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**FORMER BANK OF CHINA MANAGERS AND THEIR WIVES SENTENCED FOR  
STEALING MORE THAN \$485 MILLION, LAUNDERING MONEY  
THROUGH LAS VEGAS CASINOS**

WASHINGTON – Two former managers of the Bank of China and their wives were sentenced today after their convictions on Aug. 29, 2008, by a federal jury in Las Vegas on charges of racketeering, money laundering, international transportation of stolen property as well as passport and visa fraud, Assistant Attorney General Lanny A. Breuer of the Criminal Division and U.S. Attorney Gregory A. Brower of the District of Nevada announced today.

U.S. District Judge Philip M. Pro sentenced Xu Chaofan aka Hui Yat Fai to 25 years in prison, Xu Guojun aka Hui Kit Shun to 22 years in prison, Kuang Wan Fang aka Wendy Kuang to eight years in prison and Yu Ying Yi to eight years in prison. All four defendants were sentenced to three years of supervised release and ordered to pay \$482 million in restitution. Denaturalization proceedings against Kuang Wan Fang and Yu Ying Yi have been initiated by the government.

Evidence presented during the trial established the elaborate scheme to defraud the Bank of China of at least \$485 million, orchestrated by former managers Xu Chaofan, Xu Guojun and a third former bank manager, Yu Zhendong aka Yu Wing Chung, who pleaded guilty in connection with this investigation and cooperated with the United States. According to information presented in court, the scheme involved efforts by the bank managers to launder the stolen money through Hong Kong, Canada and the United States, among other countries, and then immigrate to the United States from China with their wives by obtaining false identities and entering into sham marriages with naturalized U.S. citizens. Evidence also proved that the bank managers' true wives, Kuang Wan Fang and Yu Ying Yi, assisted their husbands in laundering the proceeds of the fraudulent scheme and violated U.S. immigration laws by entering this country illegally and then securing U.S. citizenship and passports through fraudulent means.

All five defendants were charged with engaging in a RICO conspiracy that began in 1991 and continued until October 2004 when the former bank managers and their wives were arrested. The underlying racketeering activities included engaging in monetary transactions with stolen money, transportation of stolen money, passport fraud and visa fraud. Evidence presented at trial established that the former bank managers created a number of shell corporations in Hong Kong and with the assistance of others funneled the bank's money into these companies as well as numerous personal bank and investment accounts. Assisted by their wives, relatives and

others, the former bank managers then laundered the stolen proceeds through Canada and the United States. Evidence presented at trial included a significant number of transactions with the stolen money through Las Vegas casinos, including bets at the casinos that ranged from \$20,000 up to \$80,000.

All five defendants also were convicted of engaging in a money laundering conspiracy and conspiracy to transport stolen money that began in 1998 and continued through October 2004. These conspiracy charges focused on the laundering of the stolen money in the United States not only through casinos, but also through numerous bank accounts established in the United States by the defendants.

The two former bank managers were also convicted on three counts each of visa fraud – specifically, the possession and use of a fraudulently procured non-immigrant U.S. visa to enter and/or remain in the United States. The two bank managers’ true wives were convicted of three counts each of passport fraud – specifically, the use of a U.S. passport secured through a false statement to enter or facilitate their stay in the United States.

“We will hold fully accountable those foreign nationals who abuse the financial systems of their home countries and who then, by fraudulent means, seek to live richly off their ill-gotten gains in the United States,” said Assistant Attorney General Lanny A. Breuer. “Despite the best efforts of these defendants to avoid detection, their scheme first to steal nearly \$500 million from a Chinese bank, and then to hide themselves and the money in the United States, was exposed thanks to the tireless efforts of federal agents and prosecutors. With their hard work, and the work of countless others like them who are on constant guard against theft and fraud, the Department will continue to unravel the most complicated financial crimes.”

“The defendants sentenced today engaged in a complex scheme from across the globe, using U.S. banks and casinos to launder more than \$485 million stolen from the Bank of China. Financial crimes like these know no borders. By partnering in investigations such as this one, the FBI and our law enforcement partners in the United States and abroad can combine our collective resource to most effectively attack this worldwide criminal threat,” said Assistant Director Kenneth W. Kaiser, FBI Criminal Investigative Division.

Xu Chaofan, Xu Guojun, Kuang Wan Fang and Yu Ying Yi were charged on Sept. 21, 2004, in an 11-count indictment with conspiring to violate, and substantive violations of, U.S. immigration law. The third former bank manager, Yu Zhendong, pleaded guilty to engaging in a racketeering enterprise on Feb. 18, 2004, and voluntarily returned to China, where he was convicted for embezzlement for his role in the bank theft. Yu Zhendong’s true wife, Yu Xuhui (aka Fion Yu), pleaded guilty on April 26, 2005, to unlawfully procuring U.S. citizenship. She has agreed to voluntarily relinquish her American citizenship, but was permitted to remain in the United States with the couple’s children as long as she does not commit another crime. Yu Zhendong’s fake American wife, Shanna Yu Ma (aka Yu Shuzhan) pleaded guilty to submitting a false statement to the Immigration and Naturalization Service, now part of the Department of Homeland Security, in support of Yu Xuhui’s application for naturalization. Both Ma and Yu were sentenced in December 2007 to terms of probation.

This matter was prosecuted by Trial Attorney Krista Tongring and former Trial Attorney Cynthia Stone and of the Criminal Division's Organized Crime and Racketeering Section and Assistant U.S. Attorney Ronald Cheng of the U.S. Attorney's Office for the Central District of California. Organized Crime Strike Force Chief Eric Johnson of the U.S. Attorney's Office for the District of Nevada served as local counsel. Significant assistance was also provided by Kyle Latimer of the Criminal Division's Office of International Affairs. The U.S. Attorney's Office for the District of Nevada provided significant support for the prosecution and coordination of witnesses from throughout the United States and overseas. The case was investigated by the FBI's Las Vegas Field Office and U.S. Immigration and Customs Enforcement of the Department of Homeland Security. Essential support was also provided by the FBI's offices in Beijing and Hong Kong. The government of the People's Republic of China, in particular the Ministries of Justice and Public Security along with the Hong Kong Department of Justice and Hong Kong Police Force, also provided substantial assistance in producing evidence and making witnesses available, both for testimony at trial and videotaped depositions.

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