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DISTRICT ATTORNEY'S NEW UNIT SEIZES
OVER 900 CARTONS OF UNTAXED CIGARETTES
Over One Million Cigarettes Seized This Year

Queens County District Attorney Richard A. Brown today announced the arrest of three individuals for engaging in the sale of untaxed cigarettes and the seizure of more than 900 cartons of illegal, untaxed cigarettes – valued at approximately \$100,000 – and nearly \$35,000 in cash.

District Attorney Brown said, “Cigarette smuggling to evade state and local taxes is a multimillion dollar industry. It is a highly profitable tax-free cash business for those involved in it. However, it cheats taxpayers who must dip into their pockets to pay higher taxes. And it cheats the government as well by fueling an underground economy which does not pay much needed State and City taxes. In today’s cases, it is estimated that the three defendants shortchanged New York State and New York City out of nearly \$60,000 in tax revenue.”

The District Attorney identified the defendants as Liu-Qin Feng, 34, of 136 Bowery Street in Manhattan, Ben Chuan Chen, 37, of 136-19 60th Avenue in Flushing, Queens, and Luis Robert Liendo-Guillen, 56, of 35-40 91st Street in Jackson Heights, Queens, and 2927 Northeast 4th Avenue in Miami, Florida. The three defendants are presently awaiting arraignment in Queens Criminal Court on criminal complaints charging them with first-degree criminal possession of a forged instrument, third-degree trademark counterfeiting and violations of New York State Tax Law 1814 (Cigarette and Tobacco Products Tax). If convicted, the defendants each face up to 15 years in prison.

District Attorney Brown said that, as part of an ongoing long-term investigation, two court-authorized search warrants were executed Wednesday morning, June 15, 2011, at Chen’s Flushing residence and on a 2004 Honda minivan parked there after police allegedly observed Feng exit the residence and enter the Honda’s rear passenger seat and Chen exit through a basement door carrying a black plastic bag and enter the vehicle’s driver seat. During a search of the residence and vehicle, police allegedly recovered 793 untaxed cartons of cigarettes, 431 counterfeit Virginia tax stamps, and \$33,231 in cash.

In the second case, police executed a search warrant, also on the morning of June 15, 2011, as the defendant Liendo-Guillen was leaving his residence carrying a black duffel bag. Inside the bag was allegedly seven cartons of untaxed New York State cigarettes. During a search of his

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residence, police allegedly recovered 120 cartons of untaxed cigarettes, \$7,000 in purchased but unendorsed U.S. Postal money orders and \$1,456 in cash.

It is charged that numerous cartons of the seized cigarettes have been determined to be counterfeit, while others are legitimate products that either were purchased and taxed in Virginia or have a counterfeit Virginia tax stamp placed on them.

District Attorney Brown said that all cigarette packages sold in New York City must bear a joint New York City/New York State tax stamp and only a licensed stamping agent can possess untaxed cigarettes and affix the tax stamp on the packages.

The arrests are just the latest results brought about by the District Attorney's Crimes Against Revenue Unit (CARU) which proactively investigates and prosecutes individuals and businesses that deliberately fail to pay tax obligations associated with legal and illegal activities. To date, more than one million untaxed cigarettes have been seized, forfeited, and surrendered this year.

The investigation was conducted by Detectives James Monaco and Dominick DiGennaro, of the District Attorney's NYPD Squad, under the supervision of Sergeant Francis Teran, Lieutenant Keith P. Gallagher and Captain John F. Zanfardino and the overall supervision of Chief Louis M. Croce, Jr. and Chief of Detectives Phil T. Pulaski.

Assistant District Attorneys Andrew H. Kaufman, Chief of the Crimes Against Revenue Unit, and Carla L. Cheung, will be prosecuting the cases under the supervision of Assistant District Attorneys Anthony M. Communiello, Bureau Chief of the District Attorney's Special Proceedings Bureau, and Oscar W. Ruiz, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney for Investigations Linda M. Cantoni.

It should be noted that criminal charges are merely an accusation and that defendants are presumed innocent until proven guilty.

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Note to Editors: Press release e-version posted at www.queensda.org.