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 9  
 10 **UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

11	UNITED STATES OF AMERICA,	)	2:22-CV-098-APG-EJY
		)	
12	Plaintiff,	)	<b>Stipulation for Entry of Judgment of</b>
		)	<b>Forfeiture as to Kwanfei Chau, Chung</b>
13	v.	)	<b>Lung Cheng’s wife, and Order</b>
		)	
14	US \$1,317,828,	)	
		)	
15	Defendant.	)	

16 The United States of America and Kwanfei Chau (Chau), Chung Lung Cheng’s  
 17 wife, through her counsel, David Chesnoff and Richard Schonfeld, agree to settle this case  
 18 as follows:

19 1. This civil forfeiture in rem action seeks to forfeit United States currency for  
 20 violations of 31 U.S.C. §§ 5316(a)(1)(B) and 5324(c) under 31 U.S.C. § 5317(c)(2).

21 2. If this case were not settled the United States would seek to prove the US  
 22 \$1,317,828 was proceeds not declared in violation of 31 U.S.C. §§ 5316(a)(1)(B) and  
 23 5324(c) and are forfeitable under 31 U.S.C. § 5317(c)(2). The United States would seek to  
 24 prove by a preponderance of the evidence the following.

25 3. From on or about May 11, 1996, through on or about September 26, 2021, Cheng  
 26 flew into or out of multiple United States airports. CBP signage and public announcements  
 27 regarding the transportation of currency and smuggling existed in the international airports  
 28 where Cheng travelled.

1 4. On September 26, 2021, at approximately 9:24 am, Cheng, Passport KJ0715039,  
2 applied for admission at the Harry Reid International Airport, Las Vegas, Nevada, United  
3 States, private terminal via private flight tail number N318LS from Hong Kong, China.

4 5. A Customs and Border Protection Officer (CBPO) and a CBP Agriculture  
5 Specialist (CBPAS) met Cheng inside his plane.

6 6. Lee, Sheung Ying, Passport KJ0464519, offered to translate, and the CBPO made  
7 sure both Cheng and Lee were comfortable with translating before proceeding with any  
8 questions. The CBPO wanted to ensure Cheng understood what was being asked. Both Lee  
9 and Cheng agreed Lee would translate English to Chinese and from Chinese to English. Lee  
10 translated without hesitation or delay. Cheng acknowledged he understood what was being  
11 translated by his staff member Lee.

12 7. The CBPO asked Cheng if he had over US \$10,000. Cheng declared he did not  
13 have any currency and any form of monetary instruments over US \$10,000. Cheng's crew  
14 staff member Lee, who was in the main cabin of the aircraft with Cheng, translated the  
15 information.

16 8. The CBPO asked a second time if Cheng was bringing anything into the United  
17 States to include currency or any form of monetary instruments over US \$10,000 that he  
18 would like to declare because undeclared items and currency can be seized in accordance  
19 with CBP laws and regulations.

20 9. Cheng stalled and again stated he did not bringing more than US \$10,000 into the  
21 United States. Cheng declared he brought US \$7,000. Cheng pulled the currency from his  
22 black handbag he was personally carrying and showed currency for the CBPO and the  
23 CBPAS to see. The CBPO and the CBPAS continued to inspect the rest of the aircraft and  
24 asked one of the pilots to stay behind while the aircraft inspection was completed.

25 10. During the aircraft inspection, the CBPO moved the black carry-on bag that was  
26 in the back of the plane to the aisle area so it could be more visible. The CBPO noticed the  
27 black carry-on bag was heavier than normal for this size luggage.

28 / / /

1 11. The CBPO proceeded to the CBP facility to conduct a secondary inspection.  
2 Cheng properly filled out a CBP Customs Declaration form 6059B. Question 13 on the form  
3 asks Cheng to declare currency or monetary instruments over the amount of US \$10,000 or  
4 foreign equivalent and informs the traveler that there is further guidance and explanation as  
5 to the definition of monetary instruments on the back of the form.

6 12. Cheng reviewed the back of form 6059B, filled it out, signed it, and submitted it  
7 to CBPO Raymond Rodriguez.

8 13. The CBPO gave Cheng a CBP form 0503 (the currency reporting advisement in  
9 English). Lee also translated and explained form 0503 to ensure Cheng fully understood  
10 what Cheng would acknowledge and sign. Cheng signed the CBP form 0503, declaring he  
11 only brought US \$7,000 into the United States.

