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10 Attorneys for Plaintiff
 UNITED STATES OF AMERICA

11 UNITED STATES DISTRICT COURT

12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 UNITED STATES OF AMERICA,

No. CR 23-302-JLS-2

14 Plaintiff,

PLEA AGREEMENT FOR DEFENDANT
LIJUAN CHEN

15 v.

16 LIJUAN CHEN,

17 Defendant.
 18

19
 20 1. This constitutes the plea agreement between Lijuan Chen
 21 ("defendant") and the United States Attorney's Office for the Central
 22 District of California ("the USAO") in the above-captioned case.
 23 This agreement is limited to the USAO and cannot bind any other
 24 federal, state, local, or foreign prosecuting, enforcement,
 25 administrative, or regulatory authorities.

26 DEFENDANT'S OBLIGATIONS

27 2. Defendant agrees to:
 28

1 a. At the earliest opportunity requested by the USAO and
2 provided by the Court, appear and plead guilty to counts one and five
3 of the indictment in United States v. Lijuan Chen, CR No. 23-302-JLS,
4 which charges defendant with violations of 18 U.S.C. § 371 and 18
5 U.S.C. § 501.

6 b. Not contest facts agreed to in this agreement.

7 c. Abide by all agreements regarding sentencing contained
8 in this agreement.

9 d. Appear for all court appearances, surrender as ordered
10 for service of sentence, obey all conditions of any bond, and obey
11 any other ongoing court order in this matter.

12 e. Not commit any crime; however, offenses that would be
13 excluded for sentencing purposes under United States Sentencing
14 Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not
15 within the scope of this agreement.

16 f. Be truthful at all times with the United States
17 Probation and Pretrial Services Office and the Court.

18 g. Pay the applicable special assessments at or before
19 the time of sentencing unless defendant has demonstrated a lack of
20 ability to pay such assessments.

21 h. Defendant agrees that any and all criminal debt
22 ordered by the Court will be due in full and immediately. The
23 government is not precluded from pursuing, in excess of any payment
24 schedule set by the Court, any and all available remedies by which to
25 satisfy defendant's payment of the full financial obligation,
26 including referral to the Treasury Offset Program.

27 i. Complete the Financial Disclosure Statement on a form
28 provided by the USAO and, within 30 days of defendant's entry of a

1 guilty plea, deliver the signed and dated statement, along with all
2 of the documents requested therein, to the USAO by either email at
3 usacac.FinLit@usdoj.gov (preferred) or mail to the USAO Financial
4 Litigation Section at 300 North Los Angeles Street, Suite 7516, Los
5 Angeles, CA 90012. Defendant agrees that defendant's ability to pay
6 criminal debt shall be assessed based on the completed Financial
7 Disclosure Statement and all required supporting documents, as well
8 as other relevant information relating to ability to pay.

9 j. Authorize the USAO to obtain a credit report upon
10 returning a signed copy of this plea agreement.

11 k. Consent to the USAO inspecting and copying all of
12 defendant's financial documents and financial information held by the
13 United States Probation and Pretrial Services Office.

14 l. Defendant further agrees:

15 i. To forfeit, on behalf of defendant and any entity
16 in which defendant has held an ownership interest or has served as an
17 officer, director, manager, partner, trustee, or other representative
18 (which entities are collectively referred to herein as the "Defendant
19 Entities" and include, without limitation, First Dragon Investment
20 Inc., ZHC Logistics Inc., First Monkey Group Inc., Third Monkey
21 International Inc., Second Monkey Investment Inc., Fourth Monkey
22 International Inc., Fifth Monkey Investment Inc.), to the extent
23 Defendant has the ability to do so on behalf of Defendant Entities,
24 all right, title, and interest in and to any and all monies,
25 properties, and/or assets of any kind, derived from or acquired as a
26 result of, or used to facilitate the commission of, or involved in
27 the illegal activity to which defendant is pleading guilty

28

1 (collectively the "Forfeitable Property"), specifically including,
2 but not limited to, the following:

