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Chinese Officials: Capital Flight to Western Countries

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ABSTRACT

Corruption is a serious problem in China, one that could threaten the rule of the Chinese Communist Party. Many corrupt officials have taken their illegal gains and fled to other countries. Due to a lack of an extradition treaty with China and a relatively loose immigration policy, the United States is a favorite destination for Chinese officials. The avenues through which these officials' capital flight occurs include cash smuggling, underground or regular banking, falsification of trade and business transactions, money laundering, and immigration. While there are financial regulations that monitor suspicious capital transactions in the United States, it is still difficult to track these runaway officials if they are careful transferring and accessing the money. Additionally, they use aliases or dummy accounts. Investing in real estate is an especially quick and safe way for these individuals to turn illegal money into tangible assets, because the real estate industry receives less scrutiny: buyers can easily make onetime payments in cash and purchase properties under different names to disguise ownership. Though they are not immediate threats to U.S. national security, corrupt Chinese officials could violate U.S. laws and potentially be blackmailed or coerced into hurting U.S. interests for fear of being exposed.

INTRODUCTION

Every corrupt official like Yu Zhendong¹ will be investigated and repatriated when he/she enters the U.S. [if his/her crimes committed in China are confirmed].

Thomas V. Fuentes, Office of International Operations, Federal Bureau of Investigation²

The Chinese Communist Party regards corruption as one of the most serious threats to its rule. Since Xi Jinping assumed his position as President in November 2012, he has repeatedly warned that rampant corruption has threatened the Party's survival and pledged to make anti-corruption the priority of his tenure.³ While the Chinese government has increased efforts to reduce corruption at home, it also recognizes the problem of corrupt officials fleeing overseas with large amounts of illegal gains. People's Bank of China's 2008 report estimated that since the mid-1990s between 16,000 to 18,000 government employees have fled overseas, carrying more than RMB 800 billion (approximate USD 129.56 billion).⁴ More recently, the Central Commission for Discipline and Inspection estimated that illegal capital flight from China exceeded USD 1 trillion as of 2012.⁵

This is of concern to the United States because these individuals could violate U.S. laws and regulations. Additionally, as a signatory of the United Nations Convention Against Corruption, the United States is obligated to render legal assistance to other signatory countries, and vice versa.

This paper explores techniques used to transfer money out of China at different stages of capital flight, which countries are preferred destinations for corrupt officials, and how they use the money. Based on findings, the paper analyzes possible methods of tracking runaway government employees.

CAPITAL FLIGHT METHODS

Cash-Smuggling, underground and Foreign Banks, Offshore Centers, Cash Back

Smuggling cash in person or in suitcases is a low-cost yet high-risk way of moving money, and the amount that can be carried is limited. In certain cases, cash is carried by “parallel traders” (水客), travelers who charge transportation fees for ferrying goods across borders, in smaller amounts at multiple times.⁶ Parallel traders are hired by “underground banks” (地下钱庄)⁷ to carry the money from China to Hong Kong or Macau. Tracing the source of funds back to the original clients is difficult, even if the parallel traders get caught.⁸ Some individuals simply try bringing cash into the United States in person. From 2010 to 2012 approximately USD 1 million was found being carried by Chinese citizens at Los Angeles International Airport, and 18% of cash seized in Detroit airports in 2011 was from Chinese nationals.⁹

Underground banks are one of the most popular channels to launder and transfer funds out of China.¹⁰ Their operations are especially active along China’s southeast coast and Inner Mongolia area.¹¹ A Chinese client can deposit money into the underground banks’ designated accounts in China and pay a 0.8% - 1.5% fee, and the money will be wired to their accounts in Hong Kong. Usually the transferred amounts are less than RMB 1 million (approximately USD 163,100) per transaction to avoid attracting attention. The banks prefer to deal with familiar customers, and they also provide services to immigration agencies’ clients.¹² In Shenzhen some underground banks are reportedly fronted as study abroad agencies.¹³

