

## Treasury Targets Large Chinese Network of Illicit Drug Producers

October 3, 2023

*Action highlights U.S. whole-of-government approach to address fentanyl crisis*

WASHINGTON — Today, the U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) designated 28 individuals and entities involved with the international proliferation of illicit drugs, including a China-based network responsible for the manufacturing and distribution of ton quantities of fentanyl, methamphetamine, and MDMA precursors. Those designated by OFAC today are also involved in the global trafficking of xylazine and “nitazenes,” which are highly potent and often mixed with illicit fentanyl or other drugs.

“Treasury is taking sweeping action with our colleagues in law enforcement to expose and disrupt a network responsible for manufacturing and distributing illicit drugs, including fentanyl and other substances that take thousands of American lives each year,” said Deputy Secretary of the Treasury Wally Adeyemo. “Today’s action from OFAC and IRS-CI reflects how we will swiftly use all of our tools to counter the global threat posed by the illicit drug trade.”

Treasury’s sanctions complement indictments issued today by the U.S. Attorneys Offices for the Southern District of Florida and the Middle District of Florida. For information on actions taken by the U.S. Department of Justice, please see [this link](#).

These designations, which target 12 entities and 13 individuals based in China and two entities and one individual based in Canada pursuant to Executive Order (E.O.) 14059, would not have been possible without the cooperation, support, and ongoing collaboration between Treasury’s OFAC, Internal Revenue Service, Criminal Investigations, and Financial Crimes Enforcement Network, the Drug Enforcement Administration (DEA), and the Department of Homeland Security’s U.S. Customs and Border Protection agency. These partnerships highlight the Biden-Harris Administration’s strengthened whole-of-government offensive to save lives by disrupting illicit fentanyl supply chains around the globe.

This action follows a rapid increase in Treasury financial sanctions targeting the illicit fentanyl supply chain, including a recent action against China- and Mexico-based [enablers of counterfeit pill production](#). Furthermore, this action demonstrates the importance of coordination amongst authorities in investigating precursor supply chains and disrupting financial flows of illicit drugs proceeds, as identified in the Financial Action Task Force’s 2022 report on [Money Laundering from Fentanyl and Synthetic Opioids](#).

**Xylazine hydrochloride CAS 23076-35-9**

FOB Price: USD \$20 - \$25 / Kilogram | [Get Latest Price](#)

Min.Order Quantity: 1 Kilogram / Kilograms

Supply Ability: 50 Ton / Tons per Month

Port: shanghai

Payment Terms: T/T L/C D/P D/A Credit Card PayPal Cash Escrow Other

Delivery Detail: 3 days

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**CAS 23076-35-9**

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*Hanhong Pharmaceutical Technology Co., LTD posted this listing to an online chemical marketplace selling the veterinary sedative xylazine, also known by the street name “tranq.”*

The networks targeted today have been involved in the trafficking of xylazine and “nitazenes” into the United States.

Xylazine, or “tranq,” is a powerful sedative for veterinary use that is increasingly misused by narcotics traffickers who mix it with illicit fentanyl to produce a deadly mixture. According to a DEA [public safety alert](#), fentanyl and xylazine mixtures are more potent than either drug alone, placing users at a higher risk of suffering a fatal drug overdose. Xylazine has also been coined the “zombie drug” because it can cause severe wounds in users, including necrosis — the rotting of human tissue — which may lead to amputation.

Nitazenes are also increasingly found mixed with illicit fentanyl or other drugs in the United States. Nitazenes are synthetic, non-fentanyl opioids. Metonitazene, butonitazene, isotonitazene, and protonitazene are examples of nitazenes gaining prevalence in the United States. Nitazenes vary in potency with some being considerably more potent than fentanyl, which is already approximately 100 times more potent than morphine and 50 times more potent than heroin. Known for their lethality, nitazenes are not approved for medical use in the United States.