3 ii. All funds on deposit in an East West Bank
4 Certificate of Deposit account ending in 9982, held in the name of
5 First Dragon Investment Inc., and seized pursuant to a federal
6 seizure warrant executed on or about June 30, 2023;

7 iii. All funds on deposit in an East West Bank
8 Certificate of Deposit account ending in 3634, held in the name of
9 ZHC Logistics Inc., and seized pursuant to a federal seizure warrant
10 executed on or about June 30, 2023;

11 iii. All funds on deposit in an East West Bank
12 Certificate of Deposit account ending in 6941, held in the name of
13 ZHC Logistics Inc., and seized pursuant to a federal seizure warrant
14 executed on or about June 30, 2023;

15 iv. All funds on deposit in an East West Bank
16 Certificate of Deposit account ending in 2997, held in the name of
17 First Dragon Investment Inc., and seized pursuant to a federal
18 seizure warrant executed on or about June 30, 2023;

19 v. Real property commonly known as 1357 Bellavista
20 Drive, Walnut, California 91789 (APN 8762-022-022);

21 vii. Real property commonly known as 14244 Willamette
22 Ave., Chino, California 91710 (APN 1026-362-02-0000);

23 viii. Real property commonly known as 6575 Mogano
24 Dr., Chino, California 91710 (APN 1051-643-58-0000);

25 viii. Real property commonly known as 11080 Garvey
26 Ave., South El Monte, California 91733 (APN 8105-001-106);

27 ix. Real property commonly known as 3207 Edgewood Rd.,
28 West Covina, California 91791 (APN 8480-002-099);

1 x. Real property commonly known as 35 Weiss Dr.,
2 South El Monte, California 91733 (APN 8119-008-090);

3 xi. Real property commonly known as 15335 Lotus
4 Circle, Chino Hills, California 91709 (APN 1028-103-81-0000);

5 xii. Real property commonly known as 16140 Sereno Ln,
6 Chino Hills, California 91709 (APN 1028-671-61-0000);

7 xiii. Real property commonly known as 6968 Silverado
8 St., Chino, California 91710 (APN 1053-061-49-0-000);

9 xiv. Real property commonly known as 1205 Porto
10 Grande, Unit 2, Diamond Bar, California 91765 (APN 8293-046-013);

11 xv. Real property commonly known as 15902 Ellington
12 Way, Chino Hills, California 91709 (APN 1028-661-28-0-000);

13 xvi. Real property commonly known as 14409 Figueroa
14 Ln, Chino, California 91710 (APN 1053-611-31-0000); and

15 xvii. Insurance policies held with New York Life
16 Insurance Company with the policy numbers ending #39844, #60938,
17 #63430, #35643, #35644, and #55644.

18 m. To the Court's entry of an order of forfeiture at or
19 before sentencing with respect to the Forfeitable Property.

20 n. That the Preliminary Order of Forfeiture shall become
21 final as to the defendant upon entry.

22 o. To take whatever steps are necessary to pass to the
23 United States clear title to the Forfeitable Property, including,
24 without limitation, the execution of a consent decree of forfeiture
25 and the completing of any other legal documents required for the
26 transfer of title to the United States.

27 p. Not to contest any administrative forfeiture
28 proceedings or civil judicial proceedings commenced against the

1 Forfeitable Property. If defendant submitted a claim and/or petition
2 for remission for all or part of the Forfeitable Property on behalf
3 of herself or any other individual or entity, defendant shall and
4 hereby does withdraw any such claims or petitions, and further agrees
5 to waive any right she may have to seek remission or mitigation of
6 the forfeiture of the Forfeitable Property. Defendant further waives
7 any and all notice requirements of 18 U.S.C. § 983(a)(1)(A).

8 q. Not to assist any other individual in any effort
9 falsely to contest the forfeiture of the Forfeitable Property.

10 r. Not to claim that reasonable cause to seize the
11 Forfeitable Property was lacking.

