

## Treasury Sanctions China-Based Chemical Company to Combat Synthetic Opioid Trafficking

Today, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) sanctioned **Guangzhou Tengyue Chemical Co., Ltd.** (Guangzhou Tengyue), a chemical company operating in China that is involved in the manufacture and sale of synthetic opioids to Americans. In addition to opioids, Guangzhou Tengyue has also sold dangerous analgesic chemicals often used as cutting agents that are mixed with synthetic opioids and other illicit drugs. Also today, OFAC sanctioned **Huang Xiaojun** and **Huang Zhanpeng**, representatives of Guangzhou Tengyue, who were directly involved in coordinating the shipments of these illicit drugs and cutting agents to the United States.

"Illicit opioids coming from China are destroying American lives, families, and communities," said **Under Secretary for Terrorism and Financial Intelligence John K. Hurley**. "Under President Trump's leadership, we will use all of the tools at our disposal—including sanctions and prosecutions by our law enforcement partners—to stop this epidemic."

Opioid overdose remains the leading cause of death for Americans aged 18 to 45. Since 2021, more than 70 percent of all reported drug overdose deaths have involved synthetic opioids, with fentanyl being the primary synthetic opioid driving this crisis. China-based chemical manufacturing companies remain the primary source of fentanyl precursor chemicals and other illicit opioids entering the United States.

Today, FBI is also announcing a federal criminal indictment against Guangzhou Tengyue, Huang Xiaojun, Huang Zhanpeng, and other individuals and companies for a violation of Title 21 U.S. Code 846 (Conspiracy to Commit Drug Trafficking) for their roles in facilitating the flow of illicit drugs and cutting agents to the United States. The charged defendants include three individuals in the United States and approximately 22 individuals and businesses based in China. The indictment is based upon a joint investigation by FBI and DEA, which commenced in January 2024.

The investigation focused on a drug trafficking network responsible for trafficking multi-kilogram quantities of fentanyl, fentanyl adulterants, methamphetamine, and cocaine into and through the United States. The investigation has found that in addition to trafficking in synthesized drugs, the U.S.-based co-conspirators are also ordering products from China for the purpose of extending and processing their drug yield. These products include nitazenes—a class of synthetic opioid—as well as the analgesic chemicals xylazine and medetomidine, and presses for repackaging.

### **"TRANQ" AND NITAZENES: A DEADLY SYNTHETIC MIX**

According to a January 2024 DEA report, synthetic substances known as nitazenes are being trafficked and abused for their opioid-like effects. Such chemicals have a high potential for addiction and can cause respiratory depression and arrest, leading in some cases to death. Additionally, in September 2024, the National Institute on Drug Abuse reported increased findings of a chemical called xylazine, which is commonly referred to as "tranq" in the illicit drug supply. Tranq is an analgesic chemical commonly used in veterinary medicine that drug traffickers utilize as an adulterant, or cutting agent, in synthetic opioids. Crucially, xylazine and related chemicals do not respond to the overdose-reversing effects of Narcan, increasing individuals' likelihood of dying from an overdose.

## **GUANGZHOU TENGZYUE PUSHES POISON FOR PROFIT**

The deleterious effects of these chemicals on users' health did not stop Guangzhou Tengyue and its representatives from selling them to Americans. In August 2023, for example, Guangzhou Tengyue agreed to sell a kilogram of protonitazene to a U.S. buyer, assuring them that the package would clear U.S. customs. As late as August 2024, Guangzhou Tengyue's website prominently displayed advertisements for nitazenes and xylazine.

Despite the unsealing of a previous indictment against Guangzhou Tengyue and Huang Xiaojun in October 2024 in the Middle District of Florida, the company continued to operate. In early 2025, Guangzhou Tengyue sales representatives coordinated the sales and shipments of medetomidine—another analgesic chemical similar to xylazine—to customers in the United States.

Huang Zhanpeng is the executive director and 50 percent shareholder of Guangzhou Tengyue. He also is listed as the company's legal representative.

Huang Xiaojun, who was previously indicted concurrently with Guangzhou Tengyue, is the account holder for a bitcoin account used by Guangzhou Tengyue in its attempt to sell controlled substances to a U.S. buyer in 2023.

As a result of today's action, all property and interests in property of the designated or blocked persons described above that are in the United States or in the possession or control of U.S. persons are blocked and must be reported to OFAC. In addition, any entities that are owned, directly or indirectly, individually or in the aggregate, 50 percent or more by one or more blocked persons are also blocked.

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