## DISRUPTION OF CHINA-BASED ILLICIT DRUGS SYNDICATE

### *Du Changgen*

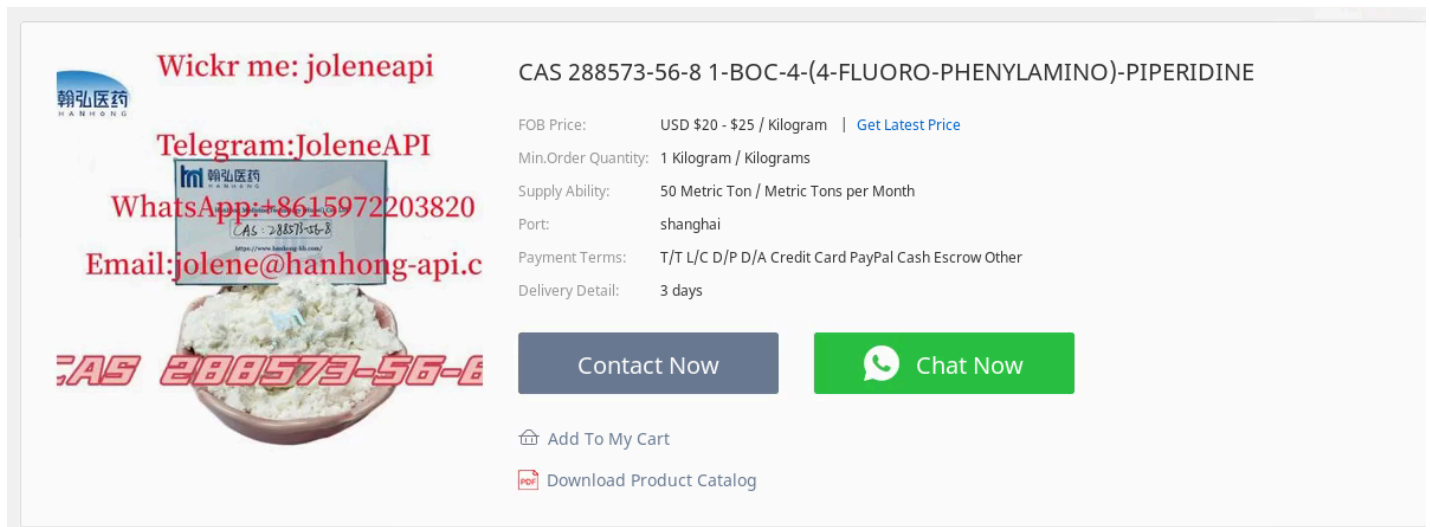
The actors designated today comprise, or are otherwise affiliated with, a Chinese illicit drugs syndicate (hereafter, the “Syndicate”). From at least 2016 on, **Wang Shucheng** (王树程) directed members of the Syndicate to establish companies that would be used for cover to move pharmaceutical products internationally. A member of the Syndicate previously under Wang Shucheng, **Du Changgen** (杜长根) has risen to prominence and currently maintains the greatest influence over the organization in its current state. Under Du Changgen’s leadership, the Syndicate is responsible for the manufacturing and distribution of ton quantities of nitazenes, fentanyl, methamphetamine, and MDMA precursors and various other illicit chemicals utilized to synthesize finished fentanyl, methamphetamine, and MDMA. The network is capable of synthesizing multi-thousand-kilogram quantities of the aforementioned substances, and Du Changgen and persons operating under him have been responsible for approximately 900 kilograms of seized fentanyl and methamphetamine precursors shipped to the United States and Mexico.

As the leader of the Syndicate, Du Changgen oversees a large group of sales teams based in China who communicate with their co-conspirators via encrypted messaging. These groups of individuals send and receive funds through virtual currency, bank-wire transfers, and other financial transactions. Du Changgen himself has personally received virtual currency in exchange for shipments of fentanyl precursors. The Syndicate is the source of supply for dozens of narcotics traffickers in the United States, dark web vendors, virtual currency money launderers, and Mexico-based criminal organizations such as the Sinaloa Cartel and the Jalisco New Generation Cartel (CJNG). The Sinaloa Cartel and CJNG have been designated by OFAC pursuant to the Foreign Narcotics Designation Kingpin Act and E.O. 14059.

Du Changgen is the owner of Hong Kong-based **Hubei Vast Chemical Co., Limited** (湖北翰弘化工有限公司) (Hubei Vast), Hong Kong-based **Hebei Guanlang Biotechnology Co., Limited** (河北冠朗生物科技有限公司) (Hebei Biotechnology Limited), China-based **Hebei Xiuna Trading Co., LTD.** (河北休纳商贸有限公司) (Hebei Xiuna), and China-based **Shanghai Jarred Industrial Co., LTD.** (上海嘉瑞德实业有限公司) (Shanghai Jarred). Highlighting the interrelated nature of the persons designated today, Wang Shucheng is the legal supervisor of Shanghai Jarred.

