



# SAYARI

Uncovering the Fentanyl  
Equipment Supply Chain  
Behind China's CapsulCN

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## Executive Summary

The global fentanyl crisis poses a grave threat to public health and national security. While significant attention often focuses on the drug itself and its precursors, a crucial yet often overlooked aspect is the supply chain of illicit pill manufacturing equipment, which predominantly originates from China. These machines are indispensable for the large-scale production of fentanyl-laced pills that continue to devastate communities.

This paper illuminates this infrastructure by examining a recent U.S. Department of Justice (DOJ) indictment against CapsulCN International Co., Ltd. (CapsulCN) regarding the illegal import of pill-making machinery.<sup>1</sup> By integrating publicly available data — including Chinese corporate registrations, intellectual property (IP) records, and global trade profiles — the analysis uncovers the connections between seemingly distinct entities. This investigation aims to reveal the intricate and often misleading supply chains that facilitate the illegal manufacture of fentanyl, exposing the sophisticated, deceptive, and multi-jurisdictional tactics employed by these illicit networks and the surprising linkages between seemingly unrelated organizations.

## CapsulCN and its Alleged Role

The DOJ's case against CapsulCN and its principals highlights the mechanics of illicit trade. Authorities allege the company unlawfully imported critical pill manufacturing equipment, including presses, encapsulating machines, and various die molds. These machines are used to produce counterfeit pills mimicking legitimate drugs but dangerously laced with fentanyl, posing severe public health and national security risks by fueling the opioid epidemic.

Despite the DOJ indictment naming CapsulCN, a direct search in Chinese corporate registration databases yields no results. This immediate lack of a direct match is a common, often deliberate tactic by illicit networks that operate under informal trade names or unregistered shell entities to obscure their true identity and circumvent scrutiny in international trade.

## Leveraging Chinese Trademark Data

The key to identifying the real entity behind "CapsulCN" emerges from a pivot to IP data. Examination of Chinese IP records reveals a crucial link: four distinct trademarks registered for the "CapsulCN" brand. Critically, all four of these trademarks are owned by a single, verifiable, and legally registered entity: Zhejiang Shanfan Machinery Co., Ltd. (Zhejiang Shanfan). This connection establishes the foundational corporate identity behind the "CapsulCN" brand name, effectively linking a seemingly phantom operational entity to a verifiable legal structure. Furthermore, it highlights the value of IP data in unmasking otherwise hidden corporate connections.

<sup>1</sup> "Chinese Company and Three Chinese Nationals Indicted for Unlawfully Importing Pill-Making Equipment Used to Manufacture Controlled Substances," Office of Public Affairs Press Releases, U.S. Department of Justice, May 12, 2025, <https://www.justice.gov/opa/pr/chinese-company-and-three-chinese-nationals-indicted-unlawfully-importing-pill-making>.

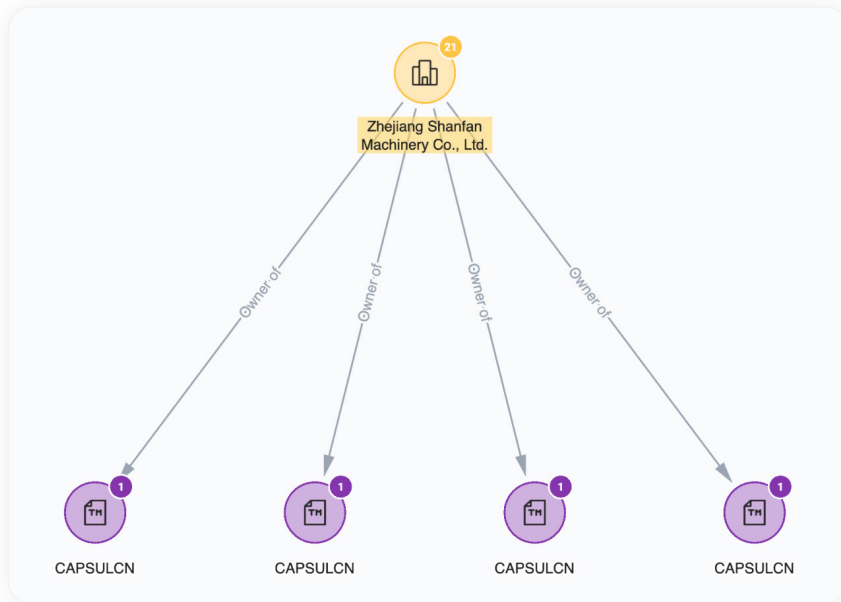


Fig. 1: A Sayari Graph visualization depicting Zhejiang Shanfan's ownership of four Chinese "CAPSULCN" trademarks.