12 14. The CBPO searched for, and found, a CBP form 0503 in Cheng's Chinese  
13 language to ensure further understanding. The CBPO provided the CBP form 0503 in  
14 simple Chinese to Cheng. Cheng again stated he was only bringing US \$7,000 U.S.  
15 Currency and signed CBP form 0503 in Chinese. The CBPO advised Cheng that the CBPO  
16 would verify his currency and inspect the luggage located inside the aircraft.

17 15. In Cheng's black carry-on bag that was left on the aircraft between the bed and  
18 wall that separates the restroom, a white Dior box contained US \$260,000.

19 16. The CBPO asked Cheng if he knew undeclared currency was in the black carry-  
20 on bag. Cheng admitted he owned the US \$260,000 and knew the currency was in the black  
21 carry-on bag.

22 17. The CBPO requested the rest of the bags located in the cargo hold of the aircraft.  
23 A Dolce & Gabbana box was found inside a red suitcase containing US \$1,000,000. An  
24 extra US \$50,000 was loose inside the same box. Cheng admitted he withdrew the currency  
25 in small increments US \$50,000 to US \$100,000 from a bank over time and withdrew US  
26 \$1,000,000 at one time in September 2021. Cheng stated the withdrawals were from the  
27 Bank of Communications in Hong Kong. He packed the currency in the boxes himself.

28 / / /

1 18. The CBPO seized the US \$1,317,828 for alleged bulk cash smuggling and failure  
2 to report the currency. The denominations were as follows: 13,176 of US \$100 bills, 8 US  
3 \$20 bills, 4 US \$10 bills, 3 US \$5 bills, and 13 US \$1 bills.

4 19. This Stipulation for Entry of Judgment of Forfeiture as to Kwanfei Chau  
5 (Stipulation) shall not constitute an admission of liability, wrongdoing, or fault on the part  
6 of Chau. She entered into this Stipulation to avoid costs, expenses, uncertainty, delay, and  
7 inconvenience of protracted litigation. The United States and Chau reach a full and final  
8 settlement in this Stipulation. Chau knowingly and voluntarily agrees to forfeit US \$370,500  
9 of US \$1,317,828 to the United States in this civil judicial forfeiture.

10 20. Chau knowingly and voluntarily agrees to forfeit all possessory rights, ownership  
11 rights, and all rights, titles, and interests in the US \$370,500 of the US \$1,317,828.

12 21. Chau knowingly and voluntarily agrees this Court will impose the forfeiture of  
13 the US \$370,500 of the US \$1,317,828 in this civil forfeiture case.

14 22. Chau knowingly and voluntarily agrees to waive her right to any civil judicial  
15 forfeiture proceedings (proceedings) concerning the US \$1,317,828.

16 23. Chau knowingly and voluntarily agrees to waive service of process of all  
17 documents filed in this action and any proceedings concerning the US \$1,317,828 arising  
18 from the facts and circumstances of this case.

19 24. Chau knowingly and voluntarily agrees to waive any further notice to her, her  
20 agents, or her attorneys regarding the forfeiture and disposition of the US \$370,500 of the  
21 US \$1,317,828.

22 25. Chau knowingly and voluntarily agrees not to file any claim, answer, petition,  
23 and other documents in any proceedings concerning the US \$370,500 of the US \$1,317,828,  
24 agrees not to contest, and agrees not to assist any other person and entity to contest, the  
25 forfeiture of the US \$370,500 of the US \$1,317,828. Chau knowingly and voluntarily agrees  
26 to withdraw immediately any claims, answers, counterclaims, petitions, and other  
27 documents she filed in any proceeding concerning the US \$370,500 of the US \$1,317,828.

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1           26. Chau knowingly and voluntarily agrees to waive laches, the statute of limitations,  
2 the CAFRA requirements, Supplemental Rules for Admiralty or Maritime Claims and  
3 Asset Forfeiture Actions A, C, E, and G, 18 U.S.C. § 983, and all constitutional, statutory,  
4 legal equitable rights, defenses, and claims regarding the US \$1,317,828, in any proceedings,  
5 including, but not limited to, double jeopardy and due process under the Fifth Amendment  
6 to the United States Constitution.

