



## NEWS RELEASE

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**André Birotte Jr.**

United States Attorney  
Central District of California

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Thom Mrozek, Public Affairs Officer  
(213) 894-6947  
[thom.mrozek@usdoj.gov](mailto:thom.mrozek@usdoj.gov)  
[www.justice.gov/usao/cac](http://www.justice.gov/usao/cac)

### **Members of International Smuggling Ring Plead Guilty to Federal Charges of Illegally Trafficking Endangered Rhinoceros Horns**

*LOS ANGELES* – Three defendants pleaded guilty this afternoon to federal charges related to the illegal trafficking of rhinoceros horns in a case brought earlier this year as part of “Operation Crash,” a nationwide U.S. Fish and Wildlife Service crackdown on those involved in the black market trade of endangered rhinoceros horns.

Vinh Chung “Jimmy” Kha, 49, and Felix Kha, 26, both of Garden Grove, each pleaded guilty to five felony counts – conspiracy, smuggling, wildlife trafficking in violation of the Lacey Act, money laundering and tax evasion – stemming from their roles in the smuggling conspiracy.

The third defendant – Win Lee Corporation, a Westminster company owned by Jimmy Kha – pleaded guilty to smuggling and wildlife trafficking in violation of the Lacey Act.

“It is unconscionable that a species as ancient and majestic as the African Black Rhino has been hunted to the brink of extinction by unscrupulous profiteers,” said United States Attorney André Birotte Jr. “The rhino horn smuggling ring dismantled by Operation Crash contributed to the soaring increase in the trade of rhino horns both domestically and internationally, and this illegal trade leads directly to increased poaching of the species in the wild. Operation Crash represents a giant step forward in the global fight to save a beautiful species like the Black rhino from extinction.”

In their plea agreements, Jimmy and Felix Kha each admitted purchasing White and Black rhinoceros horns, knowing that the animals were protected by federal law as endangered and threatened species. Both defendants admitted that they purchased the

horns in order to export them overseas so they could be sold and made into libation cups or traditional medicine. The Khas each acknowledged making payments to Vietnamese customs officials to ensure clearance of horns sent to that country. In addition, Jimmy and Felix Kha each admitted that they failed to pay income taxes owed for 2009 and 2010.

“The Khas conspired to violate numerous federal laws, including those enacted by Congress to protect endangered species like the rhinoceros, a species that faces extinction in our time,” said Ignacia S. Moreno, Assistant Attorney General for the Environment and Natural Resources Division of the Department of Justice. “This prosecution and continuing investigation should send a clear message that we will vigorously investigate and prosecute those who are involved in this egregious and illegal trade.”

Two other defendants linked to the Khas – Jin Zhao Feng, 45, of China, and Jarrod Wade Steffen, 32, of Hico, Texas – previously pleaded guilty in United States District Court in Los Angeles to charges related to rhino horn trafficking. When he pleaded guilty on August 29, Feng admitted he attempted to smuggle a horn from an endangered Black rhinoceros from the United States to China. Steffen, who used money provided by the Khas to buy horns for them, pleaded guilty on June 14 to conspiracy, smuggling, wildlife trafficking and money laundering.

“These individuals were interested in one thing and one thing only – making money,” said Dan Ashe, Director of the Department of the Interior’s U.S. Fish and Wildlife Service (FWS). “They didn’t care about the law or about driving a species to the brink of extinction. We will continue to aggressively investigate and pursue traffickers who threaten the future of rhinos and other imperiled species.”

Rhinoceros are an herbivore species of prehistoric origin and one of the largest remaining mega-fauna on earth. They have predators other than humans. All species of rhinoceros are protected under United States and international law, and all black rhinoceros species are endangered.

Since 1976, trade in rhinoceros horns 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.

Nevertheless, the demand for rhinoceros horn and black market prices have skyrocketed in recent years due to the value that some cultures have placed on ornamental carvings, good luck charms or alleged medicinal purposes, leading to a decimation of the global rhinoceros population. As a result, rhino populations have declined by more than 90 percent over the past 40 years. South Africa, for example, has witnessed a rapid escalation in poaching of live animals, rising from 13 in 2007 to a record 448 rhinos in 2011. As of August 27, the total for 2012 stood at 339 rhinos poached in South Africa, with a predicted loss of 515 by year end if current poaching rates continue.

Operation Crash – named for the term used to describe a herd of rhinoceros – is an ongoing effort to detect, deter and prosecute those engaged in the illegal killing of rhinoceros and the unlawful trafficking of rhinoceros horns. The investigation is being led by the Special Investigations Unit of the FWS Office of Law Enforcement.

According to court documents, the smuggling conspiracy began in January 2010 and continued until February 2012. As part of the scheme, Felix Kha contacted Steffen and others across the United States who were willing to sell White or Black rhinoceros horn. Jimmy Kha met with others who traveled to Long Beach to give them money for previous rhinoceros horn purchases and shipments, and to provide money to fund future purchases and shipments of rhinoceros horns. Jimmy and Felix Kha bought, sold and facilitated the transportation of Black rhinoceros horns, prior them being exported from the United States, knowing that it was illegal under United States law to do so. Jimmy Kha paid as much as \$7,000 per pound of rhinoceros horns. The rhinoceros horns acquired by the defendants are worth between \$1 million and \$2.5 million.

Feng attempted to export to China a Black rhinoceros horn obtained from the Khas by concealing the horn at the bottom of a package, according to his plea agreement. Feng falsely declared on a U.S. Postal Service Customs Declaration that the package contained “handcraft decorations,” chocolate and candy.

As a supplier for the Khas, Steffen bought 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, Transportation and Security Administration officers stopped Steffan and two travel companions at Long Beach Airport and recovered \$337,000 from their luggage.

During the Operation Crash takedown in February, FWS agents seized from the Khas rhinoceros mounts, rhinoceros horns, \$1 million in cash, approximately \$1 million in gold ingots, jewelry, watches, precious stones, and two late-model vehicles, including a 2009 BMW 759 Li Sedan. Under the terms of their plea agreements, all of the items recovered from their residence and the Win Lee Corp. will be forfeited to the government.

Jimmy and Felix Kha each pleaded guilty to one count of conspiracy (maximum penalty of five years in prison), one count of smuggling goods from the United States (maximum penalty of 10 years in prison), one count of Lacey Act wildlife trafficking (maximum penalty of five years in prison), one count of money laundering (maximum penalty of 20 years in prison) and one count of tax evasion (maximum penalty of five years in prison). Felix Kha has agreed to pay a tax fraud penalty and assessment of approximately \$109,000, and Jimmy Kha will pay a tax fraud penalty and assessment of \$76,000.

As a result of its guilty pleas, Win Lee Corp. faces fines totaling up to \$1 million.

The Khas and the Win Lee Corp. are scheduled to be sentenced by United States District Judge Christina A. Snyder on December 10.

Feng is scheduled to be sentenced by Judge Snyder on October 10. Steffen is scheduled to be sentenced on October 15.

During the investigation, the FWS received substantial assistance from the United States Postal Inspection Service, IRS-Criminal Investigation, and U.S. Immigration and Customs Enforcement's Homeland Security Investigations.

The case is being prosecuted by the United States Attorney's Office and the Environmental Crimes Section of the U.S. Department of Justice's Environment and Natural Resources Division.

CONTACT: Assistant United States Attorney Joseph O. Johns  
Chief, Environmental Crimes Section  
(213) 894-4536  
Assistant United States Attorney Dennis Mitchell  
Environmental Crimes Section  
(213) 894-2484