

**PRESS RELEASE**

Justice Department Announces Charges Against China-Based Chemical Manufacturing Companies and Arrests of Executives in Fentanyl Manufacturing

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For Immediate Release

Office of Public Affairs

Four China-Based Precursor Chemical Manufacturing Companies and Eight Executives and Employees Charged in Global Supply Chain Disruption

The Justice Department today announced the arrest of two individuals and the unsealing of three indictments in the Southern and Eastern Districts of New York charging China-based companies and their employees with crimes related to fentanyl production, distribution, and sales resulting from precursor chemicals. These indictments represent the first prosecutions to charge China-based chemical manufacturing companies and nationals of the People's Republic of China (PRC) for trafficking fentanyl precursor chemicals into the United States. Specifically, the indictments allege the defendants knowingly manufactured, marketed, sold, and supplied precursor chemicals for fentanyl production in the United States in violation of federal law.

During these investigations, the Drug Enforcement Administration (DEA) seized more than 200 kilograms of fentanyl-related precursor chemicals, a quantity that could contain enough deadly

doses to kill 25 million Americans.

Fentanyl is a highly addictive synthetic opioid that is 50 times more potent than heroin and 100 times more potent than morphine. Fentanyl and its analogues have devastated communities across the United States and are fueling the ongoing overdose epidemic, which the Centers for Disease Control and Prevention (CDC) recently estimated killed approximately 110,000 Americans in 2022. Fentanyl is now the leading cause of death for Americans ages 18 to 49. Fentanyl analogues, similar in chemical makeup and effect to fentanyl, can be even more potent and lethal than fentanyl.

“When I announced in April that the Justice Department had taken significant enforcement actions against the Sinaloa Cartel, I promised that the Justice Department would never forget the victims of the fentanyl epidemic,” said Attorney General Merrick B. Garland. “I also promised that we would never stop working to hold accountable those who bear responsibility for it. That includes not only going after the leaders of the Cartels, their drug and gun traffickers, their money launderers, security forces, and clandestine lab operators. It also includes stopping the Chinese chemical companies that are supplying the cartels with the building blocks they need to manufacture deadly fentanyl.”

“Today’s announcement is a down payment on our pledge to use every tool in the government’s arsenal, in every corner of the globe, to protect American communities,” said Deputy Attorney General Lisa O. Monaco. “The Justice Department will not rest or relent in investigating and prosecuting every link of the fentanyl supply chain, including the PRC companies and executives who produce and export vast quantities of the precursor chemicals the drug cartels need to peddle their poison. There can be no safe haven.”

“Today’s announcement is a considerable step forward in our unrelenting fight against fentanyl, targeting the threat where it starts,” said DEA Administrator Anne Milgram. “These companies and individuals are alleged to have knowingly supplied drug traffickers, in the United States and Mexico, with the ingredients and scientific know-how needed to make fentanyl – a drug that continues to devastate families and communities across the United States, killing Americans from all walks of life. Targeting entire criminal drug networks, from the source of supply to the last mile of distribution, is critical to saving American lives. DEA will not stop until this crisis ends.”

Southern District of New York

An indictment was unsealed in the Southern District of New York charging the China-based chemical company Hubei Amarvel Biotech Co. Ltd., aka AmarvelBio, (Amarvel Biotech), as well as its executives and employees Qingzhou Wang, 35, aka Bruce (Wang); Yiyi Chen, 31, aka Chiron (Chen); and Fnu Lnu, aka Er Yang and Anita (Yang), with fentanyl trafficking, precursor chemical importation, and money laundering offenses. Wang and Chen, both nationals of China,

were expelled from Fiji on June 8, arrested by the DEA, and presented before U.S. Magistrate Judge Wes Reber Porter in Honolulu federal court on June 9. Wang and Chen were ordered detained in Honolulu and will appear in Manhattan federal court following their arrival in the Southern District of New York. Yang, also a national of China, is at large.

“The indictment unsealed today in the Southern District of New York is the next step in our fight against fentanyl,” said U.S. Attorney Damian Williams for the Southern District of New York. “Today, we target the very beginning of the fentanyl supply chain: the Chinese manufacturers of the raw chemicals used to make fentanyl and its analogues. We’ve charged a Chinese precursor chemical company. And that’s not all. We’ve charged and arrested some of the individuals who work at the company. That includes a corporate executive and a marketing manager. They’re in American handcuffs. And they’re going to face justice in an American courtroom.”

According to the allegations contained in the indictment and other court filings, Amarvel Biotech is a chemical manufacturer based in the city of Wuhan, in Hubei province, China, that has exported vast quantities of the precursor chemicals used to manufacture fentanyl and its analogues.