## Discovering Personnel Ties and Co-located Networks

The insights deepen further through an investigation into Zhejiang Shanfan's ownership structure. This inquiry reveals that the majority indirect owner of Zhejiang Shanfan is an individual named Xiaochuan Pan. This finding provides compelling corroboration with the information in the DOJ press release, which names "Xiochuan Pan" (potential typo) as an indicted individual and explicitly describes him as CapsulCN's principal officer and shareholder.

The complexity of this network likely extends significantly beyond a single, hidden entity. Analysis of Zhejiang Shanfan's corporate footprint also reveals a pattern: the company shares a common registered address with at least five additional entities. This co-location at a single address is a significant red flag in financial intelligence investigations, often associated with shell companies, front operations designed to obscure illicit activities, or a coordinated group of closely related businesses. These co-located entities warrant further investigation. Their shared address is a significant indicator of potential involvement in the broader illicit network.

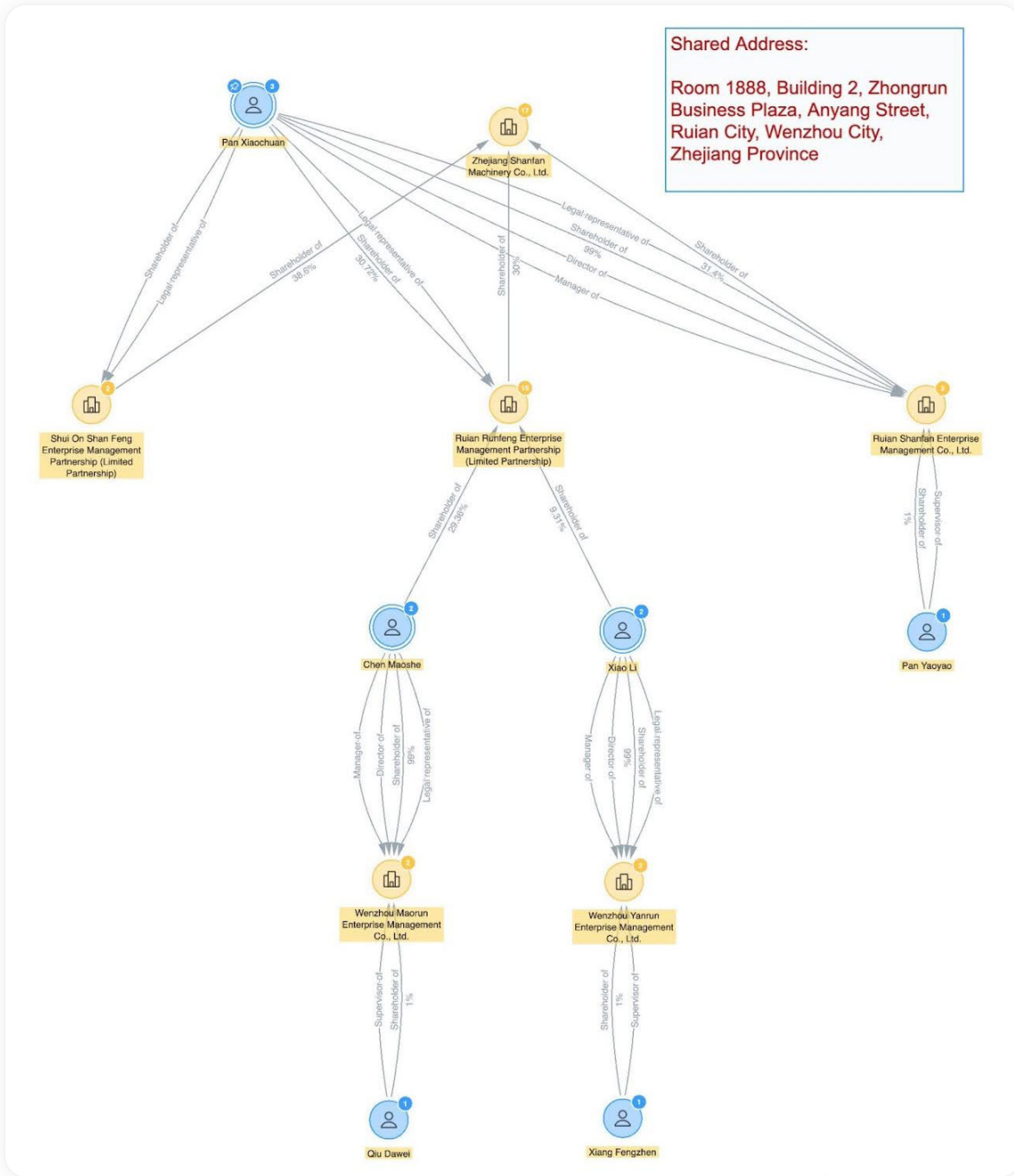


Fig. 2: A Sayari Graph visualization depicting entities co-located at Zhejiang Shanfan's address.

## Uncovering Aliases and Global Trade Routes

A comprehensive examination of global trade profiles within Sayari Graph brings to light several entities that appear to be potential aliases or related trading arms of Zhejiang Shanfan, including:

- ▶ ZHEJIANG CAPSULCN MACHINERY CO., LTD
- ▶ CAPSULCN INTERNATIONAL CO. LTD.<sup>2</sup>
- ▶ ZHEJIANG CAPSULCN IMP&EXP CO LTD
- ▶ WENZHOU CAPSULCN IMP&EXP CO LTD

Importantly, the detailed shipment records associated with these various aliases show shipments of capsule filling machines and related products. This pattern of using multiple trading entities, often with slight name variations, is a common tactic employed by illicit networks to manage reputation, diversify shipping routes, and introduce layers of obfuscation that complicate traditional law enforcement tracking.





