
THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

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Former UN General Assembly President and Five Others Charged In \$1.3 Million Bribery Scheme

Preet Bharara, the United States Attorney for the Southern District of New York, Diego Rodriguez, Assistant Director-In-Charge of the New York Field Office of the Federal Bureau of Investigation ("FBI"), and Thomas E. Bishop, Acting Special Agent in Charge of the New York Field Office of the Internal Revenue Service-Criminal Investigation ("IRS-CI"), announced today that former United Nations ("UN") Ambassador for Antigua and Barbuda ("Antigua") and President of the UN General Assembly ("UNGA") JOHN W. ASHE, Deputy UN Ambassador for the Dominican Republic FRANCIS LORENZO, NG LAP SENG, a/k/a "David NG" ("NG"), JEFF C. YIN, a/k/a "Yin Chuan," SHIWEI YAN, a/k/a "Sheri YAN," and HEIDI HONG PIAO, a/k/a "Heidi Park," were charged in connection with a multi-year scheme to pay more than \$1.3 million in bribes to ASHE in exchange for official actions in his capacity as UNGA President and Antiguan government official in support of Chinese business interests. LORENZO, NG, YIN, YAN, and PIAO are charged with multiple bribery-related counts. ASHE is charged with tax fraud for failure to report or pay income taxes on the over \$1 million he received in bribes in 2013 and 2014. YAN and PIAO are also charged with laundering bribery money from China. ASHE was arrested in Dobbs Ferry, New York, and LORENZO, YAN, and PIAO were arrested in New York, New York, this morning, and are scheduled to appear before U.S. Magistrate Judge James C. Francis IV in Manhattan federal court later today. NG and YIN were previously arrested on September 19, 2015, based on a separate complaint alleging that NG and YIN agreed to make false statements to Customs and Border Protection officers about the true purpose of approximately \$4.5 million in cash that NG and YIN had brought into the U.S. from China since 2013.

U.S. Attorney Preet Bharara said: "If proven, today's charges will confirm that the cancer of corruption that plagues too many local and state governments infects the United Nations as well. As alleged, for Rolexes, bespoke suits, and a private basketball court, John Ashe, the 68th President of the UN General Assembly, sold himself and the global institution he led. United in greed, the defendants allegedly formed a corrupt alliance of business and government, converting the UN into a platform for profit. We will continue to do everything we can to root out public

corruption – whether we find it in a city council, in Albany, or as here, in the United Nations.”

FBI Assistant Director-In-Charge Diego Rodriguez said: “The charges announced today are sending a message to those who come to the United States from other countries with corruption plans or bags full of cash - no one is above or beyond the law. Investigating public corruption remains a top priority for the FBI.”

IRS-CI Acting Special Agent-in-Charge Bishop said: “IRS-Criminal Investigation is committed to ensuring that everyone pays their fair share of taxes, regardless of an individual’s position, wealth or prominence. Everyone is expected to report all of their income, even if the income comes from an illegal source, including bribes. We are always ready to partner with the United States Attorney’s and the FBI on investigations involving allegations of misuse of positions of public trust and their impact on tax compliance.”

According to the allegations contained in the Complaint^[1] unsealed today in Manhattan federal court:

Since approximately 2011, ASHE has been soliciting and accepting bribes from various businesspeople in China seeking to influence the actions of the UN and officials in ASHE’s home country of Antigua. ASHE solicited and took the bribes at the time when he served as UN Ambassador for Antigua and as the 68th President of the UN General Assembly. The bribes were facilitated by LORENZO, NG, YIN, YAN, and PIAO, among others, who arranged for the transmission and laundering of over \$1 million of bribery money from sources in China. In exchange for the bribes, ASHE agreed to and did perform official actions for businesspeople who were seeking benefits from the UN and Antigua. Among other things, ASHE accepted over \$500,000 of bribes facilitated by LORENZO and YIN from NG, who was seeking to build a multibillion-dollar, UN-sponsored conference center in Macau, China (the “UN Macau Conference Center”). In exchange for these payments from NG, among other actions, ASHE submitted a UN document to the UN Secretary General, which claimed that there was a purported need to build the UN Macau Conference Center. In addition, ASHE received over \$800,000 in bribes from various Chinese businessmen arranged through YAN and PIAO and, in return for these bribes, ASHE advocated for these businessmen’s interests within the UN and with senior Antiguan government officials, including the country’s then-Prime Minister (the “Prime Minister”), with whom ASHE shared a portion of the bribe payments.