Du Changgen was designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production. Hubei Vast, Hebei Biotechnology Limited, Hebei Xiuna, and Shanghai Jarred were designated today pursuant to E.O. 14059 for being owned, controlled, or directed by, or for having acted or purported to act for or on behalf of, directly or indirectly, Du Changgen. Wang Shucheng was designated today pursuant to E.O. 14059 for being or having been a leader or official of Shanghai Jarred.

### ***Hanhong Pharmaceutical Technology Co., LTD and its Representatives***



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**CAS 288573-56-8 1-BOC-4-(4-FLUORO-PHENYLAMINO)-PIPERIDINE**

FOB Price: USD \$20 - \$25 / Kilogram | [Get Latest Price](#)

Min.Order Quantity: 1 Kilogram / Kilograms

Supply Ability: 50 Metric Ton / Metric Tons per Month

Port: shanghai

Payment Terms: T/T L/C D/P D/A Credit Card PayPal Cash Escrow Other

Delivery Detail: 3 days

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*Hanhong Pharmaceutical posted this listing to an online chemical marketplace selling 288573-56-8, a fentanyl precursor with no known legitimate use.*

In addition to the aforementioned entities, Du Changgen owns **Hanhong Pharmaceutical Technology Co., LTD** (湖北翰弘化工有限公司) (Hanhong Pharmaceutical), which is directly and indirectly linked to multiple Syndicate members. Hanhong Pharmaceutical has advertised the sale of fentanyl precursors to Mexican customers and its sales representatives have communicated with Mexico-based persons linked to the Sinaloa Cartel and to illicit fentanyl trafficking.

**Gan Xuebi** (甘雪碧) a.k.a Bella Chen, **Song Xueqin** (宋雪琴) a.k.a. Shelly Song, and **Yang Qi** a.k.a. Daisy Yang are sales representatives for Hanhong Pharmaceutical and have been points of contact for Hanhong Pharmaceutical's sale of fentanyl precursors and protonitazene. Each of them have been involved in illicit drugs-related activity in these positions:

Gan Xuebi has communicated with multiple persons linked to illicit fentanyl trafficking, including those linked to the Sinaloa Cartel; Song Xueqin has illicitly distributed chemicals to a Mexico-based drug trafficking organization; and Yang Qi has been involved in negotiations for the purchase of chemicals with a U.S.-based narcotics distributor, who later received illicit chemicals from Hanhong Pharmaceutical itself.

Hanhong Pharmaceutical, Gan Xuebi, Song Xueqin, and Yang Qi were designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

### **Additional Syndicate Members and Entities**



The screenshot shows the Guanlang Group website. The header includes the logo and navigation links: ILE, NIPA RE, OJA, IROYIN, PE WA. The main content area features a product listing for 'IPESE TAARA ILE-IŞE GMP 99% MIMỌ USP IPELE XYLAZINE HCL POWDER CAS: 23076-35-9'. The product image shows a white powder in a black dish with the 'GUANLANG' logo. To the right of the image, the following details are provided:

- Apejuwe kukuru:**
- Oruko oja: Xylazine Hcl/Xylazine Hydrochloride
- CAS NO: 23076-35-9
- Irisi: Funfun Crystalline lulú
- Mimọ: 99.0%
- Fọọmu Molecular: C12H16N2S.HCl
- Ọşuwọn Molecular: 256.79
- Oju ibi farabale: 334.2°C
- Filasi ojuami: 155.9°C
- iwuwo: 1.15 g/cm3
- Olupese: Hebei Guanlang Biotechnology Co., Ltd.
- Ipo işura: O wa
- Ifijişe: Laarin 3 şişe ojo
- Ona gbigbe: Express, Okun, Afefe, Laini pat

At the bottom right of the product listing, there is a blue button that says 'Leave Your Message'.

*Screenshot from Hebei Guanlang Biotechnology Co., LTD.'s website selling xylazine.*

**Hebei Guanlang Biotechnology Co., LTD.** (河北冠朗生物科技有限公司) (Hebei Guanlang) is an entity that publicly advertises the sale of fentanyl and methamphetamine precursors. In one example of its illicit drugs-related activity, a Hebei Guanlang sales representative provided a virtual currency address in exchange for methylamine hydrochloride, a methamphetamine precursor. **Gao Lanfang** (高兰芳) is the owner and an official of Hebei Guanlang. **Wang Mingming** (王明明) is also an official of Hebei Guanlang. Wang Mingming's virtual currency addresses have received payments in exchange for fentanyl and methamphetamine precursor chemicals.

