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PRESS RELEASE

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**Defendant Sentenced on Multiple Federal Charges
in Connection with Purchase and Export of Luxury Vehicles to China**

Acting United States Attorney Gregory J. Haanstad of the United States Attorney's Office for the Eastern District of Wisconsin announced that, on October 27, 2015, Defendant Mao Peng (age: 26) of Shorewood, Wisconsin, was sentenced to 27 months in federal prison and ordered to pay \$517,265.72 in restitution by United States District Court Judge J.P. Stadtmueller.

Peng had previously been charged by criminal information with, and had pleaded guilty to, three federal felony offenses: conspiracy to engage in wire fraud, conspiracy to engage in identity theft, and conspiracy to misuse of the United States' Automated Export System to further criminal activity.

According to the information and plea agreement, Peng had conspired to defraud the State of Wisconsin of state and local sales tax revenue in connection with the purchase of luxury vehicles, which Peng and his company Longen Trading intended to export to China, by fraudulently using Native American straw buyers to make those purchases in a tax-exempt manner. Specifically, Peng and Longen Trading used straw buyers in connection with the purchase of approximately 154 luxury vehicle purchase transactions, having a total purchase price of approximately \$9,132,106.94, and thereby evaded Longen Trading's payment of a total of approximately \$515,964.04 in state and local sales taxes that Longen Trading was legally obligated to pay in connection with the purchase of those vehicles.

According to the information and a plea agreement, Peng and Longen Trading also conspired to cause luxury vehicles to be purchased for export, via identity theft, that is, by using means of identification that belonged to a past or prospective straw buyer, without that person's permission to purchase the vehicle using his or her identity. Specifically, between in or about June 2012 and June 2014, Peng and Longen Trading conspired with others to purchase approximately 71 luxury vehicles, having a total purchase price of approximately \$4,212,945.06, using a means of identification belonging to another person, without that person's knowledge or permission.

According to the information and a plea agreement, between approximately June 2012 and June 2014, Peng and Longen Trading also conspired with others to use the Department of Commerce's Automated Export System ("AES") to further these illegal activities, in violation of 13 U.S.C. § 305(a)(2).

As a part of his plea agreement, Peng also agreed to the civil forfeiture of approximately \$1.2 million in funds seized from various bank accounts he controlled as well as 29 new luxury vehicles, including new Porsche, Mercedes Benz, and BMW vehicles.

Following the sentencing, Acting United States Attorney Gregory J. Haanstad stated: “As this case reflects, the United States Attorney’s Office and the United States Department of Justice are committed to aggressively combatting both identity theft and tax evasion, in whatever form that tax evasion conduct might take. We are also committed to taking the profit out of crime and to obtaining just financial outcomes in our criminal cases through the judicious use of both asset forfeiture and restitution remedies.”

Haanstad commended the investigative work that the United States Secret Service and United States Department of Commerce, Bureau of Industry & Security, Office of Export Enforcement conducted in this matter, along with the investigative assistance provided by the following state and local law enforcement agencies: the Wisconsin Department of Criminal Investigations, the Wisconsin Department of Transportation Investigations, the Milwaukee Police Department, the Oneida Police Department, the Menomonee Police Department, the Stockbridge-Munsee Police Department, the Kenosha Police Department, the Wauwatosa Police Department, the Waukesha Police Department, the Glendale Police Department, the Green Bay Police Department, the Milwaukee Secret Service Financial Crimes Task Force, and the Native American Drug and Gun Initiative Task Force.

Dan Clutch, Special Agent in Charge of the U.S. Department of Commerce, Bureau of Industry & Security, Office of Export Enforcement, Chicago Field Office, stated: “This sentencing sends a strong message to those who criminally misuse the Automated Export System to further illegal activity. This case is the result of outstanding collaborative investigative work between federal, state, local, and tribal law enforcement agencies.”

This case was prosecuted by Assistant United States Attorney Scott J. Campbell.

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