



United States Department of Justice

United States Attorney Scott N. Schools
Northern District of California

11th Floor, Federal Building
450 Golden Gate Avenue, Box 36055
San Francisco, California 94102
(415) 436-7200
FAX: (415) 436-7234

FOR IMMEDIATE RELEASE

MARCH 7, 2007

WWW.USDOJ.GOV/USAO/CAN

CONTACT: Luke Macaulay

(415) 436-6757

Luke.Macaulay@usdoj.gov

SAN FRANCISCO BROTHEL OWNER SENTENCED TO ONE YEAR IN PRISON FOR MONEY LAUNDERING

Owner Forfeits \$1,000,000

SAN FRANCISCO – The owner/operator of a San Francisco brothel was sentenced to one year in prison today, ordered to forfeit \$1 million, and placed on two years of supervised release. Anthony Gar Lau, 46, of San Bruno, admitted in pleading guilty that since 1995, he owned the Golden Flower Steam and Sauna Spa, located at 215 Second Street in San Francisco, and operated it as a brothel. Mr. Lau and his partners employed, as prostitutes, aliens without legal status to work in the United States. Mr. Lau concealed the prostitutes from detection by immigration authorities by, among other things, failing to report them as employees to the appropriate government agencies. Mr. Lau used the funds generated by harboring aliens to pay for the Golden Flower's operating expenses in order to continue harboring illegal aliens.

This guilty plea is the result of an investigation by the U.S. Department of Justice Civil Rights Division, the Federal Bureau of Investigation (FBI), U.S. Immigration and Customs Enforcement (ICE), San Francisco Police Department, Internal Revenue Service (IRS), and the State Department's Diplomatic Security Service.

As part of his plea agreement, Mr. Lau agreed to forfeit \$1,000,000 to the United States, which represents the value of the proceeds that he earned from alien harboring. Mr. Lau was indicted by a federal grand jury on March 23, 2006 on charges of alien harboring and money laundering offenses in connection with Operation Gilded Cage. Operation Gilded Cage is a federal investigation of alien harboring, interstate transportation for purposes of prostitution, interstate travel in aid of racketeering and money laundering, all related to individuals involved in the massage parlor industry. Under the plea agreement, Mr. Lau pleaded guilty to one count of money laundering in violation of 18 U.S.C. 1956 § (a)(1)(A)(i).

Mr. Lau is scheduled to begin serving his sentence on May 11, 2007.

Peter B. Axelrod and Laurel Beeler are the Assistant U.S. Attorneys who are prosecuting the case with the assistance of paralegals Kristina Pollak and Kim Hopkins and legal technicians Mae Chu and Tyle Doerr. Stephanie Hinds, Chief of the Asset Forfeiture Section of the U.S. Attorney's Office provided assistance in this case. Department of Justice Civil Rights Trial Attorneys Andrew Kline and Evans Rice assisted in the investigation of this case. This indictment is the result of an investigation, called Operation Gilded Cage, by the U.S. Department of Justice Civil Rights Division, the Federal Bureau of Investigation (FBI), U.S. Immigration and Customs Enforcement (ICE), San Francisco Police Department, Internal Revenue Service (IRS), and the State Department's Diplomatic Security Service.

The press release for Mr. Lau's indictment is available at:

http://www.usdoj.gov/usao/can/press/2006/2006_07_07_gilded.cage.kim.pang.pleas.press.htm

The original Gilded Cage press release may be found at:

http://www.usdoj.gov/usao/can/press/2005/2005_07_01_Gilded_Cage.html

The press release on the first indictment to focus on brothel operators is available at:

http://www.usdoj.gov/usao/can/press/html/2006_02_24_gildedcage.2nd.indictment.press.htm

Further Information:

Case #:CR 06-0192 CRB

A copy of this press release may be found on the U.S. Attorney's Office's website at

www.usdoj.gov/usao/can.

Electronic court filings and further procedural and docket information are available at

<https://ecf.cand.uscourts.gov/cgi-bin/login.pl>.

Judges' calendars with schedules for upcoming court hearings can be viewed on the court's website at www.cand.uscourts.gov.

All press inquiries to the U.S. Attorney's Office should be directed to Luke Macaulay at (415) 436-6757 or by email at Luke.Macaulay@usdoj.gov.

###