7           27. Chau knowingly and voluntarily agrees to waive all constitutional, statutory,  
8 legal, equitable rights, defenses, and claims regarding the US \$1,317,828, in any  
9 proceedings, including, but not limited to, a jury trial under the Sixth Amendment to the  
10 United States Constitution.

11           28. Chau knowingly and voluntarily agrees to waive all constitutional, statutory,  
12 legal, equitable rights, defenses, and claims regarding the US \$1,317,828, including, but not  
13 limited to, the excessive fines clause and the cruel and unusual punishments clause under  
14 the Eighth Amendment to the United States Constitution.

15           29. Chau knowingly and voluntarily agrees the forfeiture of the US \$370,500 of the  
16 US \$1,317,828 complies with *Honeycutt v. United States*, 581 U.S. 443 (2017); *United States v.*  
17 *Thompson*, 990 F.3d 680 (9th Cir. 2021); and *United States v. Prasad*, 18 F.4th 313, 315, 319  
18 (9th Cir. 2021); and knowingly and voluntarily agrees to waive all constitutional, statutory,  
19 legal, equitable rights, defenses, and claims regarding the US \$370,500 of the US \$1,317,828  
20 in any proceedings under *Honeycutt*, *Thompson*, and *Prasad*.

21           30. Chau knowingly and voluntarily agrees to the entry of a Judgment of Forfeiture  
22 of US \$370,500 of the US \$1,317,828 to the United States.

23           31. Chau knowingly and voluntarily agrees to waive her right to appeal the forfeiture  
24 of the US \$370,500 of the US \$1,317,828.

25           32. Chau understands the forfeiture of the US \$370,500 of the US \$1,317,828 shall  
26 not be treated as satisfaction of any assessment, restitution, fine, cost of imprisonment, or  
27 any other penalty that may be imposed.

28           / / /

1 33. Chau knowingly and voluntarily agrees to the conditions set forth in this  
2 Stipulation.

3 34. Chau knowingly and voluntarily agrees to hold harmless the United States, the  
4 United States Department of Justice; the United States Attorney's Office for the District of  
5 Nevada; the United States Department of the Homeland Security; the Customs and Border  
6 Protection; the Homeland Security Investigations, Las Vegas BEST-Airport Group; the  
7 Department of United States Treasury; their agencies; their agents; and their employees  
8 from any claim made by Chau or any third party arising out of the seizure of the US  
9 \$1,317,828 and the forfeitures of the of the US \$370,500.

10 35. Chau knowingly and voluntarily releases and forever discharges the United  
11 States, the United States Department of Justice; the United States Attorney's Office for the  
12 District of Nevada; the United States Department of the Homeland Security; the Customs  
13 and Border Protection; the Homeland Security Investigations, Las Vegas BEST-Airport  
14 Group; the Department of United States Treasury; their agencies; their agents, their officers,  
15 and their employees from any and all claims, rights, or causes of action of any kind that  
16 Cheng now has or may hereafter have on account of, or in any way growing out of, the  
17 seizure of the US \$1,317,828 and the forfeitures of the of the US \$370,500 in the civil  
18 judicial forfeiture.

19 36. Chau knowingly and voluntarily acknowledges, understands, and agrees that (a)  
20 federal law requires the Department of the United States Treasury and other disbursing  
21 officials to offset federal payments to collect delinquent tax and non-tax debts owed to the  
22 United States and to individual states (including past-due child support); (b) if an offset  
23 occurs to the payment to be made under this Stipulation, they will receive a notification  
24 from the Department of the United States Treasury at the last address provided by them to  
25 the governmental agency or entity to whom the offset payment is made; (c) if they believe  
26 the payment may be subject to an offset, they may contact the Treasury Department at 1-  
27 800-304-3107; (d) the terms of this Stipulation do not affect the tax obligations fines,  
28 penalties, or any other monetary obligations owed to the United States or an individual



1 state; and (e) the exact sum delivered to David Chesnoff and Richard Schonfeld, on behalf  
2 of her may well be a lesser sum, if the Treasury Offset Program reduces the amount in  
3 satisfaction of a debt obligation.

