
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

v.

MIYE CHON
a/k/a "Karen Chon"

:
: Hon. Mark Falk
:
: Mag. No. 14-3743
:
: CRIMINAL COMPLAINT
:
: **FILED UNDER SEAL**

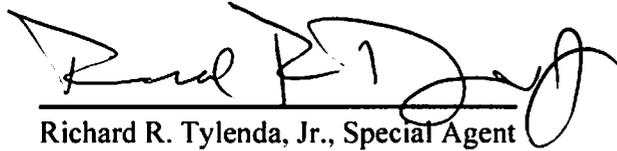
I, Richard R. Tylenda, Jr., being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.



Richard R. Tylenda, Jr., Special Agent
Federal Bureau of Investigation

Sworn to before me, and
subscribed in my presence

September 18, 2014 at
Newark, New Jersey

HONORABLE MARK FALK
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A

Count One

(Theft, Embezzlement, or Misapplication by Bank Officer or Employee)

From in or about 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"**

while being an employee of BankAsiana, a commercial bank whose deposits were insured by the Federal Deposit Insurance Corporation, did knowingly and willfully and with the intent to injure and defraud BankAsiana, embezzle, abstract, purloin and 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, as set forth in Attachment B.

In violation of Title 18, United States Code, Section 656, and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Richard R. Tylenda, Jr., have been a Special Agent with the Federal Bureau of Investigation ("FBI") for approximately 18 years. The information contained in this Complaint is based upon my personal knowledge and upon information obtained from other sources, including: a) information received from other Special Agents of the FBI, b) reports of statements made by or reported by various persons with knowledge of relevant facts, c) reports of statements made by officials of the victim financial institution, including information conveyed to those officials by various employees of the financial institution; and d) a review of business records, bank records and other documents done either by me or other FBI personnel. Because this Complaint is being submitted for the limited purpose of establishing probable cause that the defendant committed the offense charged in the Complaint, I have not included each and every fact known to me or the FBI concerning this investigation. I have set forth only the facts which I believe are necessary to establish probable cause that defendant MIYE CHON, a/k/a "Karen Chon," committed the offense charged in this Complaint. Unless specifically indicated, all conversations and statements described in this affidavit are set forth in substance and in part.

Relevant Individuals and Entities

1. At all times relevant to this Complaint, unless otherwise indicated:

a. Defendant MIYE CHON, a/k/a "Karen Chon," was a resident of Englewood Cliffs, New Jersey, and was employed by BankAsiana as an Operations Officer and later 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 was given access to customer accounts, including customer certificate of deposit ("CD") accounts, and was permitted by the bank to make deposits and withdrawals into and from those customer accounts provided those transfers were directed by the customer. She also had access to the bank's vault and to its computer and other records, including various internal account records maintained by the bank for operational purposes. Defendant CHON's employment with BankAsiana was terminated in or about October 2013 after Wilshire Bank acquired the assets of BankAsiana.

b. BankAsiana was a commercial bank chartered by the State of New Jersey whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC"). 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.

The Embezzlement Scheme

2. From in or about May 2010 through in or about October 2013, defendant MIYE CHON stole over \$1 million from BankAsiana's customer accounts. As part of the scheme, defendant CHON regularly moved money from customer CD accounts into BankAsiana's vault cash account, and thereafter physically removed cash from the bank's vault. Defendant CHON

had access to BankAsiana's vault as part of her regular job responsibilities, which access she used to accomplish the scheme, often removing the stolen cash from the vault while retrieving her daily teller drawer. Other times, defendant CHON simply transferred funds directly from another customer's account to an account maintained at BankAsiana in the name of her family's business.

3. Wilshire Bank, the successor to BankAsiana, reported that it first discovered this scheme after defendant CHON's employment was terminated in or about October 2013. According to Wilshire Bank personnel, a customer contacted the bank in January 2014 and advised it that he was missing an IRS Form 1099 for his CD. The customer also told bank officials that he did not recognize the account number associated with his CD. Bank officials advised that bank personnel then examined the customer's account and determined that it had been tampered with by defendant CHON.

4. Wilshire Bank then began an investigation and sent two persons from its headquarters in Los Angeles, California, to conduct an on-site audit in New Jersey. On January 28, 2014, two other FBI agents interviewed these two individuals, who will be referred to collectively as "the Auditors." Among other things, the Auditors advised, in substance and in part, as follows:

a. Bank records show that, beginning in 2010 and continuing through October 2013, defendant CHON accessed BankAsiana's computer systems using her unique account access credentials on multiple occasions in order to move money from customer CDs to the bank's vault account, debiting the CD account records and crediting the vault's account. The Auditors further advised that each time this occurred, the bank's computer system time-stamped defendant CHON's unique access identifiers along with each system change. Having made these unauthorized changes to the accounts, defendant CHON then physically took the corresponding amount of cash from the bank's vault. (The Auditors initially estimated that defendant CHON embezzled approximately \$1.6 million. After a further review of bank records, Wilshire Bank has advised that CHON took approximately \$1.4 million.)

