dangerous Drug Section of the Department of Justice and the multi-agency Special Operations Division. The United States Government continues to work closely with Chinese law enforcement to combat the flow of fentanyl into the United States.

“This significant action taken by the Department of the Treasury marks the first time a fentanyl trafficking organization has been targeted for OFAC sanctions in a case in North Dakota,” said Chris Myers, U.S. Attorney for the District of North Dakota. “Strong law enforcement is one part of the multi-faced approach we are taking against the scourge of opiates. Our commitment to this fight is unwavering.”

The United States has seen positive results from law enforcement cooperation between the United States and China regarding illicit fentanyl and fentanyl analogues. As a result of such cooperation, over the last two years, China domestically controlled 143 fentanyl analogues and other new psychoactive substances, including the critical fentanyl analogue carfentanil. This

cooperation is ongoing and expected to grow. For example, as recently as February 2018, China enacted controls on two critical precursor chemicals used in the illicit manufacture of fentanyl.

Since June 2000, more than 2,100 individuals and entities have been named pursuant to the Kingpin Act for their role in international narcotics trafficking. Penalties for violations of the Kingpin Act range from civil penalties of up to \$1,466,485 per violation to more severe criminal penalties. Criminal penalties for corporate officers may include up to 30 years in prison and fines of up to \$5 million. Criminal fines for corporations may reach \$10 million. Other individuals could face up to 10 years in prison and fines pursuant to Title 18 of the United States Code for criminal violations of the Kingpin Act.

[Identifying information on the individuals and entity designated today.](#)

[Chart relating to today's announcement](#) .

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