Another way to transfer money abroad is by depositing money with Chinese banks and obtaining loans from their overseas branches in Hong Kong, the United States, and other countries. This method is not illegal, yet the threshold is higher, such as a minimum deposit amount of RMB 6 million (approximately USD 978,600).¹⁴ Foreign banks in China, such as Liechtenstein Bank, also allow customers to deposit money or purchase foreign funds in China and withdraw the money overseas.¹⁵ Mortgaging assets in China to banks in the United States to obtain loans is a new capital flight technique. Daniel H. Deng, a well-known Chinese attorney based in Cali-

“Mortgaging assets in China to banks in the United States to obtain loans is a new capital flight technique.”

fornia, pointed out that some corrupt officials possessing many assets in China would transfer the ownership of their assets to family or friends in China, and then mortgage those assets to Chinese-owned banks in the United States to obtain loans.¹⁶

Offshore financial centers in the Caribbean and the Pacific Ocean, such as the British Virgin Islands, Cayman Islands, Bermuda, or Samoa, are often used by corrupt Chinese individuals who are affiliated with state-owned enterprises (SOEs) or listed companies to store their embezzled assets. These individuals establish offshore companies by themselves or jointly with other foreign companies. They then purchase materials or equipment from these offshore entities on behalf of their companies in China at prices that are much higher than the market price, or sell goods to these companies at prices much lower than the market price. In doing so, assets are transferred to the offshore accounts during these seemingly normal transactions. The corrupt individuals also sell goods to offshore companies without charging them and then only record the transaction as “accounts receivable.”¹⁷ A 2013 report released by Offshore Incorporations, a company that provides international incorporations and corporate services, indicated that China and Hong Kong are the top sources of clients for offshore financial centers.¹⁸ However, due to privacy policies, it is difficult to determine the actual owners of offshore companies.

Shopping with credit cards outside of China or withdrawing cash with bank cards such as China UnionPay (中国银联)¹⁹ from ATM machines in Hong Kong and Macau are also methods to move money across the border.²⁰ In addition, such bank cards are reportedly used by Chinese cardholders to make fake purchases in retail shops in Hong Kong and Macau to receive cash back. Customers can also swipe UnionPay cards to buy up to RMB 10 million (approximately USD 1,635,330) of gold at jewelry stores in Hong Kong and Macau and sell it back immediately for cash.²¹

Trade and Business Transactions

Many corrupt individuals in charge of trade-related transactions take advantage of their positions to transfer illegal gains overseas. As such, corrupt company managers in China who have connections with their foreign counterparts can arrange for advance payments of imported goods and delays in collecting payments for exported commodities so as to keep parts of the payments abroad.²² For example, Song Jianping (宋建平), former manager of Shanxi Technology Import and Export Corporation (山西省技术进出口公司) and Shanxi Resources International Corporation (山西大典商贸公司), embezzled USD 17.98 million of the latter's remittance for exports in 2004 and hid the payments overseas.²³

Some corrupt individuals prepare fake charge agreements and import contracts (with no real purchases) and falsify the amounts of commission, consulting fees, technology royalties, or advertisement costs. They then transfer payments to overseas accounts for the nonexistent sales or inflated fees.²⁴ For instance, Huang Hongsheng (黄宏生), former chairman of the Hong Kong-listed company, Skyworth Digital Holdings Limited (创维数码控股有限公司), was found guilty of issuing fake checks in the name of "commission" or "consulting fees" to embezzle approximately HKD 48.38 million (approximately USD 6,239,590) from this company's subsidiaries between 2000 and 2004.²⁵ Some corrupt SOE officials transfer large amounts of company money overseas in the name of equipment procurement, importation, or investment; they then embezzle the money and lie that the money was lost, due to commercial fraud by the suppliers, and could not be recovered.²⁶

