

## **Xu Chaofan (also known as Hui Yat Fai), Xu Guojun (also known as Hui Kit Shun), Yu Zhendong**

**Case ID:**

ARW-198

**Jurisdiction of Origin of Public Official or Entity Allegedly Involved:**

China

**Position of Public Official(s) (yrs in office):**

Bank of China, Guangdong Province Sub-Branch, Kaiping County, Executive Managers (successive): Xu Chaofan (1992-1998); Yu Zhendong (1998-2000); Xu Guojun (2000-2001)

**Jurisdiction of Asset Recovery:**

Hong Kong SAR, China

**Jurisdiction of Asset Recovery ? Description:**

Location of Recovery Effort, Asset Location / Alleged Asset Location

**Asset Recovery Start:**

2001

**Asset Recovery End:**

2010

**UNCAC Offenses Implicated:**

Art.17

Art.23

**Money laundering Implicated:**

Yes

**Legal Basis for Asset Recovery:**

Private Civil Action

**Intl.Cooperation: MLAT/Letter of Request?:**

No

**Basis for Intl Cooperation:**

N/A

**Contributing Factors in Asset Recovery:**

US Department of Justice press release following the Bank of China Managers' sentencing cited the "substantial assistance" by 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, in producing evidence and making witnesses available, both for testimony at trial and videotaped depositions. (Source: U.S. Department of Justice Press Release, "Former Bank of China Managers and Their Wives Sentenced for Stealing More Than \$485 Million, Laundering Money Through Las Vegas Casinos," May 6, 2009.)

**Status of Asset Recovery :**

Completed

**Stage in Asset Recovery Chain:**

Assets Returned to Victim or Requesting Jurisdiction

**Assets Returned (USD) - Description:**

Unspecified amounts returned

**Agreement for Returned Assets:**

No

**Agreement for Returned Assets - Description:**

N/A

**Case Summary:**

Bank of China (China) Ltd. brought civil action against its former managers and their corporate vehicles and related bank accounts, and their co-conspirators. (Source: Hong Kong Appeals Court decision 2841/2006) The preliminary court decisions do not mention the amount being recovered, but noted that the scheme involved misappropriation of over 1 billion renminbi. One of the corporate entities used to funnel the embezzled funds, Yau Hip Trading, held accounts at Bank of China (HK) Limited of more than HK \$120 million. (Source: Hong Kong Appeals Court decision, 5291/2001) Bank of China (Hong Kong) Ltd. was also involved in the recovery efforts. In Hong Kong, civil cases are not public, hence a copy of the final judgment is not publicly available.)

**Disposition of Criminal Case(s):**

According to a U.S. Department of Justice press release, Mr. Xu Chaofan and Mr. Xu Guojun were convicted on August 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. Mr. 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. (Source: U.S. Department of Justice Press Release, "Former Bank of China Managers and Their Wives Convicted for Stealing More Than \$485 Million, Laundering Money Through Las Vegas Casinos," September 2, 2008, accessed at <http://www.justice.gov/opa/pr/2008/September/08-crm-764.html>.)

**Jurisdiction of Origin: Investigative Agency:**

China Ministry of Justice; Public Security Bureau, Guangdong Province

**Jurisdiction of Origin: Courts Involved:**

Intermediate People's Court of Jiangmen City, Guangdong Province (secondary source)

**Jurisdiction of Asset Recovery: Investigative Agency:**

Department of Justice; Hong Kong Police Force

**Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):**

Department of Justice

**Jurisdiction of Asset Recovery: Courts Involved:**

Court of Appeal (Civil); District Court (criminal - co-conspirators)

**Documents:**

[Xu\\_Hong\\_Kong\\_High\\_Court\\_HCA\\_2841\\_2006.pdf](#)

[Xu\\_Hong\\_Kong\\_High\\_Court\\_HCA\\_5291\\_2001.pdf](#)

**Documents Links:**

[http://www1.worldbank.org/finance/star\\_site/documents/arw/Xu\\_Hong\\_Kong\\_H...](http://www1.worldbank.org/finance/star_site/documents/arw/Xu_Hong_Kong_H...)

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**Other Sources:**

Bank of China Ltd. v. Ever Joint Properties Limited and 18 additional defendants, HCA 2841/2006 (October 12, 2007 decision), accessed at

[http://legalref.judiciary.gov.hk/lrs/common/search/search\\_result\\_detail\\_...](http://legalref.judiciary.gov.hk/lrs/common/search/search_result_detail_...) Bank of China v. Kwong Wa Po and Ching Fo Chu, HCA 5291/2001 (July 18, 2005 decision)