Gao Lanfang, **Wang Mingjing** (王明镜), previously designated **Wang Hongfei** (王洪飞), and others transacted with a U.S.-based illicit drugs distributor who later pled guilty to felony narcotics charges following the death of a teenager. Wang Mingjing is an official of Hebei Xiuna and the founder of **Hebei Crovell Biotech Co., LTD.** (河北克拉维尔生物科技有限公司) (Hebei Crovell), a vendor of fentanyl-analogs whose employees market and export drugs, as well as manufacture them. Hebei Crovell has also publicly advertised the sale of 4-anilinopiperidene, a fentanyl precursor, as well as precursor chemicals of other illicit drugs.

The chief executive of Hebei Crovell is **Zhang Wei** (张伟). Zhang Wei has received virtual currency payments in exchange for illicit drugs-related transactions, including for methylamine hydrochloride. Further demonstrating how the Syndicate

operates, Hebei Crovell shares over a dozen phone numbers and overlapping contacts with **Qingdao Cemo Technology Develop Co., LTD** (青岛盛茂科技发展有限公司) (Qingdao Cemo). Qingdao Cemo sales representatives offer various substances used to make illicit drugs such as fentanyl and methamphetamine. Wang Tianmin (王天民) is an owner and official of Qingdao Cemo, as well as a registered owner of **Hebei Yaxin Restaurant Management Co., LTD.** (河北雅新餐饮管理有限公司) (Hebei Yaxin).

Hebei Guanlang, Hebei Crovell, and Qingdao Cemo were designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production. Gao Lanfang was designated today pursuant to E.O. 14059 for being or having been a leader or official of Hebei Guanlang. Zhang Wei was designated today pursuant to E.O. 14059 for being or having been a leader or official of Hebei Crovell. Wang Mingjing was designated today pursuant to E.O. 14059 for being or having been a leader or official of Hebei Xiuna. Wang Tianmin was designated today pursuant to E.O. 14059 for being or having been a leader or official of Qingdao Cemo. Hebei Yaxin was designated today pursuant to E.O. 14059 for being owned, controlled, or directed by, or for having acted or purported to act for or on behalf of, directly or indirectly, Wang Tianmin. Wang Mingming was designated today pursuant to E.O. 14059 for being or having been a leader or official of Hebei Guanlang.


## TARGETING ADDITIONAL ILLICIT DRUGS ACTIVITY


### *Punch and Die Manufacturer*

**Jinhu Minsheng Pharmaceutical Machinery Co. LTD.** (金湖明生制药机械有限公司) (Jinhu Minsheng) is a China-based entity that advertises punches and dies for tablet presses with pharmaceutical imprints on e-commerce platforms and has provided pill dies for counterfeit oxycodone M30 tablets. **Shen Xingbiao** (沈兴标) is an official and part-owner of Jinhu Minsheng. On behalf of Jinhu Minsheng, Shen Xingbiao has made efforts to sell pill press machines and a pill die in exchange for funds in virtual currency.

Jinhu Minsheng and Shen Xingbiao were designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

### *Illicit Drugs Distributors*

  
**HANHONG**



**Email:** [Eva@hanhongbio.com](mailto:Eva@hanhongbio.com)  
**Whatsapp/telegram /skype:** +86-17076909618

**Protonitazene (hydrochloride) cas:119276-01-6**

FOB Price: Negotiable | [Get Latest Price](#)

Min.Order Quantity: 10 Gram / Grams

Supply Ability: 20 Gram / Grams per Month

Port: shanghai

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*Hanhong Pharmaceutical posted this listing to an online chemical marketplace in which it offered protonitazene for sale.*

A major customer of Jinhu Minsheng's is Western Canada-based **Valerian Labs, Inc.**, which is led by Canadian national **Bahman Djebelibak** (Djebelibak) a.k.a. Bobby Shah. Valerian Labs, Inc. shares its British Columbia address with **Valerian Labs Distribution Corp.**, which is owned by Djebelibak. Djebelibak is a distributor of illicit precursor chemicals and equipment used to produce an array of synthetic drugs.