Similarly, some employees inflate the prices of imported equipment or raw materials and take kickbacks from foreign suppliers. When exporting products, they lower prices and ask foreign purchasers to pay price differences directly to their personal accounts overseas.²⁷ In cases like these, "capital flight" does not necessarily involve cross-border transactions, since bribes and kickbacks can be paid directly into the overseas accounts of SOE employees who are in charge of procurement or import and export matters. Kickbacks can also be paid in the form of real estate, as well as payments or arrangements for these corrupt employees' children to live and study

abroad.²⁸

Capital flight is also carried out through business transactions between Chinese companies and foreign companies that were established by corrupt individuals affiliated with the Chinese companies. Unscrupulous managers of some SOEs have been known to have arranged for their overseas companies to buy shares in the Chinese companies at low prices and take dividends for themselves.²⁹ The responsible persons of some SOEs also reportedly established branches in foreign countries, transferred capital and assets to those overseas branches, and pocketed the transferred public funds.³⁰

Money Laundering

Not only are casinos in Macau a place for corrupt officials to launder their illegal proceeds, but they also are vehicles used for capital flight. Gamblers first deposit money with junket services or borrow money from them, and then use the money in Macau for gambling.³¹ Gambling promoters also help transfer funds from China to Macau. However, Jorge A. F. Godinho, an international business law professor at University of Macau, pointed out that sometimes no actual funds are transferred, but instead there is “a simple balancing of accounts between credits in mainland China and debits in Macau.” The existence of junket agents makes it more difficult to determine the identity of the gamblers and their source of funds.³² Gamblers can cash in casino chips in U.S. dollars or Hong Kong dollars and then transfer the money to overseas accounts.³³

Buying artwork, such as paintings or calligraphy in China, selling them abroad, and depositing the profits in foreign currency in overseas accounts is another method for money laundering and capital flight. Alternatively, individuals can purchase artwork overseas at an inflated price and transfer money to offshore accounts. Sophie Song of *International Business Times* pointed out that these methods are preferred because the products can be traded anonymously, the prices are “fuzzy,” the artwork can be transported easily, counterfeits are not easily detected, and payments are often made in cash.³⁴

Immigration

Immigration is usually the last step of the capital flight, which gives corrupt officials resident or citizen status so that they can eventually escape to their preferred destinations. Usually the officials will first send their spouse and children overseas, using this as an excuse to send money abroad. After their family members become citizens, it is easy for these officials to apply for green cards.

Some corrupt officials and their family members take advantage of loopholes in the systems and commit immigration fraud. Corrupt officials often have multiple Chinese passports in case of an emergency. Instead of using fake passports, they use fake national identification cards to apply for real passports. It reportedly costs only RMB 30,000 to RMB 50,000 (approximately USD 4,906 to USD 8,177) to bribe a public security bureau chief to obtain a fake national identification. Scandals like this have been reported in provinces such as Hunan and Jilin.³⁵ While sending children to study abroad does not easily arouse suspicion, sending spouses abroad can easily raise an alarm. As a result, there have been cases in which corrupt Chinese officials divorced their wives, let their wives get into sham marriages with U.S. citizens, and then joined their wives later after their wives became permanent residents in the United States.³⁶ Furthermore, there have also been reports of corrupt officials' mistresses who chose to give birth to babies in the United States to obtain citizenship for the children.³⁷ However, the children must be 21 years old before they can apply for green cards for their parents.

In addition to immigration loopholes, the United States, with its relatively loose requirements to apply for immigrant investor programs, enables corrupt Chinese officials to obtain resident or citizen status and to transfer money freely. These loose requirements provide opportunities for runaway officials to enter the country without arousing suspicion. Although applicants to the U.S. EB-5 investment immigration program³⁸ are required to declare and clarify their sources of wealth, such requirements are not typically strictly enforced because, in most cases, their sources of wealth cannot be verified.³⁹

In certain cases, some government officials let their spouses be the main applicants because background checks on the main applicants are often stricter. As co-applicants, the officials are only required to provide some basic information, and they are able to avoid disclosing their government status, only reporting other affiliations, such as directorship in companies.⁴⁰ Some officials even apply for permanent residency in African countries, such as Guinea-Bissau or Gambia, in order to obtain Hong Kong resident status through investing in the Hong Kong Capital Investment Entrant scheme,⁴¹ which excludes applicants who only have Chinese resident status.⁴²