Supplier	
Name	 CAPSULCN INTERNATIONAL CO LTD
Shipper address	51 KAIFAYILU DONGSHAN ECONOMIC ZONE RUIAN, CHINA 325200 .
Registered address	51 KAIFALIYU ECONOMY DEVELOPMENT ZONE RUIAN CN AV MANUEL CORDOVA GALARZA OE4 175 EPERANZA KAIFAYILU 51# ECONO
Countries	
Buyer	
Name	 HUADAPHARM INC
Receiver address	11622 SALINAZ SUITE H GARDEN GROVE, CALIFORNIA 92843 .
Registered address	11622 SALINAZ SUITE H GARDEN GROVE, CALIFORNIA 92843 . 11622 SALINAZ STE H GARDEN GROVE CA 92843 11622 SALINAZ
Countries	
Product details	
Product description(s)	FULLY-AUTO CAPSULE FILLING MACHINE,, SEMI-AUTO CAPSULE FILLING MACHINE, HPMC EMPTY, CAPSULE
Weight <sup>®</sup>	4442 Kilograms • Gross weight

Fig. 3: A Sayari trade record representing a late 2023 shipment of a capsule filling machine to the United States

Trade data further unveils pivotal connections to U.S.-incorporated entities, specifically Ipharmachine Corp and Huadapharm Inc, both referenced in the indictment. These companies were involved in suspicious shipments, demonstrating the transnational nature of this illicit trade.

2 CAPSULCN INTERNATIONAL CO. LTD. is the name referenced in the indictment and is now explicitly linked to the underlying, real corporate structure.

The connections extend beyond the U.S. and China, reaching the United Kingdom, which underscores the intricate global logistics these illicit networks employ. The presence of Xiaochuan Pan (with a slightly different spelling) among the U.S.-based entities further solidifies the personal and interconnected nature of these operations across diverse international jurisdictions. While this global footprint complicates enforcement efforts, it simultaneously provides valuable additional touchpoints and pathways for intelligence gathering and disruption.