Amarvel Biotech has openly advertised online its shipment of fentanyl precursor chemicals to the United States and to Mexico, where drug cartels operate clandestine laboratories, synthesize finished fentanyl at scale, and distribute the deadly fentanyl into and throughout the United States. Through its website and a host of other storefront sites, Amarvel Biotech has targeted precursor chemical customers in Mexico, including by advertising fentanyl precursors as a “Mexico hot sale;” guaranteeing “100% stealth shipping” abroad; and posting to its websites documentation of Amarvel Biotech shipping chemicals to Culiacan, Mexico, the home city of the Sinaloa Cartel, one of the dominant drug trafficking organizations in the Western Hemisphere and which is largely responsible for the massive influx of fentanyl into the United States in recent years.

Amarvel Biotech has also endeavored to thwart law enforcement interdiction of its precursor chemical shipments. Amarvel Biotech has advertised, for example, the company’s ability to use deceptive packaging – such as packaging indicating the contents are dog food, nuts, or motor oil – to ensure “safe” delivery to the United States and Mexico.

Over the past eight months, during an undercover investigation by the DEA, Amarvel Biotech and its principal executive, Wang, its marketing manager, Chen, and its sales representative, Yang, shipped more than 200 kilograms from China to the United States of precursor chemicals used to make fentanyl and its analogues. Amarvel Biotech, Wang, Chen, and Yang shipped the precursors to the United States intending that the chemicals would be used to produce fentanyl and its analogues in New York, and they agreed to continue supplying multi-ton shipments of fentanyl precursors despite being told that Americans had died after consuming fentanyl made from the chemicals that the defendants had sold.

For example, on or about Nov. 17, 2022, a DEA confidential source (CS-1) wrote to Yang using an encrypted messaging application, “You know I making fentanyl,” and “Is not safe.” Yang replied, “I know.” On or about Dec. 1, 2022, Yang wrote to CS-1, promising that CS-1 would be “happy with our product” and noting that CS-1 would “be able to synthesize fentanyl.” In exchange for payment in cryptocurrency, Amarvel Biotech thereafter shipped from China to New York approximately 999.7 grams of the fentanyl precursor 1-boc-4-AP, approximately 1,002.6 grams of the fentanyl precursor 1-boc-4-piperidone, and approximately 893.6 grams of the methamphetamine precursor methylamine.

In or about March 2023, Wang and Chen met in person with an individual whom CS-1 represented was CS-1’s boss but was in fact another DEA confidential source (CS-2). During the meeting, Wang and Chen discussed Amarvel Biotech’s ability to supply ton-quantities of fentanyl precursors to New York for CS-1 and CS-2’s fentanyl manufacturing operation. After CS-2 stated that CS-2 wanted a different formula for manufacturing fentanyl and that several of CS-2’s American customers had purportedly died, Wang and Chen advised they had “a lot of customers in America and Mexico” who could provide technical assistance with fentanyl production.

After March 2023, Amarvel Biotech, Wang, Chen, and Yang agreed to sell CS-1 and CS-2 approximately 210 kilograms of fentanyl precursors in exchange for payment in cryptocurrency. During an April 10 video call with Wang and Chen, CS-2 stated that the approximately 210 kilograms of fentanyl precursors would be used to manufacture approximately 50 to 55 kilograms of fentanyl – an amount that, as noted above, could contain approximately 25 million deadly doses.

In or about May 2023, Amarvel Biotech, Wang, Chen, and Yang sent to the United States the shipment ordered by CS-1 and CS-2. On or about May 5, the DEA retrieved the precursor shipment from a warehouse near Los Angeles. Lab testing confirmed the presence of a precursor chemical for a fentanyl analogue. In an encrypted messaging group chat with CS-1, CS-2, Wang, and Chen, Yang explained that “New York, the United States, has been strict in checking the precursors of the ‘final product’ some time ago, so for the sake of safety, this time it is sent to California.”

In or about June 2023, Wang and Chen met again with CS-2. During the meeting, Wang and Chen discussed with CS-2 a multi-ton order of fentanyl precursor chemicals. Wang and Chen also discussed the need to take additional measures to protect themselves from detection and interdiction of their shipments “because recently American government . . . seized some Mexican group and they followed the routes to China,” where the U.S. Government found “our competitor in China” – an apparent reference to fentanyl-related charges filed in the Southern District of New York and announced in April 2023 against, among others, leadership of the Sinaloa Cartel and certain China-based precursor chemical company executives.

DEA's Special Operations Division Bilateral Investigations Unit investigated the case, with assistance from the DEA Bangkok Country Office, DEA Wellington Country Office, DEA Beijing Country Office, DEA Honolulu District Office, DEA New York Organized Crime Drug Enforcement Task Force (OCDETF), DEA Riverside District Office, DEA Special Testing Laboratory, the Justice Department's Office of International Affairs, the Royal Thai Police Narcotics Suppression Bureau, the Fiji Police Force Narcotic Bureau, the Fiji Office of the Director of Public Prosecutions, and the U.S. Attorney's Office for the District of Hawaii.