For fear of repatriation, some corrupt officials have made up excuses to apply for political asylum in the United States. Corrupt Chinese officials, or so-called “questionable officials,” reportedly account for approximately 25% of the Chinese to whom the United States has granted asylum.⁴³ Some U.S. companies have reportedly targeted corrupt officials as their clientele and work with local attorneys to provide “one-stop” service, which includes buying real estate, money laundering, and applying for legal status to stay in the United States.⁴⁴ An immigration service agency in Long Island, New York, once told a reporter that not only is it able to help get legal status for corrupt officials in the United States, but it also can facilitate the release of officials who had been imprisoned in China. The agency claimed to have connections to turn an official who was convicted of corruption in China into a “political prisoner,” or even getting a medical parole. It then used fake identifications or falsified documents to obtain U.S. bank accounts for the corrupt official.⁴⁵

Western Countries Are Preferred Destinations

Higher-level corrupt officials involved in the transfer of larger amounts of illegal gains usually prefer Western countries, particularly the United States, Canada, Australia, New Zealand, and certain European Union countries.⁴⁶ In addition to having a better standard of living, Western countries’ protection of human rights, a thorough judiciary process, and lack of extradition treaties with China⁴⁷ make it more difficult for runaway fugitives to be repatriated.⁴⁸ The United States is an especially ideal destination because of its relatively loose immigration policy

and “lengthy” judicial procedures.⁴⁹ After the global financial crisis in 2009, some European countries, such as Spain, began to loosen their limitations on investment immigration to attract foreign investment. Some corrupt Chinese officials also started to look into investment and immigration opportunities in countries such as the United Kingdom, France, Germany, and the Netherlands. Among these countries, France is the most popular for its asylum-related provisions in its immigration laws and its central geographic location, which makes it easy for corrupt officials to escape in case of emergency.⁵⁰

However, lower-level officials tend to go to China’s neighboring countries, such as Thailand, Burma, Malaysia, Mongolia, and Russia, because they are closer and it is cheaper to escape there. However, it is riskier to remain in these countries because the Chinese government has a closer relationship with their governments.⁵¹ Those officials who cannot obtain legal documents to enter Western countries right away tend to wait in Africa, Latin America, and Eastern Europe.⁵²

Many runaway officials use Hong Kong as a transit point not only because Hong Kong passport holders can travel to the Commonwealth countries without getting a visa in advance,⁵³ but also because of the ease of transferring money out of Hong Kong,⁵⁴ making it convenient for corrupt officials to receive proceeds of crimes and transfer them abroad.

Real Estate Appears to Be the Top Investment Choice for Illegal Gains in the United States.

Investing in real estate is a quick way for many runaway officials to launder and secure their illegal gains after the money arrives at its destination. Foreigners intending to launder money quickly are willing to pay cash at higher prices than the market rate, thus driving up regional real estate prices.⁵⁵ Chinese buyers spent approximately USD 12.3 billion in the U.S. real estate market in 2012, and 70% of the buyers made onetime payments in cash.⁵⁶

Los Angeles and New York have become more common targets of runaway Chinese officials.⁵⁷ Real estate agencies in California noted that the number of Chinese buyers who spent more than

USD 1 million (some in cash) purchasing properties in San Gabriel Valley, Los Angeles County, had increased by 40% in recent years, nearly doubling the prices of housing in some upscale, predominantly Chinese residential areas.⁵⁸ In 2014, real estate brokers estimated that Chinese have become the biggest foreign buyers of properties in New York City, in terms of both value and volume.⁵⁹ In fact, Chinese invested more than USD 3 billion in real estate in New York City, a 43% increase from the previous year.⁶⁰

