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## News Releases

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### **Chinese national sentenced to more than 7 years in federal prison for trafficking counterfeit pharmaceutical weight-loss drug**

DENVER – A Chinese national was sentenced on Thursday to serve seven years and three months in federal prison for trafficking in counterfeit versions of the pharmaceutical weight-loss drug known as "Alli." The sentence was pronounced by U.S. District Judge Philip B. Brimmer.

This case was investigated by the following federal agencies: U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI), U.S. Food and Drug Administration's Office of Criminal Investigations (FDA OCI), and the U.S. Postal Inspection Service.

Shengyang Zhou, aka "Tom," 31, of Kunming, Yunnan, China, was ordered to pay restitution totaling \$504,815.39 to the victims of his crime, including an emergency room doctor from Texas who suffered a mild stroke from ingesting the counterfeit medication. Following his prison sentence, Zhou will be deported. He appeared at the sentencing hearing in custody, and was remanded immediately following the hearing.

Zhou was first charged by Criminal Complaint on March 5, 2010. He was arrested based on a Criminal Complaint on March 23, 2010 in Honolulu, Hawaii. Zhou was indicted by a federal grand jury in Denver on April 22, 2010. The government sought a superseding indictment on Nov. 17, 2010. He pleaded guilty on Jan. 24, 2011 and was sentenced June 2.

According to court documents, between December 2008 and March 2009 the FDA issued a series of alerts on its website concerning tainted weight-loss pills and counterfeit drugs. Initial alerts focused on "Superslim," "2 Day Diet," and Meitzitang, among other purported weight-loss products believed to have been imported from China and marketed as dietary supplements or nutritional products. The FDA stated in these initial alerts that the items posed a very serious health risk to consumers, because, based on analysis, they were found to be drugs that contained undeclared active pharmaceutical ingredients, including Sibutramine (a non-narcotic controlled substance).

Sibutramine can cause high blood pressure, seizures, tachycardia, palpitations, heart attack or stroke. In later alerts, the FDA warned the public about counterfeit versions of the brand-name drug Alli, a popular over-the-counter weight-loss drug manufactured by GlaxoSmithKlein. The alerts indicated that these counterfeit drugs were also being imported into the United States from China and did not contain the proper active pharmaceutical ingredient for the authentic product; instead they contained dangerous levels of Sibutramine. The counterfeit versions of Alli were being sold in the United States, among other ways, through Internet websites, including online auction websites, such as eBay.

During the course of the investigation, law enforcement agents identified Zhou as the trafficker and importer into the United States of these counterfeit and unapproved purported weight-loss-related drugs. Zhou also identified himself as the manufacturer of the counterfeit Alli.

Zhou's website, "[www.2daydietsshopping.com](http://www.2daydietsshopping.com) (<http://www.ice.gov/exec/leaving.asp?url=http://www.2daydietsshopping.com>)," indicated that his business operated a U.S. branch out of Plano, Texas. Agents determined through investigation that the branch

was operated by Qing Ming Hu, a naturalized U.S. citizen born in China. Some of the unapproved product featured in FDA public alerts was shipped to Hu for re-distribution to U.S. customers. Hu was also prosecuted, and received a sentence of three years probation.

Agents acting in an undercover capacity placed numerous orders for the counterfeit and illegal diet pills. In turn, money was wired to bank accounts. At one point, two agents flew to a third country in an undercover capacity to meet with Zhou. At that meeting they discussed in depth Zhou's manufacturing capabilities. Zhou identified himself as the manufacturer of the counterfeit Alli and promised to fix defects in the counterfeit versions of the Alli he had previously shipped, defects that had been noted by the FDA in its public alerts. During that meeting the undercover agents told Zhou that they had access to a private customs broker who would be willing to import the counterfeit Alli into the United States through air cargo shipments that would be mis-described.

As the investigation continued, undercover agents and Zhou agreed to meet in Hawaii to discuss increasing the order for counterfeit Alli. At that meeting Zhou provided proof that he was capable of producing large quantities of Alli, and that he had cured certain imperfections. At the end of the meeting, agents handed Zhou cash to complete the Alli order transaction. At that point, Zhou was arrested.

A number of consumers reported feeling an assortment of adverse physical effects from taking the counterfeit Alli that they had purchased from the defendant's web page or through a re-distributor. One consumer, an emergency room doctor, suffered a mild stroke after ingesting the counterfeit Alli.

"Today's sentence demonstrates what can be accomplished when the FDA Office of Criminal Investigations, ICE Homeland Security Investigations, and U.S. Postal Inspection Service combine resources to investigate and apprehend an international criminal whose actions were harming Americans," said U.S. Attorney John Walsh, District of Colorado. "Those who rely on the Internet to obtain their prescription medication must do due diligence to ensure they are dealing with a reputable company providing the actual medicine prescribed by a physician."

"After working closely with our law enforcement counterparts to secure a conviction following our extensive investigation, this prison sentence sends a strong message to current and potential pharmaceutical counterfeiters of the consequences that await them," said David M. Marwell, special agent in charge of ICE HSI in Denver. "This case demonstrates how our agents pooled their experience, expertise, and law enforcement authorities to shut down this criminal enterprise, and help protect the public."

"FDA's Office of Criminal Investigations, working in concert with the United States Attorney's Office and other foreign and domestic government agencies, will protect the public health by aggressively targeting those responsible for counterfeiting pharmaceutical drugs," said Patrick J. Holland, special agent in charge of the FDA Office of Criminal Investigations Kansas City Field Office. "This case highlights that even when complex criminal networks engage in such illegal activities on a global scale from a foreign-based location, without regard for risk to human life, they are still held accountable for their actions in the United States. We commend the United States Attorney's Office in Colorado and our law enforcement partners for their tireless efforts in connection with the investigation and subsequent prosecution of this case."

"Combating the shipment of counterfeit pharmaceuticals through the U.S. Mail continues to be a priority for the United States Postal Inspection Service," said Acting Denver U.S. Postal Inspector in Charge Andrew Balkin. "When the mails are used to ship counterfeit pharmaceuticals it is a violation of Federal Law, and United States Postal Inspectors take this offense seriously. Investigation of this crime displays another successful effort to dismantle criminal enterprises involved in this type of activity."

Zhou was prosecuted by Assistant U.S. Attorney Kenneth M. Harmon, with assistance from Assistant U.S. Attorney Ryan Bergsieker, District of Colorado.

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