During the course of the scheme, defendant ASHE solicited and received bribes in various forms, including cash and payments to third parties to cover ASHE’s personal expenses, such as a family vacation and construction of a private basketball court at his house in Dobbs Ferry, New York. ASHE also transferred the bribery money to his personal bank accounts, primarily through checks he wrote to himself for a purported “salary” (although he already collected a salary from the Government of Antigua). ASHE then used the bribe money for his personal expenses, such as paying the mortgage on his house in Dobbs Ferry, making his BMW lease payments, and buying luxury items such as Rolex watches and custom suits. During the same period of time, ASHE failed to report sufficient income to the Internal Revenue Service (“IRS”) to account for the self-described salary and other bribes he received. In total, ASHE underreported his income to the IRS by more than \$1.2 million in tax years 2013 and 2014 alone.

The Scheme by LORENZO, NG, and YIN to Bribe ASHE

As alleged in the Complaint, the scheme began in or about the spring of 2011, when ASHE was

approached by LORENZO, the Deputy Permanent Representative to the UN for the Dominican Republic. Since in or about 2010, in addition to being the Dominican Republic's representative to the UN, LORENZO has also been the "Honorary President" of a New York-based nongovernmental organization created by NG ("NGO-1"), which purportedly is a "21st century media platform" whose mission is to advance the implementation of the UN's Millennium Development Goals

In the spring of 2011, LORENZO invited ASHE to fly to Macau, China, to meet with NG. As alleged in the Complaint, NG was interested in bribing ASHE in order to acquire business interests in Antigua and to obtain UN support for his proposed UN Macau Conference Center. ASHE agreed to meet NG in Macau in exchange for LORENZO buying ASHE and his family a trip to New Orleans, including first-class airline tickets and a luxury hotel suite. After ASHE's meeting with NG in Macau, ASHE told LORENZO that he had arranged for NG to meet with the then-Prime Minister of Antigua to discuss "concrete investment opportunities, including the immediate acquisition of hotel properties." ASHE also then began soliciting additional payments from LORENZO to pay for the installation of a private basketball court at ASHE's house in Westchester County. In addition to agreeing to pay for ASHE's family vacation and basketball court, LORENZO began paying ASHE's wife, as a "climate change consultant" for NGO-1, in the amount of \$2,500 per month.

After initially focusing on paying ASHE to obtain access to the then-Prime Minister and other Antiguan officials to further NG's effort to invest and acquire property in Antigua, LORENZO and NG then decided to use ASHE to seek to obtain UN support for NG's proposed UN Macau Conference Center. In February 2012, LORENZO drafted a UN document in ASHE's name for ASHE to submit to the UN Secretary General in support of the development of NG's UN Macau Conference Center. After exchanging several drafts of the UN Document with LORENZO, on February 24, 2012, ASHE submitted the final document to the UN. LORENZO used the UN document in promotional materials for NG's conference center with other officials and an investment banking firm, using the document to imply that the conference center NG was seeking to develop was likely to be supported in some fashion by the United Nations.

In early 2013, YIN, who serves as NG's principal assistant, repeatedly pressed LORENZO to make progress on NG's request and threatened to halt the payments to LORENZO unless progress was made. Following the repeated demands by YIN (on NG's behalf), LORENZO arranged for ASHE to issue a revised UN document that specifically promoted NG's private company – by name – as the developer of the proposed conference center.

Later, LORENZO arranged for ASHE to travel to Macau with other UN officials to meet with NG in exchange for a \$200,000 payment from NG to an account that ASHE had set up in the name of the President of the General Assembly, his role at the time. Prior to agreeing to make the trip, ASHE told LORENZO, "Even though NG has made a lot of empty promises in the past, I am willing to travel to Macau to see his project, since it is important to him. But it has to [be] made absolutely clear to him that I will not go unless I see the funds - funds which are NOT for my personal use but to help run the PGA office. Period. Please let them know that I am requesting somewhere between \$100K and \$250K." Although ASHE claimed the funds would not be used by him personally, as described in detail in the Complaint, ASHE transferred the vast majority of funds that were paid to ASHE to ASHE's personal account with his wife and used them to pay for personal expenses.

The Scheme by YAN and PIAO to Bribe ASHE

In addition to soliciting bribes from LORENZO, YIN, and NG, ASHE also solicited and received payments from YAN and PIAO, who represented other Chinese businessmen seeking to invest in or obtain favors from Antiguan government officials. In particular, as alleged in the Complaint, YAN and PIAO arranged for over \$800,000 of payments to ASHE in exchange for official favors by ASHE and other Antiguan officials for various Chinese businessmen.