While not all buyers paying cash for properties are corrupt, a real estate industry lacking sufficient anti-money-laundering regulations offers potential loopholes.⁶¹ An industry expert indicated that while accountants, banks, and attorneys are required to ask for their clients' source of funds, unwritten industry "rules" about avoiding asking for names of people who provided funds to the clients and their relationship with the clients exist.⁶² In addition, real estate agencies in the United States are not obligated to report suspicious activities.⁶³ Many Chinese buyers are very discrete about their transactions and choose to register companies in the United States to buy houses under the name of their respective companies to hide their identities. Most buyers able to afford millions of dollars' worth of housing are often very low-profile and would prefer to live in a sparsely populated community. However, it is difficult to differentiate regular buyers from corrupt officials.⁶⁴

In addition to buying properties to become homeowners or landlords⁶⁵ and paying for daily necessities, immigration-related fees, or children's education, the illegal gains are also spent on investing in stocks, acquiring companies⁶⁶ and restaurants,⁶⁷ buying luxury goods, such as fancy cars, jewelry, watches, and fine dining.⁶⁸ Some runaway officials gamble in Las Vegas to launder their money.⁶⁹

Corrupt local law enforcement personnel have been known to extort money from exposed corrupt officials who wish to keep their identities secret. In one case, people who had bribed a runaway official when he was still in China later hired U.S. gang members to collect and recover money from him.⁷⁰

Tracking Corrupt Officials and the Money in the United States

The Bank Secrecy Act⁷¹ and the U.S. Patriot Act⁷² require financial institutions to report suspicious financial activities and to take due diligence procedures to enhance scrutiny of accounts belonging to politically exposed foreigners, their family, or close aides. However, it is still difficult for U.S. banks or law enforcement agencies to detect the inflow of illegal money if these individuals are careful transferring money to the United States (e.g., not exceeding USD 10,000 in daily transactions) and accessing it. These officials can transfer money to accounts associated with their fake identities, family, companies they establish, or even mistresses, making it harder to trace any suspicious activities back to them.

Corrupt Chinese officials prefer to settle down in major cities on both the East and West Coasts, where there are large Chinese populations. Chinese communities in the United States appear to be well aware of news regarding these officials' presence in the United States. Attorneys, accountants, or real estate agents are those who have the most direct or indirect contact with these officials. According to online forums and newspapers aimed at Chinese citizens residing in the United States, Chinese immigrants share information about potentially suspicious consumption patterns of their Chinese neighbors.⁷³ They are also aware of the Internal Revenue Service's whistleblower program,⁷⁴ which provides rewards to people who report tax evasion. However, unless the runaway officials are high-profile figures who receive significant coverage in Chinese media, it is less likely for average people with no access to financial records or personal information to determine if someone is a corrupt official in hiding.

Given the fact that purchasing properties with cash is not under strict scrutiny in the United States and enjoying a luxurious lifestyle does not necessarily raise a red flag, tracking financial transactions and capital flow is not the most efficient way of identifying corrupt officials who flee to the United States. In addition, without a name or any personal identifiers, trying to find corrupt runaway officials is almost an impossible task. If the Chinese government provided a name list⁷⁵ and additional personal information, these fugitives might be found more easily. However, if the

runaway officials use fake identities to obtain real passports without the Chinese government knowing it, other identifiers, such as biometric data, would be helpful for locating their whereabouts. For example, since all foreigners, permanent residents, and naturalized citizens are fingerprinted either when they enter the United States or when they apply for a change of status, these Chinese officials' biometric data must be in the Department of Homeland Security databases. If the Chinese government can provide such biometric data to U.S. law enforcement agencies, even officials with different aliases can be located.

Conclusion and Future Trends

While corrupt Chinese officials bringing large amounts of illegal money into the United States do not pose an immediate threat to U.S. national security, they violate U.S. laws by committing money laundering, immigration fraud, and tax evasion, or receiving proceeds from crimes. These officials could potentially also pose an espionage threat both at the government and corporate levels. A fear of being exposed makes them more susceptible to blackmail or being coerced into acts that could harm U.S. interests. The Chinese government has been voicing a growing concern over corruption and loss of state assets. As a result, the country has begun to solicit assistance from U.S. law enforcement agencies.

