



FOR IMMEDIATE RELEASE
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Public Affairs
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MESSAGE PARLOR OWNER CONVICTED OF STRUCTURING FINANCIAL TRANSACTIONS

PHOENIX - Fengjuan “Lucy” Lu, 39, of Scottsdale, Ariz. was found guilty on Monday of eight counts of Structuring Financial Transactions by a federal jury in Phoenix. The case was tried before U.S. District Court Judge David G. Campbell from June 9 through June 15, 2009. The defendant remains out of custody pending sentencing. Sentencing is set before Judge Campbell on October 19, 2009.

The evidence at trial showed that in the summer of 2003 Lu was the owner of several small businesses in and around the Phoenix metropolitan area, including Rose Bowl Body Care, Lotus Land Bodycare, Red Butterfly Massage and Tokyo Accupressure, and that Lu deposited cash income from those businesses in a manner that violated federal law.

In particular, federal law requires a financial institution to file a Currency Transaction Report with the government for cash transactions in excess of \$10,000. Federal law imposes this reporting requirement in order to assist law enforcement to trace cash deposits and identify the depositors. “Structuring” occurs, in violation of law, when an individual breaks down cash in excess of \$10,000 into smaller bundles for the purpose of evading the currency transaction reporting requirement. (By way of example, on September 26, 2003 Lu deposited \$9,700 in cash in the morning, then went to a different branch of the same bank in the early afternoon to deposit \$9,030 in cash, and finally returned to the original branch later in the afternoon of the same day to deposit another \$9,800 in cash.) The evidence at trial included testimony from bank tellers who identified Lu’s transactions as suspicious, and two of those bank tellers advised Lu of the reporting requirement for large cash deposits. In total, as to the eight counts of conviction, Lu structured \$164,270 from August 9, 2003 through September 30, 2003.

A conviction for Structuring Financial Transactions carries a maximum penalty of five years imprisonment, a \$250,000 fine or both. In determining an actual sentence, Judge Campbell will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

The investigation leading to the guilty verdict was conducted by the Internal Revenue Service, Criminal Investigations. The prosecution was handled by Gary M. Restaino and Cassie Woo, Assistant U.S. Attorneys, District of Arizona, Phoenix.

CASE NUMBER: CR-06-676-PHX-DGC
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