

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

Case ID:

ARW-200

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:

United States

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort, Location of Recovery Effort, Asset Location / Alleged Asset Location

Asset Recovery Start:

2002

Asset Recovery End:

2004

UNCAC Offenses Implicated:

Art.17

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Criminal Prosecution and Forfeiture

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Basis for Intl Cooperation:

Cooperation in investigation but mechanism unknown

Contributing Factors in Asset Recovery:

News Guangdong article noted that Mr. Yu "is the first corrupt Chinese official to be repatriated since China ratified the United Nation's Convention Against Corruption in October, 2005." (Source: News Guangdong, "Banker in Guangdong Sentenced 12 Years in Prison," April 3, 2006.); U.S. Department of Justice press release following the Bank of China Managers' convictions 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 Convicted for Stealing More Than \$485 Million, Laundering Money Through Las Vegas Casinos," September 2, 2008.)

Status of Asset Recovery :

Completed

Stage in Asset Recovery Chain:

Assets Returned to Victim or Requesting Jurisdiction

Agreement for Returned Assets:

No

Agreement for Returned Assets - Description:

N/A

Case Summary:

Yu Zhendong, one of the defendants in the criminal case against the three Bank of China managers, pleaded guilty and agreed to be extradited to China. The agreement came after extensive negotiations between China and the U.S. which resulted in agreement that Mr. Yu would not face execution upon his return to China. Mr. Yu also agreed to forfeiture of money embezzled from the Bank of China, including approximately \$3,750,000 in U.S. currency that had already been seized and returned to China. (Sources: U.S. v. Zhen Dong Yu, Case No. 2:02-cr-00673-RLH-RJJ (D.C. Nev.), Indictment filed on December 17, 2002 and Stipulation to Continue Trial Date, filed January 22, 2004; U.S. Embassy Beijing Press Release, "Chinese National Sentenced on Racketeering Charges Returned to China After Embezzling Approximately \$485 Million from the Bank of China," April, 20, 2004). According to the News Guangdong, upon his return to China, Mr. Yu was tried by the Intermediate People's Court of Jiangmen City, Guangdong Province and sentenced to 12 years' imprisonment and confiscation of 1 million yuan (\$125,000) on graft and embezzlement of public funds. The article noted that Mr. Yu "is the first corrupt Chinese official to be repatriated since China ratified the United Nation's Convention Against Corruption in October, 2005." (Source: News Guangdong, "Banker in Guangdong Sentenced 12 Years in Prison," April 3, 2006.)

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; Hong Kong Department of Justice and Hong Kong Police Force

Jurisdiction of Origin: Courts Involved:

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

Jurisdiction of Asset Recovery: Investigative Agency:

Federal Bureau of Investigation, Las Vegas Field Office; U.S. Immigration and Customs Enforcement; Support provided by Federal Bureau of Investigation, Beijing and Hong Kong offices

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

U.S. Attorney for the District of Nevada; Department of Justice, Criminal Division, Organized Crime & Racketeering Section and Public Integrity Section; Criminal Division, Office of International Affairs; U.S. Attorney for the Central District of California

Jurisdiction of Asset Recovery: Courts Involved:

U.S. District Court for the District of Nevada; Supreme Court of British Columbia

Documents:

Xu_US_DOJ_Press_Release_Sentencing_May_6_2009.pdf


Xu_US_Yu_Zhendong_Indictment_Dec_17_2002.pdf

Xu_US_Yu_Zhendong_Return_Embassy_Press_Release_Apr_20_2004.pdf

Xu_US_Yu_Zhendong_Sentence_News_Guangdong_Apr_3_2006.pdf

Xu_US_Yu_Zhendong_Stipulation_Jan_22_2004.pdf

Documents:

Attachment	Size
 Yu_Banker in Guangdong sentenced 12 years in prison_Guangdong_Times_Apr_3_2006.pdf	168.99 KB

Documents Links:

http://www1.worldbank.org/finance/star_site/documents/arw/Xu_US_DOJ_Pres...

http://www1.worldbank.org/finance/star_site/documents/arw/Xu_US_Yu_Zhend...

http://www1.worldbank.org/finance/star_site/documents/arw/Xu_US_Yu_Zhend...

http://www1.worldbank.org/finance/star_site/documents/arw/Xu_US_Yu_Zhend...

Other Sources:

U.S. v. Zhen Dong Yu, Case No. 2:02-cr-00673-RLH-RJJ (D.C. Nev.), Indictment filed on December 17, 2002 and Stipulation to Continue Trial Date, filed January 22, 2004; 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>. U.S. Embassy Beijing Press Release, "Chinese National Sentenced on Racketeering Charges Returned to China After Embezzling Approximately \$485 Million from the Bank of China," April, 20, 2004; News Guangdong, "Banker in Guangdong Sentenced 12 Years in Prison," April 3, 2006, accessed at <http://www.newsgd.com/citiesandtowns/jiangmen/news/200604030074.htm>.) Margaret K. Lewis, "Mutual Legal Assistance and Extradition: Human Rights Implications," accessed at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1432469.