The Southern District of New York's Office's National Security and International Narcotics Unit is prosecuting the case.

Eastern District of New York

Two indictments were unsealed in the Eastern District of New York that detail criminal conspiracies by companies and employees based in China to manufacture and distribute fentanyl in the United States.

The first indictment charges Anhui Rencheng Technology Co. (Rencheng) Ltd.; Anhui Moker New Material Technology Co.; Shutong Wang; and Shifang Ruan, aka Eva, with conspiracy to manufacture and distribute fentanyl, manufacture of fentanyl, and other related offenses. In addition, the indictment charges those same defendants, as well as Xinyu Zhao, aka Sarah, and Yue Gao, aka Ellie, with illegally concealing their activities, including through customs fraud and introducing misbranded drugs into the U.S. marketplace. The indictment also charges Rencheng, Wang, and Ruan with conspiracy to distribute butonitazene, a controlled substance.

The second indictment charges Hefei GSK Trade Co. Ltd, aka Hebei Gesuke Trading Co. Ltd. and Hebei Sinaloa Trading Co. Ltd.; and Ruiqing Li with similar offenses, including conspiracy to manufacture and distribute fentanyl, manufacture of fentanyl, conspiracy to distribute a List I chemical, distribution of a List I chemical, customs fraud conspiracy, introducing misbranded drugs into interstate commerce, and distribution of metonitazene, a controlled substance.

"As alleged, the defendants knowingly distributed the chemical building blocks of fentanyl to the United States and Mexico, even providing advice on how they should be used to manufacture this dangerous drug which inflicts untold tragedy in New York City, Long Island, and across the nation," said U.S. Attorney Breon Peace for the Eastern District of New York. "This prosecution shows that the companies and individuals who fuel our nation's deadly opioid epidemic – wherever they are located – will be found and prosecuted to the full extent of the law."

As alleged in the indictments, the defendant companies supplied precursor chemicals to the United States and Mexico, among other places, knowing they would be used to manufacture fentanyl. The defendant companies openly advertised their products all over the world, including to the United States and Mexico, on social media platforms. They also sent their

chemical products to the United States and Mexico by boat and by air, using public and private international mail and package carriers. To prevent detection and interception of chemical products at the borders, the defendant companies employed deceptive and fraudulent practices, such as mislabeling packages, falsifying customs forms, and making false declarations at border crossings. The chemicals distributed by the defendants included all the materials necessary to manufacture fentanyl via the most common pathways.

The defendant companies attempted to obfuscate their distribution of fentanyl precursors by adding “masking” molecules, which slightly alter the chemical signature of the underlying precursor chemicals. By changing the chemical signature, an altered substance could evade testing protocols and relevant regulations by appearing to be a new substance. Such masking molecules are easily removed, thus enabling the purchaser to return the substance to its original form as a fentanyl precursor. The defendant companies not only produced and distributed masked precursors, but also provided instructions about how to remove the masking molecules upon receipt, thus helping their customers to more effectively obtain banned precursors and produce fentanyl. The defendants also gave instructions on how to improve fentanyl yield and advice on which chemicals to buy to replace banned precursor products.

Mexican drug trafficking organizations, including but not limited to the Sinaloa Cartel and the Jalisco New Generation Cartel (CJNG), have increasingly availed themselves of the fentanyl precursors and masked fentanyl precursors developed and distributed by the defendant companies and companies like them. The chemicals provided by the defendant companies have enabled such cartels and other drug trafficking organizations to produce fentanyl in clandestine laboratories in Mexico on a massive scale, for subsequent distribution in the United States and elsewhere. The materials and instructions provided by the defendant companies and companies like them have directly caused and contributed to the influx of deadly fentanyl into the United States.

DEA New York, DEA Mexico, DEA Diversion Control Division, DEA Special Testing and Research Laboratory, U.S. Customs and Border Protection New York Field Office, IRS Criminal Investigation New York Division, and U.S. Postal Inspection Service New York investigated the case. The New York City Police Department, the New York State Police, and the Justice Department’s Office of International Affairs provided assistance on the case.

The Eastern District of New York’s Office’s International Narcotics and Money Laundering Section is prosecuting the case.

This effort is part of an OCDETF operation. OCDETF identifies, disrupts, and dismantles the highest-level criminal organizations that threaten the United States using a prosecutor-led, intelligence-driven, multi-agency approach. Additional information about the OCDETF Program can be found at www.justice.gov/OCDETF

An indictment is merely an allegation. All defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

[SDNY Indictment](#) [EDNY Indictment 2](#) [EDNY Indictment 1](#)

Updated February 6, 2025

Attachments

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U.S. Department of Justice
950 Pennsylvania Avenue, NW
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