Valerian Labs, Inc. has received shipments of methylamine hydrochloride, which is a precursor chemical used to produce methamphetamine and MDMA. Valerian Labs Distribution Corp. has attempted to procure 2,000 liters of chloroform, 800 liters of dichloromethane, and 200 kg of iodine, substances used in the production of fentanyl, heroin, and methamphetamine.

Notably, Valerian Labs Distribution Corp. has imported chemicals from Hebei Guanlang, which as previously mentioned, is a member of the Syndicate targeted today.

Valerian Labs, Inc., Bahman Djebelibak, and Valerian Labs Distribution Corp. were designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production.

Today's designations of **Jiangsu Bangdeya New Material Technology Co., LTD.** (江苏邦得雅新材料科技有限公司) (Jiangsu Bangdeya) and several of its enablers further highlights the multi-layered role of drug trafficking organizations. Jiangsu Bangdeya has offered illicit substances for sale, including chemicals associated with fentanyl and methamphetamine production, as well as protonitazene and xylazine. Jiangsu Bangdeya and its sales representative and part-owner, **Wang Jiantong** (王建通), have sent protonitazene to the United States in exchange for funds in virtual currency. **Xia Fengbing** (夏凤兵) is the owner of a virtual currency address used to receive payment for Jiangsu Bangdeya's sales of illicit drugs-related substances. This virtual currency address was specifically used to receive payment from a U.S.-based individual. In addition, **Xingtai Dong Chuang New Material Technology Co., LTD.** (邢台东创新材料科技有限公司) (Xingtai Dong Chuang) has accepted wire payments on behalf of Jiangsu Bangdeya. Xingtai Dong Chuang is affiliated with **Yip Chuen Fat** (Ye Chuanfa), who was previously designated pursuant to E.O. 14059 on December 15, 2021.

Jiangsu Bangdeya, Wang Jiantong, and Xia Fengbing were designated today pursuant to E.O. 14059 for having engaged in, or attempted to engage in, activities or transactions that have materially contributed to, or pose a significant risk of materially contributing to, the international proliferation of illicit drugs or their means of production. Xingtai Dong Chuang was designated today pursuant to E.O. 14059 for being owned, controlled, or directed by, or for having acted or purported to act for or on behalf of, directly or indirectly, Jiangsu Bangdeya.

## **SANCTIONS IMPLICATIONS**

As a result of today's action, all property and interests in property of the designated individuals and entities that are in the United States or in the possession or control of U.S. persons must be blocked and reported to OFAC. In addition, any entities that are owned, directly or indirectly, 50 percent or more by one or more blocked persons are also blocked. Unless authorized by a general or specific license issued by OFAC, or exempt, OFAC's regulations generally prohibit all transactions by U.S. persons or within (or transiting) the United States that involve any property or interests in property of designated or otherwise blocked persons. U.S. persons may face civil or criminal penalties for violations of E.O. 14059.

Today's action is part of a whole-of-government effort to counter the global threat posed by the trafficking of illicit drugs into the United States that is causing the deaths of tens of thousands of Americans annually, as well as countless more non-fatal overdoses. This action demonstrates the Administration's [strengthened approach](#) to saving lives by disrupting the trafficking of illicit fentanyl and its precursors into American communities. These efforts are part of the Biden-Harris Administration's comprehensive, whole-of-government strategy to tackle the nation's overdose epidemic, which goes after two key drivers of this crisis: untreated addiction and the drug trafficking profits that fuel it. Today's action will help strengthen public safety by disrupting the illicit drug production and trafficking pipeline that profits by harming Americans. As a key part of the President's Unity Agenda, the Administration has also made historic investments in critical public health interventions including research, prevention, treatment, and recovery support services.

OFAC, in coordination with its U.S. Government partners and foreign counterparts, will continue to target and pursue accountability for foreign illicit drug actors. In addition, persons that engage in certain transactions with the individuals and entities designated today may themselves be exposed to sanctions or subject to an enforcement action.

The power and integrity of OFAC sanctions derive not only from OFAC's ability to designate and add persons to the Specially Designated Nationals and Blocked Persons List (SDN List), but also from its willingness to remove persons from the SDN List consistent with the law. The ultimate goal of sanctions is not to punish, but to bring about a positive change in behavior. For information concerning the process for seeking removal from an OFAC list, including the SDN List, please refer to OFAC's [Frequently Asked Question 897](#). [For detailed information on the process to submit a request for removal from an OFAC sanctions list, please click here.](#)

[View more information, including virtual currency wallet addresses, on the individuals and entities designated today.](#)

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