4 37. After the US \$370,500 of the US \$1,317,828 is forfeited in the civil case and the  
5 United States District Court has signed the Stipulation concerning the property, within a  
6 practicable time thereafter for the United States, the United States agrees to release to Chau  
7 and Cheng one payment of US \$947,328 less any debt owed to the United States, any  
8 agency of the United States, or any debt in which the United States is authorized to collect,  
9 through David Chesnoff and Richard Schonfeld. Chau knowingly and voluntarily agrees to  
10 fill out the Department of the United States Treasury Automated Clearing House (ACH)  
11 form accurately and correctly and submit it to the United States Attorney's Office so the  
12 payment of the money can be disbursed by electronic fund transfer. Chau knowingly and  
13 voluntarily agrees the US \$947,328 may be offset by any debt owed to the United States,  
14 any agency of the United States, or any debt in which the United States is authorized to  
15 collect.

16 38. Each party acknowledges and warrants that its execution of the Stipulation is free  
17 and is voluntary.

18 39. The Stipulation contains the entire agreement between the parties.

19 40. Except as expressly stated in the Stipulation, no party, officer, agent, employee,  
20 representative, or attorney has made any statement or representation to any other party,  
21 person, or entity regarding any fact relied upon in entering into the Stipulation, and no  
22 party, officer, agent, employee, representative, or attorney relies on such statement or  
23 representation in executing the Stipulation.

24 41. The persons signing the Stipulation warrant and represent that they have full  
25 authority to execute the Stipulation and to bind the persons and/or entities, on whose  
26 behalf they are signing, to the terms of the Stipulation.

27 42. This Stipulation shall be construed and interpreted according to federal forfeiture  
28 law and federal common law. The jurisdiction and the venue for any dispute related to, and

1 or arising from, this Stipulation is the unofficial Southern Division of the United States  
2 District Court for the District of Nevada, located in Las Vegas, Nevada.

3 43. Each party shall bear her or its own attorneys' fees, expenses, costs, and interest.

4 44. This Stipulation shall not be construed more strictly against one party than  
5 against the other merely by virtue of the fact that it may have been prepared primarily by  
6 counsel for one of the parties; it being recognized that both parties have contributed  
7 substantially and materially to the preparation of this Stipulation.

8 IT IS HEREBY CERTIFIED, pursuant to 28 U.S.C. § 2465(a)(2), that there was  
9 reasonable cause for the seizure of the US \$1,317,828 and the forfeiture of US \$370,500.

10 CHESNOFF & SCHONFELD

JASON M. FRIERSON  
United States Attorney

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12   
13 DAVID CHESNOFF  
Counsel for Kwanfei Chau

DANIEL D. HOLLINGSWORTH  
Assistant United States Attorney

14 DATED: 5/19/23

DATED: \_\_\_\_\_

15 CHESNOFF & SCHONFELD

16   
17 RICHARD SCHONFELD  
Counsel for Kwanfei Chau

18 DATED: 5/19/23

19   
20 KWANFEI CHAU

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IT IS SO ORDERED:

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UNITED STATES DISTRICT JUDGE

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DATED: \_\_\_\_\_



1 or arising from, this Stipulation is the unofficial Southern Division of the United States  
2 District Court for the District of Nevada, located in Las Vegas, Nevada.

3 43. Each party shall bear her or its own attorneys' fees, expenses, costs, and interest.

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10 CHESNOFF & SCHONFELD

JASON M. FRIERSON  
United States Attorney

DANIEL  
HOLLINGSWORTH

Digitally signed by DANIEL  
HOLLINGSWORTH  
Date: 2023.05.22 17:47:26 -07'00'

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12 \_\_\_\_\_  
13 DAVID CHESNOFF  
Counsel for Kwanfei Chau

\_\_\_\_\_  
DANIEL D. HOLLINGSWORTH  
Assistant United States Attorney

14 DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

15 CHESNOFF & SCHONFELD

16  
17 \_\_\_\_\_  
18 RICHARD SCHONFELD  
Counsel for Kwanfei Chau

19 DATED: \_\_\_\_\_

20 \_\_\_\_\_  
21 KWANFEI CHAU

22 IT IS SO ORDERED:

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25 \_\_\_\_\_  
26 ANDREW P. GORDON  
UNITED STATES DISTRICT JUDGE  
2:22-cv-00098-APG-EJY

27 DATED: June 12, 2023