The initial payment arranged by YAN and PIAO was a \$300,000 payment on behalf of a Chinese media executive referred to as “CC-1” in the Complaint. After receiving the payment, ASHE reported that he had traveled to Antigua “to meet with all the key decision makers to discuss [CC-1’s] plans; that I had the initial resources in hand (and which have now been fully utilized), certainly served the intended purpose of focusing minds and getting the conversation started.” Financial records reflect that ASHE sent \$100,000 of CC-1’s payment to the Prime Minister of Antigua, and sent more funds to other Antiguan political interests.

In August 2013, YAN and PIAO began paying ASHE approximately \$20,000 per month to be the “Honorary Chairman” of a new New York-based non-governmental organization (“NGO-2”), of which YAN serves as the CEO, which purportedly was formed to promote the UN’s sustainable development goals.

The next month, after ASHE formally assumed his one-year term as UNGA President, YAN and PIAO arranged for another Chinese businessman, referred to as “CC-2” in the Complaint, to send ASHE \$100,000 purportedly to pay for a UN reception in honor of ASHE’s presidency. Approximately one month later, YAN and PIAO arranged for PIAO to travel with ASHE and CC-2 to meet with Antiguan officials about a \$20 million deal for CC-2’s company to install a “national internet security system” for Antigua. ASHE’s intercession on CC-2’s behalf resulted in a signed “memorandum of understanding” between CC-2’s company and the Government of Antigua to move forward with CC-2’s project. ASHE also used his position as UNGA President to promote CC-2’s company to officials with the Government of Kenya. ASHE paid a portion of these bribe payments to the Prime Minister of Antigua.

In addition, YAN and PIAO arranged for ASHE to be paid \$200,000 (plus travel expenses) in exchange for attending and speaking in ASHE’s official capacity at a private conference in China hosted by a Chinese real estate developer identified as CC-3 in the Complaint. In addition to attendance at the conference, CC-3 also sought to “offer [ASHE] a permanent convention venue for the UN meetings on sustainability and climate changes . . . as well as for the 193 members of the UN to convene. . . .”

ASHE’s Tax Fraud

As alleged in the Complaint, in 2013 and 2014, while ASHE was UNGA President, he solicited and received payments from LORENZO, NG, YIN, YAN, PIAO, and others, to business accounts he personally created in the name of the President of the General Assembly. More than \$1 million of the money that ASHE solicited to allegedly support his UN Presidency ASHE then transferred to himself, primarily in the form of \$25,000 monthly checks written to and by him with the memo line “salary” (notwithstanding the fact that he already received a salary from the Government of Antigua). During these years, ASHE was also paid approximately \$200,000 annually in “consulting” income from LORENZO, NG, PIAO, and YAN. For tax years 2013 and 2014, ASHE filed tax returns that materially failed to account for the income he was deriving from his purported salary payments and his “consulting” contracts. Specifically, for year 2013, ASHE and his wife

underreported their income by approximately \$462,350 and, for year 2014, they underreported his income by approximately \$796,329.28.

* * *

ASHE, 61, of Dobbs Ferry, New York, is charged with two counts of subscribing to false and fraudulent U.S. individual income tax returns. Each of these counts carries a maximum penalty of three years in prison. LORENZO, 48, of the Bronx, New York, NG, 67, YIN, 29, YAN, 57, and PIAO, 52, are each charged with bribery conspiracy and bribery. The conspiracy charge carries a maximum penalty of five years in prison and the bribery charge carries a maximum penalty of 10 years in prison. YAN and PIAO are also charged with conspiracy to commit money laundering. This charge carries a maximum penalty of 20 years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by a judge.

LORENZO, YIN, YAN, and PIAO are naturalized U.S. citizens. ASHE is a citizen of Antigua and legal permanent resident of the United States. NG is a citizen of China, Portugal, and the Dominican Republic.

U.S. Attorney Bharara praised the work of the FBI and the IRS-CI, who jointly conducted this investigation, and noted that the investigation is ongoing.

This case is being prosecuted by the Office's Public Corruption Unit. Assistant U.S. Attorneys Daniel C. Richenthal, Rahul Mukhi, and Janis M. Echenberg are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Complaint and the description of the Complaint set forth below constitute only allegations, and every fact described should be treated as an allegation.

15-256

USAO - New York, Southern

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