b. One way defendant CHON hid her actions was to make sure that money she had removed from CDs was transferred back into those accounts before they were set to reach maturity. Accordingly, she would transfer funds from newer CDs at the bank into maturing CDs that were short funds as a result of her having previously transferred money out of them. This avoided customers learning of the scheme when they went to cash out their CDs.

c. On or about January 22, 2014, the day before the Auditors arrived in New Jersey to conduct an on-site audit based on the allegations of fraud, two other employees of Wilshire Bank who worked in New Jersey met with defendant CHON and asked her about the unauthorized transactions noted above. The defendant admitted, among other things, that she had conducted the unauthorized transactions.

d. The next day, January 23, 2014, the Auditors, who by then had arrived in New Jersey from Los Angeles, California, met with defendant CHON. The Auditors were accompanied by the two New Jersey bank employees who had met with defendant CHON the

previous day. During the course of the meeting, defendant CHON admitted, among other things, that she had taken the missing money by accessing the bank's computers, debiting customer accounts, crediting the vault account, and then taking a corresponding amount of cash from the vault. Defendant CHON said that the fraud began in 2011, adding that she was constantly worried about getting caught by the bank. She told the Auditors that she initially justified stealing the funds because she intended to pay the money back.

5. On or about February 4, 2014, two other FBI Special Agents approached defendant CHON and she agreed to be interviewed. One of the interviewing agents speaks Korean and was able to converse with defendant CHON in Korean, her native language. While defendant CHON denied several details of what the Auditors reported she had told them, she admitted, in substance and in part, that for approximately two to three years while she worked at BankAsiana, she had converted substantial amounts of money from its customer accounts. Defendant CHON further admitted to the FBI the following, in substance and in part:

a. She accomplished the scheme by accessing the bank's computer system using her own user name and password and then changing the status of funds held in customer CD accounts to a "cash out" status. She would then remove the corresponding amount of cash from the bank's vault. Defendant CHON admitted that she was not authorized to cash out customer CDs before the CDs had matured, but said that she was able to do so without requiring any special approvals or overrides.

b. When any of the affected CD accounts were nearing maturity, defendant CHON conducted what she referred to as a "CD to CD" transaction in order to ensure that funds were available in the CD account that was about to reach maturity. The last of these transactions she conducted took place in or about October 2013, shortly before she left the employ of BankAsiana.

c. While the vault at BankAsiana was meant to be a "dual control" facility, as a practical matter, defendant CHON and other bank employees often entered the vault alone. Moreover, defendant CHON was able to avoid suspicion because she often removed the cash she had converted at the same time that she was in the vault for the legitimate reason of getting cash for her teller drawer.

d. When bank customers whose accounts she had raided came to the bank to renew their CDs each year, defendant CHON printed out annual certificates purporting to show the account balances in the CDs. Defendant CHON advised that, with respect to the CD accounts from which she had made unauthorized transfers, she would simply input the amount of funds supposedly on deposit into the certificate and then print the certificate for the customer.

e. Defendant CHON often deposited funds she had stolen from customer CD accounts directly into an account at BankAsiana maintained for a business that was run by one of her relatives. She claimed this was more convenient for her than carrying the cash out of the bank.

f. Defendant CHON estimated that she had executed this scheme by taking money from approximately five CD accounts. She claimed to have been shocked when the Auditors advised her that she had taken over \$1 million, saying she could not believe that she had taken that much money.

6. The FBI has since received a substantial amount of records from Wilshire Bank showing that defendant CHON executed this scheme on dozens of occasions, usually taking tens of thousands of dollars in cash at a time. For instance, bank records show that on or about July 22, 2011, defendant CHON made an unauthorized transfer of approximately \$40,000 from an account held at BankAsiana in the name of an individual who will be referred to herein as Customer #1, into the bank's cash accounts, thereby allowing her to take the money in cash from the bank. The documents reflect that defendant CHON's unique computer identifiers are linked to the transactions. During the course of the scheme, the defendant made numerous similar unauthorized transfers from the account of Customer #1 and from accounts of other BankAsiana customers, systematically draining funds from those accounts and transferring the funds to the bank's vault cash account so that she could then remove cash from the bank's vault. The most defendant CHON converted from a customer account on any one occasion took place on or about November 1, 2012, when the defendant made an unauthorized transfer of \$100,000 from a CD account held at BankAsiana from the benefit of another BankAsiana customer.

7. As part of the scheme, defendant CHON sought to avoid detection by making false entries in the bank's records, creating bogus documents purporting to reflect the balances in customers' 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. Indeed, bank records show that during just one week between September 27, 2013 and October 4, 2013, defendant CHON made multiple unauthorized transfers from customer accounts in amounts totaling approximately \$1.2 million to cover losses in other customer accounts that she had previously looted as part of the scheme.

8. From my review of the FDIC's website, I have confirmed that the deposits of BankAsiana were insured by the FDIC at all times during the scheme referenced herein.