While the United States does not have an extradition treaty with China, the U.S.-China Mutual Legal Assistance Agreement signed in 2000 provides the framework for cooperation,⁷⁶ including, but not limited to evidence and identities of the criminals to be provided to the requested country, as well as forfeiture and sharing of proceeds.⁷⁷ Despite the fact that China's human rights record and different judicial system often impede bilateral collaboration, there have been suggestions in Chinese media, such as the *Global Times*,⁷⁸ that China should consider sharing proceeds to provide incentives for U.S. cooperation.⁷⁹ Currently, the U.S. and Chinese governments are expanding discussion on runaway corrupt officials and the subsequent stolen assets. Officials from both countries plan to discuss potential legal cooperation in August 2015.⁸⁰

END NOTES

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39. Sun, Weichi. “The U.S. has become corrupt Chinese officials’ safe haven and loose immigration policy provides the incentive,” and The wealth of 60% of Chinese investment immigration applicants for the EB-5 program could not be verified as coming from a legitimate source. “Exposing corrupt Chinese officials’ mansions in the U.S.” (揭秘中国贪官在美豪宅). *Global Times*. 22 Sept. 2013. Web. 6 May 2014. <http://world.huanqiu.com/depth_report/2013-09/4377205.html>.
40. “Runaway corrupt officials are primarily in economic fields; part of the officials had already become ‘naked officials’ prior to fleeing” (出逃贪官经济领域扎堆 部分官员外逃前已是裸官). *Beijing News*. 2 March 2014. Web. 9 May 2014. <http://news.163.com/14/0302/02/9MA3DUUCD00014AED_all.html>.

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45. Shi, Ming. "Firm belief in slip tactics, corrupt CCP officials have their own doorways to escape to the U.S." (笃信溜字诀、中共贪官潜逃美国各有门道). *www.chinacomment.org*. n.d. Web. 10 May 2014. <<http://www.chinacommments.org/indy079.htm>>.
46. "Studies on methods used by corrupt individuals to transfer assets overseas and monitoring methodology": 7.
47. As of May 2013, China had signed extradition treaties with 36 countries, including Australia, Spain, Portugal, and France.
48. "Runaway corrupt officials are primarily in economic fields; part of the officials had already become 'naked officials' prior to fleeing" (出逃贪官经济领域扎堆 部分官员外逃前已是裸官). *Beijing News*. 2 March 2014. Web. 9 May 2014. <http://news.163.com/14/0302/02/9MA3DUCD00014AED_all.html>.
49. Sun, Weichi. "The U.S. has become corrupt Chinese officials' safe haven and loose immigration policy provides the incentive"
50. Yi, Jiangnan. "Report on Chinese corrupt officials' overseas properties" (中國貪官海外置業報告). *Insight*. 20. 2013.
51. "Runaway corrupt officials' escape panorama" (贪官外逃全景图). *World Vision*. Aug. 2009:23.
52. *Ibid.*
53. "Studies on methods used by corrupt individuals to transfer assets overseas and monitoring methodology": 8.
54. Hong Kong has no limits on the import and export of currency.

