

Operation Crash

Operation Crash is an ongoing nationwide criminal investigation led by the U.S. Fish and Wildlife Service that is addressing all aspects of U.S. involvement in the black market rhino horn trade.

The first phase of this probe, which has focused on the unlawful purchase and outbound smuggling of rhino horn from the United States, has resulted in 14 arrests and six convictions to date.

Charges filed against these defendants include conspiracy, smuggling, money laundering, tax evasion, and bribery as well as violations of the Endangered Species Act and Lacey Act (a law that protects wildlife and plants from illegal trafficking).

Eight of those arrested were taken into custody in February 2012 as part of a nationwide “takedown” that involved more than 140 law enforcement officers executing search warrants in 13 States.

Sentencing Summary

- **“Jimmy” and Felix Kha:** Between January 2010 and February 2012 (when they were arrested), these Los Angeles businessmen bought up rhino horns valued at as much as \$2.5 million from suppliers across the country so they could export them overseas. Both made payments to Vietnamese customs officials to ensure clearance of horns sent to that country.

In September 2012, each pleaded guilty to five felony counts: conspiracy, smuggling, wildlife trafficking in violation of the Lacey Act, money laundering and tax evasion.

On May 15, 2013, Jimmy Kha and Felix Kha were sentenced to serve 42 months and 46 months in prison; spend 5 and 3 years on supervised release; and pay \$20,000 in criminal fines and a \$185,000 tax penalty and assessment. Both had already abandoned their interest in \$2 million worth of rhino horns and two vehicles seized by investigators to the government.

The judge also ordered that some \$800,000 in cash, gold, jewelry and precious stones that represent profits from rhino trafficking be turned over to the Multinational Species Conservation Fund for use in protecting rhinos in Africa.

Jimmy Kha’s company, Win Lee Corporation, was also charged with smuggling and wildlife violations and was sentenced to pay \$100,000 in criminal fines. All fine money will go to the Lacey Act Reward Account in support of wildlife law enforcement efforts.

- **Jin Zhao Feng:** A Chinese national who was also arrested in February 2012, Feng admitted that he tried to smuggle a black rhino horn obtained from the Khas from the United States to China by mail. The horn was concealed in the bottom of a package that was declared to the U.S. Postal Service as containing “handcraft decorations,” chocolate and candy.

Feng pleaded guilty to smuggling in Los Angeles on August 29, 2012. In October of that year, he was sentenced to 7 months in prison and was immediately deported after his release.

- **David Hausman:** In February 2012, Service special agents arrested this New York City antiques dealer at his Manhattan residence, where they seized four rhino heads, six black rhino horns, numerous carved

and partially carved rhinos horns, fake rhino horns, and \$28,000 in cash. Hausman was engaged in illegally buying and selling rhino horn while offering his services to FWS special agents as an antiques expert who purportedly wanted to help the agency investigate this crime.

In July 2012, Hausman pleaded guilty to obstruction of justice and creating false records. He was sentenced on February 14, 2013, to serve six months in prison and one year of supervised release. He was also ordered to pay a \$10,000 criminal fine and \$18,000 in restitution to the Multinational Species Conservation Fund to support rhino conservation.

- **Shusen Wei:** Chinese business executive Shusen Wei was arrested by Service special agents in February 2013 for paying commissions to another individual to buy rhino horn in the United States and smuggle these items to China. He pleaded guilty in Federal court in Miami to a felony count of smuggling and was sentenced on April 29, 2013, to time served and fined \$5,000.

Other Convictions to Date

- **Jarrold Wade Steffen:** A former Texas rodeo performer, Steffen used money provided by the Khas to buy horns for them. As their major supplier, he purchased and mailed dozens of rhino horns to the pair and made at least 10 trips to California to pick up payments for horns already bought and to collect money for additional purchases. On the last of these trips, he and two travel companions were stopped at the airport in Long Beach; officers recovered \$337,000 from their luggage.

On June 14, 2012, Steffen pleaded guilty to conspiracy, smuggling, wildlife trafficking and money laundering. His sentencing is scheduled for October 2013.

Investigative Partners

- Other Federal law enforcement agencies that have provided assistance to Service investigators with Operation Crash include:

U.S. Postal Investigative Service
U.S. Immigration and Customs Enforcement's Homeland Security Investigations
Internal Revenue Service
Bureau of Alcohol, Tobacco, Firearms and Explosives

- Prosecutions have been, or are being conducted, by:

U.S. Department of Justice's Environmental and Natural Resources Division
U.S. Attorney's Office for the Central District of California
U.S. Attorney's Office for the Southern District of New York
U.S. Attorney's Office for the District of New Jersey
U.S. Attorney's Office for the Southern District of Miami
U.S. Attorney's Office for the Eastern District of Texas
U.S. Attorney's Office for the Western District of Texas

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