

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	Criminal No. 15-
v.	:	
	:	18 U.S.C. § 1344
MIYE CHON,	:	18 U.S.C. § 656
a/k/a "Karen Chon"	:	18 U.S.C. § 2

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at
Newark, charges:

COUNT ONE
(Bank Fraud)

Relevant Persons and Entities

1. At all times relevant to this Indictment:

a. BankAsiana was a commercial bank chartered by the State of New Jersey whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC"). As such, BankAsiana was a "financial institution" as that term is defined in Title 18, United States Code, Section 20. BankAsiana's headquarters were located in Palisades Park, New Jersey, and it maintained a branch office in Fort Lee, New Jersey. In or about October 2013, BankAsiana was acquired by Wilshire State Bank, an FDIC-insured commercial bank chartered under the laws of the State of California with its headquarters in Los Angeles, California. Wilshire State Bank has since changed its name to Wilshire Bank.

b. Defendant MIYE CHON, a/k/a "Karen Chon," was a resident of Englewood Cliffs, New Jersey, and was employed by BankAsiana as an Assistant Vice President and Operations Officer at the BankAsiana branch office in Fort Lee, New Jersey. As part of her job responsibilities at BankAsiana, defendant CHON had access to customer accounts, including customer certificate of deposit ("CD") accounts. She also had access to the bank's vault and to its computer and other records, including various account records. Defendant CHON's employment with BankAsiana was terminated in or about October 2013 after Wilshire Bank acquired the assets of BankAsiana.

The Scheme to Defraud

2. From in or about March 2010 through in or about October 2013, in Bergen County, in the District of New Jersey, and elsewhere, defendant

MIYE CHON a/k/a "Karen Chon"

did knowingly execute and attempt to execute a scheme and artifice to defraud BankAsiana and to obtain moneys, funds, and assets owned by and under the custody and control of BankAsiana by means of materially false and fraudulent pretenses, representations, and promises, as set forth more fully below.

Object of the Scheme

3. It was the object of the scheme for defendant CHON to enrich herself by stealing money from BankAsiana through a fraudulent scheme involving a series of materially false representations and omissions. She accomplished this by, among other things, making fraudulent entries in

the bank's internal records and then diverting money from BankAsiana customer accounts into a vault cash account and stealing large sums of cash from the bank's vault. The fraudulent representations and omissions included false entries in the bank's records reflecting that customers had withdrawn funds from their CD accounts when she knew that they had not done so. Defendant CHON also made materially false representations and omissions to avoid detection, including using internal bank codes that had no application to these fraudulent transactions in an effort to avoid the accounts being charged early withdrawal penalties. Moreover, when the customer CD accounts were approaching maturity, she entered into fraudulent transfers from yet other customer CDs into the CD accounts from which she had previously made unauthorized transfers in order to cover her prior fraudulent transfers.

Manner and Means of the Scheme

4. It was part of the scheme that defendant CHON used her credentials to access BankAsiana's computer system and make unauthorized transfers of large sums of money, typically in increments of tens of thousands of dollars, from CD accounts maintained in the name of BankAsiana customers to an internal BankAsiana account known as the "deposit clearing" account. Thereafter, she made further transfers in the same amount from the deposit clearing account to another internal BankAsiana account known as the "currency and coin" account, which corresponded to the cash maintained in the bank's vault. These unauthorized transfers in the bank's internal records were done to cover defendant CHON's embezzlement of a corresponding

amount of money from BankAsiana's vault. That is, defendant CHON converted the transferred funds to her own use and enjoyment by, among other things, physically removing cash in an amount equal to the transfers from the bank's vault without the knowledge or authorization of BankAsiana.

5. It was further part of the scheme that, on other occasions, defendant CHON made unauthorized transfers directly from customer accounts into the bank's currency and coin account and then physically removed cash from the bank's vault in an amount equal to the transfers.

6. It was further part of the scheme that by making unauthorized transfers in the bank's computer system, defendant CHON generated false and misleading records in BankAsiana's general ledger. For instance, as a result of these unauthorized transfers from customer CDs, defendant CHON created a series of bank records ultimately reflecting that cash had been withdrawn from BankAsiana as a result of an authorized customer withdrawal, when in fact she knew that no such authorization had been given and that these were merely fictitious transfers designed to cover her embezzlement of cash from BankAsiana's vault. In making these unauthorized transfers, defendant CHON falsely represented that various internal bank transaction codes otherwise used to avoid early withdrawal penalties from CDs were applied to these transfers, when those codes had no application to these fraudulent transfers.

7. It was further part of the scheme that defendant CHON made a series of fraudulent transfers on multiple occasions from accounts held by

various elderly customers of BankAsiana, including four individuals – “Victim 1,” “Victim 2,” “Victim 3,” and “Victim 4” – who ranged in age from 84 years old to 95 years old, and converted the funds for her own use. For example:

a. On or about July 22, 2011, defendant CHON made an unauthorized transfer of approximately \$40,000 from an account held in the name of Victim 1 into the bank’s deposit clearing account, then transferred the same amount into the bank’s currency and coin account, and thereafter converted a corresponding amount of cash to her own use;

b. On or about January 6, 2012, defendant CHON made an unauthorized transfer of approximately \$60,000 from an account held in the name of Victim 2 into the bank’s currency and coin account, and thereafter converted a corresponding amount of cash to her own use;

c. On or about November 1, 2012, defendant CHON made an unauthorized transfer of approximately \$100,000 from an account held in the name of Victim 3 into the bank’s currency and coin account and thereafter converted a corresponding amount of cash to her own use; and

d. On or about September 16, 2013, defendant CHON made an unauthorized transfer of approximately \$60,000 from an account held in the name of Victim 4 into the bank’s currency and coin account, and thereafter converted a corresponding amount of cash to her own use.