55. “Money laundering by corrupt officials? Chinese big spenders made onetime payments for U.S. houses, and their bags were full of cash” (贪官洗钱?中国豪客美国房一次付,包里都是现金) 8 Sept. 2013. Web. 9 May 2014. <<http://www.aboluowang.com/2013/0908/331919.html#sthash.1n21g1Jh.dpbs>>.
56. *Ibid.*
57. Yi, Jiangnan. “Report on Chinese corrupt officials’ overseas properties”.
58. “The U.S. places bounties on more than one thousand corrupt Chinese officials”.
59. Conlin, Michelle, and Lu, Maggie Yueyan. “The Chinese take Manhattan: replace Russians as top apartment buyers.” *Reuters*. 25, April 2015. Web. 13 May 2015. <<http://www.reuters.com/article/2014/04/25/us-realestate-china-manhattan-insight-idUSBREA3O0TL20140425>>.
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61. In November 2012 the National Association of Realtors released the anti-money-laundering guidelines, which were developed in collaboration with the Department of the Treasury. Unlike banks, which are required to report all suspicious transactions exceeding USD 10,000 to the Financial Crimes Enforcement Network (FinCEN), real estate agencies are only encouraged to report suspicious activities to FinCEN. Although a real estate agent or broker is obligated to file an IRS Form 8300 when receiving cash payments over USD 10,000 from a buyer or seller, the form only serves as a neutral notification.
62. “Money laundering by corrupt officials? Chinese big spenders made onetime payments for U.S. houses, and their bags were full of cash”.
63. “Anti-Money Laundering Guidelines for Real Estate Professionals”. National Association of Realtors. 15 Nov. 2012. Web. 9 May 2014. <<http://www.realtor.org/articles/anti-money-laundering-guidelines-for-real-estate-professionals>>.
64. “Exposing corrupt Chinese officials’ mansions in the U.S.” (揭秘中国贪官在美豪宅). *Global Times*. 22 Sept. 2013. Web. 6 May 2014. <http://world.huanqiu.com/depth_report/2013-09/4377205.html>.
65. “The U.S. places bounties on more than one thousand corrupt Chinese officials”.
66. Chen, Tongkui. “Be pragmatic about recovering cross-border corruption assets” (跨境追索腐败资产要务实). *South Reviews*. 15 (2012): 52. Print.
67. “China’s top 10 richest convicts who fled overseas” (中国十大负案外逃富豪). *Xinhua*. 7 July 2013. Web. 30 May 2014. <http://qd.ifeng.com/xinwenzaobanche/detail_2013_07/07/968964_10.shtml>.
68. “The U.S. places bounties on more than one thousand corrupt Chinese officials”.

69. *Ibid.*
70. “Runaway corrupt officials’ escape panorama”: 22.
71. United States Department of the Treasury, Financial Crimes Enforcement Network. FinCEN’s Mandate from Congress. <http://www.fincen.gov/statutes_regs/bsa/>.
72. U.S. Patriot Act of 2001. (PL 107-56, 26 Oct. 2001). Section 312(a)(3)(B). <<http://www.gpo.gov/fdsys/pkg/BILLS-107hr3162enr/pdf/BILLS-107hr3162enr.pdf>>.
73. “[I] suspect our tenants are second generation of officials or offspring of corrupt officials” (怀疑我们家的租客是官二代，贪官后代). Chinese in North America. 3 May 2013. Web. 25 May 2014. <<http://www.huaren.us/dispbbs.asp?boardid=331&id=1421601>>.
74. The IRS whistleblower program provides 15-30% of the amount recovered to people who report tax fraud. In this case, the taxes, penalties, interest and other amounts in dispute need to exceed USD 2 million. See Sukki. “U.S. to help China fight corruption: rewards are provided for those who report the China-based assets of Chinese officials, their spouses and children who have immigrated to the U.S.” (美国帮中国反腐：举报移民美国的中国官员老婆孩子在华资产给予重奖). Chinese in North America. 15 Feb. 2013. Web. 25 May 2014. <<http://www.huaren.us/dispbbs.asp?boardid=331&Id=1378644&page=1&star=1>>.
75. In May 2014 Chinese media references indicated that the Chinese government had provided the U.S. government a list of more than 1,000 corrupt officials who are hiding in the U.S. However, it was unclear how much information was included in the name list, and no additional information regarding any law enforcement actions was found.
76. While the U.S. has signed Mutual Legal Assistance Treaties with most countries, it has only a Mutual Legal Assistance Agreement with China.
77. Agreement between the government of the United States of America and the government of the People’s Republic of China on Mutual Legal Assistance in Criminal Matters. March 2001.
78. *Global Times* is a Chinese language newspaper published by the Chinese government’s official newspaper, *People’s Daily*.
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