

US launches prosecutions of Chinese companies on charges of trafficking fentanyl ingredients

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Attorney General Merrick Garland speaks at a press conference with U.S. Attorney Breon Peace, left, and Deputy Attorney General Lisa O. Monaco, right, to announce arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf

The U.S. Justice Department filed criminal charges on Friday against four Chinese companies and eight individuals for allegedly trafficking the chemicals used to make the highly addictive painkiller fentanyl in the United States and Mexico.

The three separate indictments unsealed in federal court in New York represent the first prosecutions to charge China-based chemical companies and Chinese nationals with illegally selling the chemicals used to make [fentanyl](#), which has been blamed for a deadly overdose crisis.

A spokesperson for the Chinese Embassy condemned the charges, accusing the U.S. government of seeking to shift the blame for its domestic drug problem.

Federal prosecutors said the companies marketed the fentanyl precursor chemicals on their websites and social media accounts, advertised that they accepted payment in cryptocurrency and shipped them to drug traffickers including Mexico's Sinaloa cartel.

"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," Attorney General Merrick Garland said in a news release.

Garland said those actions include stopping Chinese [chemical companies](#) from "supplying the cartels with the [building blocks](#) they need to manufacture deadly fentanyl."



Attorney General Merrick Garland walks to the podium at a press conference to announce arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf

In a statement, Liu Pengyu, a spokesperson for the Chinese Embassy, charged U.S. prosecutors with imposing a "long-arm jurisdiction," adding that the move could harm counter-narcotics operations between the two countries.

"The incident was a well-planned entrapment operation by the US side, which seriously infringed upon the legitimate rights of relevant enterprises and individuals," the spokesperson said. "China strongly condemns it."

An indictment unsealed in Manhattan federal court charges the China-based chemical company Hubei Amarvel Biotech Co. as well as three company executives with fentanyl trafficking, precursor chemical importation and money laundering.

Prosecutors said Amarvel Biotech used deceptive practices to evade authorities, such as advertising that it could disguise its products as dog food, nuts or motor oil to ensure "safe" delivery to the United States and Mexico.



Attorney General Merrick Garland speaks at a press conference to announce arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf

Two of the Amavel Biotech executives were arrested earlier this month and appeared before a federal magistrate judge in Honolulu. They will be brought to New York to appear in Manhattan federal court. The third has not been arrested.

Two additional indictments unsealed in federal court in Brooklyn charge five other executives or employees and three Chinese companies, identified as Anhui Rencheng Technology Co., Anhui Moker New Material Technology Co. and Hefei GSK Trade Co., with offenses including conspiracy to manufacture and distribute fentanyl and customs fraud conspiracy. None of these individuals has been arrested.

U.S. Attorney Breon Peace said the defendants "knowingly distributed the chemical building blocks of fentanyl to the United States and Mexico" and provided advice on "how they should be used to manufacture this dangerous drug."



DEA Administrator Anne Milgram speaks at a press conference with Attorney General Merrick Garland announcing arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf



U.S. Attorney Breon Peace speaks at the press conference with Attorney General Merrick Garland, left, and Deputy Attorney General Lisa O. Monaco, right, to announce arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf



Deputy Attorney General Lisa O. Monaco, center, speaks at a press conference with Attorney General Merrick Garland, right, and U.S. Attorney Damian Williams to announce arrests and disruptions of the fentanyl precursor chemical supply chain with on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf



U.S. Attorney Breon Peace speaks at the press conference with Attorney General Merrick Garland, left, and Deputy Attorney General Lisa O. Monaco, right, to announce arrests and disruptions of the fentanyl precursor chemical supply chain on Friday, June 23, 2023 in Washington. Credit: AP Photo/Kevin Wolf

Anne Milgram, administrator of the federal Drug Enforcement Administration, said the companies and individuals supplied drug traffickers "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."

Information on attorneys for the defendants was not immediately available.

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