



NEWS

State of Delaware
Department of Finance
Division of Revenue
www.revenue.delaware.gov

FOR IMMEDIATE RELEASE
Wednesday, January 23, 2008

FOR FURTHER INFORMATION
David M. Smith
Division of Revenue
(302) 577-8958

Project Blue Hen Seizes Dangerous Counterfeit Cigarettes *“Wilmington, DE field office cracks down on contraband cigarettes”*

(Wilmington, DE) – Delaware Division of Revenue Director Patrick T. Carter announced today that the state’s collaborative law enforcement taskforce, Project Blue Hen, has apprehended cigarette trafficker Chung Hang Cheng, a/k/a James Cheng, 56, of Bronx, New York.

Cheng, who was arrested January 16, 2008, is charged with possessing and selling unstamped cigarettes in the State of Delaware, a violation of the federal Contraband Cigarette Trafficking Act. The six-month undercover investigation that led to his arrest began after law enforcement learned from an informant that on more than one occasion the counterfeit cigarettes had been purchased by underage children in Wilmington.

It is believed the counterfeit cigarettes seized in the investigation originated from China. According to the University of St. Andrews, counterfeit cigarettes from China are especially dangerous to human health. On average, Chinese counterfeits contain more than five times more cadmium than genuine-brand cigarettes. They also include higher levels of arsenic and lead, two elements known to cause cancer in small doses.

Authorities seized from Cheng 177 cartons of assorted counterfeit cigarettes with an estimated retail value of \$6,200. The cartons failed to reflect more than \$2,000 in Delaware tax. More than \$4,000 in cash was also appropriated from Cheng.

In Delaware, possession of untaxed cigarettes can result in criminal charges carrying a maximum penalty of \$1,000.00 or 90 days in jail, or both. In the event of a conviction all cigarettes are automatically forfeited to the state.

Following a federal detention hearing, Cheng was released under certain conditions pending further court action. The investigation will remain ongoing and the case is being reviewed by the Delaware Attorney General’s Office and the U.S. Attorney’s Office.

Project Blue Hen began in 2006. The group is comprised of federal and state law enforcement agents from the Bureau of Alcohol, Tobacco, Firearms & Explosives (ATF), the state Bureau of Alcohol & Tobacco Enforcement (ATE), the Delaware River & Bay Authority Police, the State of New Jersey Office of Criminal Investigation and the Delaware Division of Revenue’s Criminal Investigation Unit.

###