

JUSTICE NEWS

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Senior Auction Official at Beverly Hills Auction House Sentenced to Prison for Wildlife Trafficking

Joseph Chait, 38, of Beverly Hills, California, the senior auction administrator of I.M. Chait Gallery, located in Beverly Hills, was sentenced today to one year and one day in prison and a \$10,000 fine for conspiring to smuggle wildlife products made from rhinoceros horn, elephant ivory and coral with a market value of at least \$1 million, announced Assistant Attorney General John C. Cruden for the Department of Justice's Environment and Natural Resources Division, U.S. Attorney Preet Bharara for the Southern District of New York and Director Dan Ashe for the U.S. Fish and Wildlife Service (FWS). On March 9, Chait pleaded guilty to a two-count Information before U.S. District Judge J. Paul Oetken for the Southern District of New York, who imposed today's sentence.

"Conspiring in the trafficking endangered wildlife is a serious crime, and those involved in the auction industry should take note that facilitating this trade can result in prison," said Assistant Attorney General Cruden. "The African Elephant, the rhinoceros, and coral are all deeply threatened species that have undergone dramatic losses in recent decades as the trade in them has become highly lucrative. We must stop this trade, and we will vigorously investigate and prosecute those engaged in it."

"By illegally trafficking in wildlife, including rhinoceros horns, Joseph Chait and his co-conspirators have fueled the illegal trade in endangered wildlife," said U.S. Attorney Bharara. "Chait's conduct, a federal crime for which he will now spend time in prison, threatened the already precarious existence of certain endangered species of animals."

"As this investigation by U.S. Fish and Wildlife Service Special Agents demonstrates, United States citizens and businesses continue to be involved in international wildlife trafficking – facilitating and magnifying consumer demand for rhino horn, elephant ivory and other illegal products that is driving the slaughter of imperiled species in the wild," said Director Ashe. "The stiff sentence and fines imposed today on Joseph Chait for his crimes serves notice to those engaged in similar criminal activity that their day of reckoning in court is coming."

According to allegations contained in the Information and statements made in court filings and proceedings:

Chait and his co-conspirators engaged in illegal trafficking of wildlife with a market value of at least \$1 million. Chait personally falsified customs forms by stating that rhinoceros horn and elephant ivory items were made of bone, wood or plastic. For example, during Asia Week in New York City, New York, in or about March 2011, Chait was approached by an undercover special agent with FWS about the potential sale of a carving of Guanyin, an East Asian spiritual figure made from rhinoceros horn (the Rhino Carving). Despite knowing that it was not a genuine antique, Chait and his co-conspirators accepted the Rhino Carving for consignment, advertised the sale to foreign clients in China and put the Rhino Carving on the cover of I.M. Chait Gallery's catalogue in connection with an auction of Asian art and antiques. After the Rhino Carving sold at auction for \$230,000 to another undercover agent, Chait offered to make a false document for the buyer to help the buyer smuggle the item out of the country. The fake invoice falsely stated that the item cost \$108.75 and was made of plastic.

Chait also sold rhinoceros ivory carvings to another customer and provided those carvings to that customer's courier, even after learning that the customer had been arrested in China for smuggling ivory purchased from Chait's auction house.

In addition to falsifying customs forms by stating that rhinoceros horn and elephant ivory items were made of bone, wood or plastic, Chait and his co-conspirators conducted their wildlife smuggling using a variety of methods:

- Wildlife items were shipped to or picked up by third party shippers, who then re-shipped the items out of the country without the required declaration or permits.
- Members of the conspiracy provided packing materials to foreign wildlife buyers to assist them in hand carrying the wildlife out of the country.
- Foreign wildlife buyers were sold protected wildlife items without being assessed a state sales tax if they showed a foreign passport and itinerary for an international flight as proof the item would be leaving the country.
- Protected wildlife was smuggled into the United States without declaration or permits and then sold at auction by members of the conspiracy.

As a result of a recent Presidential Executive Order, trade in protected wildlife such as rhinoceros horn and elephant ivory has been significantly restricted in the last two years, except for those instances where sellers can prove that the item is a genuine antique that is more than 100 years old.

Rhinoceros are an herbivore species of prehistoric origin and one of the largest remaining mega-fauna on earth. They have no known predators other than humans. All species of rhinoceros are protected under U.S. and international law. Since 1976, trade in rhinoceros horn has been regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a treaty signed by over 170 countries around the world to protect fish, wildlife and plants that are or may become imperiled due to the demands of international markets.

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In addition to the term of prison, Chait was sentenced to three years of supervised release and was ordered to pay a \$10,000 fine.

Assistant Attorney General Cruden and U.S. Attorney Bharara praised the efforts of FWS for its outstanding work in this investigation.

This case is being prosecuted by the Office's Complex Frauds and Cybercrime Unit and the Environmental Crimes Section of the Department of Justice. Assistant U.S. Attorneys Jennifer Gachiri and Elizabeth Hanft and Senior Litigation Counsel Richard A. Udell with the Environmental Crimes Section of the Department of Justice are in charge of the prosecution.

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Environment and Natural Resources Division

Topic:

Environment

Wildlife

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