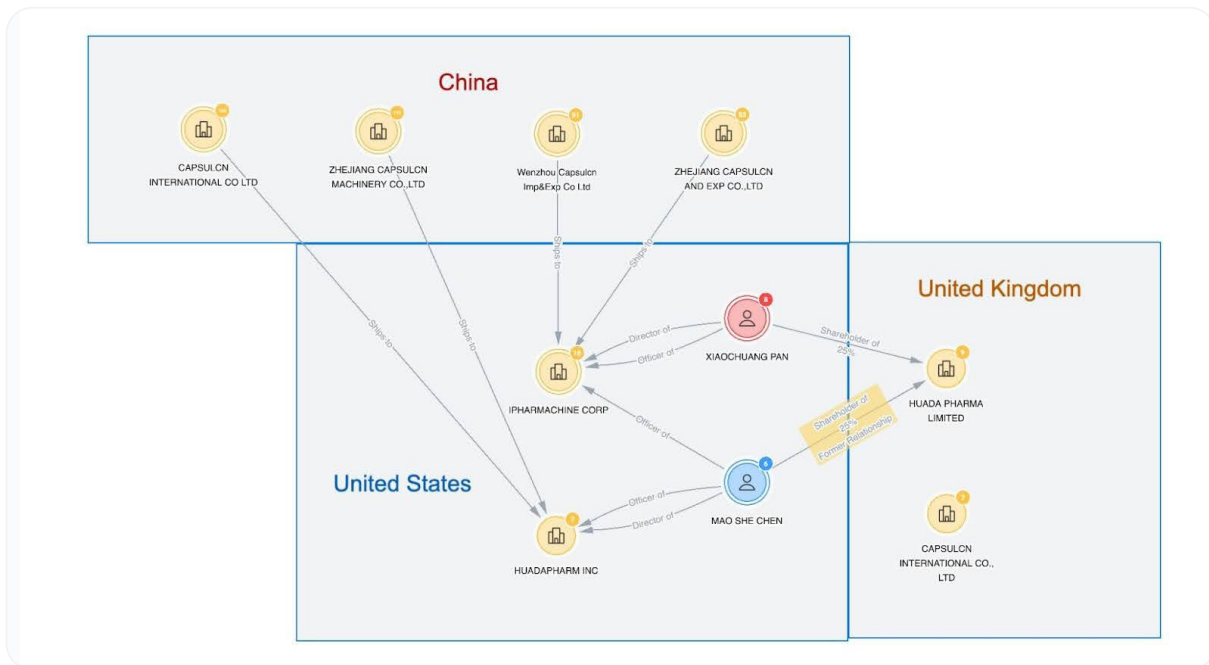


Fig. 4: A Sayari Graph visualization depicting Zhejiang Shanfan's global network (not comprehensive).

## Conclusion

Illicit actors are deploying increasingly sophisticated tactics to circumvent international trade controls. A common method of evasion is corporate camouflage: operating under unregistered trade names while exploiting the legitimacy of legally registered entities. These networks further obscure illicit activities by falsifying shipping manifests, undervaluing goods, mislabeling products, or disassembling equipment – techniques engineered to evade customs scrutiny. Such tactics exploit structural blind spots in the global trade system, enabling the covert movement of illicit goods. Disrupting these adaptive and opaque networks requires more than traditional enforcement: it demands advanced investigative tools capable of uncovering hidden relationships and generating actionable intelligence at scale.

Sayari Graph equips analysts to interrogate billions of trade and corporate records using powerful, attribute-based search capabilities. For example, a query for suppliers with “CAPSULCN” in their name – filtered for shipments to Mexico or Ecuador, known high-risk jurisdictions – can surface previously unidentified buyers that merit further scrutiny. Investigators can also explore patterns using Harmonized System (HS) codes or product descriptions to map additional entities and trade routes linked to illicit supply chains.

The fentanyl crisis underscores the urgency of addressing illicit trade as a supply chain intelligence problem, not merely a street-level enforcement challenge. Effective disruption requires a comprehensive view of the actors, infrastructure, and trade flows involved. Platforms like Sayari Graph make this possible by integrating commercial, corporate, and trade data into a unified investigative environment, illuminating the networks behind today's most dangerous transnational threats.

## A B O U T   S A Y A R I

Sayari is the transparency company providing the public and private sectors with immediate visibility into complex commercial relationships. Drawing on a decade of innovation and support from industry-leading investors, Sayari delivers the largest commercially available collection of corporate and trade data as a dynamic, living model of global ownership and trade activity. Sayari's solutions harness this model to enable risk resilience, complex investigations, and clear-eyed business decisions.

Sayari is headquartered in Washington, D.C., and its solutions are trusted by Fortune 100 companies, financial institutions, and governments in over 35 countries.

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