8. It was further part of the scheme that defendant CHON sought to avoid detection by making materially false entries in BankAsiana’s records, creating phony documents purporting to reflect the balances in

customer accounts so that the customers would not notice that money had been drained from their accounts, and moving money between customer accounts to replenish missing funds prior to the maturity date for a CD account.

9. It was further part of the scheme that to avoid detection, defendant CHON, in the course of just one week between approximately September 27, 2013 and approximately October 4, 2013, made multiple unauthorized transfers from customer accounts in amounts totaling approximately \$1.2 million to cover losses in other customer accounts from which she had previously made fraudulent transfers. For example, on or about October 1, 2013, defendant CHON made unauthorized transfers from an account in the name of a BankAsiana customer, "Victim 5," into Victim 4's accounts in amounts totaling approximately \$460,000 in an effort to cover up the amounts she had previously stolen from Victim 4's accounts.

10. Using the manner and means described above, among others, defendant CHON stole over \$1 million from BankAsiana's customer accounts from in or about March 2010 through in or about October 2013.

In violation of Title 18, United States Code, Section 1344 and Section 2.

COUNTS TWO THROUGH TWENTY-EIGHT
(Embezzlement of Funds by a Bank Employee)

1. The allegations contained in paragraphs 1 and 3 through 11 of Count One of this Indictment are hereby re-alleged and incorporated by reference.

2. On or about the dates set forth below, in Bergen County, in the District of New Jersey, and elsewhere, defendant

MIYE CHON
a/k/a "Karen Chon"

while being an employee of BankAsiana, a commercial bank whose deposits were insured by the Federal Deposit Insurance Corporation, did knowingly and with the intent to injure and defraud BankAsiana embezzle, abstract, purloin and willfully misapply more than \$1,000 of the money, funds and credits of BankAsiana and money, funds, assets and securities entrusted to the custody and care of BankAsiana, each such transaction constituting a separate count of this Indictment:

COUNT	APPROXIMATE DATE	APPROXIMATE AMOUNT OF FUNDS	CUSTOMER ACCOUNT
TWO	July 22, 2011	\$40,000	VICTIM 1
THREE	August 8, 2011	\$10,000	VICTIM 1
FOUR	August 25, 2011	\$10,000	VICTIM 1
FIVE	September 8, 2011	\$20,000	VICTIM 1

SIX	September 20, 2011	\$33,000	VICTIM 1
SEVEN	October 11, 2011	\$30,000	VICTIM 1
EIGHT	November 1, 2011	\$27,220	VICTIM 1
NINE	November 8, 2011	\$70,000	VICTIM 2
TEN	November 9, 2011	\$34,600	VICTIM 2
ELEVEN	November 10, 2011	\$40,000	VICTIM 2
TWELVE	November 15, 2011	\$30,000	VICTIM 2
THIRTEEN	November 18, 2011	\$32,370	VICTIM 2
FOURTEEN	January 6, 2012	\$60,000	VICTIM 2
FIFTEEN	January 24, 2012	\$70,000	VICTIM 2
SIXTEEN	November 1, 2012	\$100,000	VICTIM 3
SEVENTEEN	November 16, 2012	\$50,000	VICTIM 3
EIGHTEEN	December 14, 2012	\$50,000	VICTIM 3
NINETEEN	December 21, 2012	\$60,000	VICTIM 4
TWENTY	January 4, 2013	\$60,000	VICTIM 4
TWENTY-ONE	January 15, 2013	\$70,000	VICTIM 4
TWENTY-TWO	May 16, 2013	\$30,000	VICTIM 4
TWENTY-THREE	June 7, 2013	\$20,000	VICTIM 4
TWENTY-FOUR	June 14, 2013	\$20,000	VICTIM 4
TWENTY-FIVE	July 15, 2013	\$30,000	VICTIM 4
TWENTY-SIX	July 29, 2013	\$60,000	VICTIM 4
TWENTY-SEVEN	August 12, 2013	\$50,000	VICTIM 4

TWENTY-EIGHT	September 16, 2013	\$60,000	VICTIM 4
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In violation of Title 18, United States Code, Section 656 and Section 2.

FORFEITURE ALLEGATION

1. The allegations contained in all paragraphs of Counts One through Twenty-Eight of this Indictment are hereby re-alleged and incorporated by reference for the purpose of noticing forfeiture pursuant to Title 18, United States Code, Section 982(a)(2)(A).

2. Upon conviction of the offenses charged in Counts One through Twenty-Eight of this Indictment, defendant MIYE CHON shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any and all property constituting or derived from proceeds obtained directly or indirectly as a result of the violations of Title 18, United States Code, Sections 1344 and 656, alleged in Counts One through Twenty-Eight of this Indictment.

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (a) cannot be located upon the exercise of due diligence;
- (b) has been transferred or sold to, or deposited with, a third person;
- (c) has been placed beyond the jurisdiction of the Court;
- (d) has been substantially diminished in value; or
- (e) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

A TRUE BILL 


FOREPERSON



PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**MIYE CHON
a/k/a "Karen Chon"**

INDICTMENT FOR

**18 U.S.C. § 1344
18 U.S.C. § 656
18 U.S.C. § 2**

A True Bill


Foreperson

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