12 s. To prevent the transfer, sale, destruction, or loss of
13 the Forfeitable Property to the extent defendant has the ability to
14 do so.

15 t. To fill out and deliver to the USAO a completed
16 financial statement listing defendant's assets on a form provided by
17 the USAO.

18 u. That forfeiture of Forfeitable Property shall not be
19 counted toward satisfaction of any special assessment, fine,
20 restitution, costs, or other penalty the Court may impose.

21 v. That with respect to any criminal forfeiture ordered
22 as a result of this agreement, defendant waives: (1) the requirements
23 of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding
24 notice of the forfeiture in the charging instrument, announcements of
25 the forfeiture at sentencing, and incorporation of the forfeiture in
26 the judgment; (2) all constitutional and statutory challenges to the
27 forfeiture (including by direct appeal, habeas corpus or any other
28 means); and (3) all constitutional, legal, and equitable defenses to

1 the forfeiture of the Forfeitable Property in any proceeding on any
2 grounds including, without limitation, that the forfeiture
3 constitutes an excessive fine or punishment. Defendant acknowledges
4 that the forfeiture of the Forfeitable Property is part of the
5 sentence that may be imposed in this case and waives any failure by
6 the Court to advise defendant of this, pursuant to Federal Rule of
7 Criminal Procedure 11(b)(1)(J), at the time the Court accepts
8 defendant's guilty pleas.

9 3. Defendant further agrees to cooperate fully with the USAO,
10 the United States Postal Inspection Service, and, as directed by the
11 USAO, any other federal, state, local, or foreign prosecuting,
12 enforcement, administrative, or regulatory authority. This
13 cooperation requires defendant to:

14 a. Respond truthfully and completely to all questions
15 that may be put to defendant, whether in interviews, before a grand
16 jury, or at any trial or other court proceeding.

17 b. Attend all meetings, grand jury sessions, trials or
18 other proceedings at which defendant's presence is requested by the
19 USAO or compelled by subpoena or court order.

20 c. Produce voluntarily all documents, records, or other
21 tangible evidence relating to matters about which the USAO, or its
22 designee, inquires.

23 4. For purposes of this agreement: (1) "Cooperation
24 Information" shall mean any statements made, or documents, records,
25 tangible evidence, or other information provided, by defendant
26 pursuant to defendant's cooperation under this agreement or pursuant
27 to the letter agreement previously entered into by the parties dated
28 October 26, 2023 (the "Letter Agreement"); and (2) "Plea Information"

1 shall mean any statements made by defendant, under oath, at the
2 guilty plea hearing and the agreed to factual basis statement in this
3 agreement.

4 THE USAO'S OBLIGATIONS

5 5. The USAO agrees to:

6 a. Not contest facts agreed to in this agreement.

7 b. Abide by all agreements regarding sentencing contained
8 in this agreement.

9 c. At the time of sentencing, move to dismiss the
10 remaining counts of the indictment as against defendant. Defendant
11 agrees, however, that at the time of sentencing the Court may
12 consider any dismissed charges in determining the applicable
13 Sentencing Guidelines range, the propriety and extent of any
14 departure from that range, and the sentence to be imposed.

15 d. At the time of sentencing, provided that defendant
16 demonstrates an acceptance of responsibility for the offenses up to
17 and including the time of sentencing, recommend a two-level reduction
18 in the applicable Sentencing Guidelines offense level, pursuant to
19 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an
20 additional one-level reduction if available under that section.

21 6. The USAO further agrees:

22 a. Not to offer as evidence in its case-in-chief in the
23 above-captioned case or any other criminal prosecution that may be
24 brought against defendant by the USAO, or in connection with any
25 sentencing proceeding in any criminal case that may be brought
26 against defendant by the USAO, any Cooperation Information.

27 Defendant agrees, however, that the USAO may use both Cooperation
28 Information and Plea Information: (1) to obtain and pursue leads to

1 other evidence, which evidence may be used for any purpose, including
2 any criminal prosecution of defendant; (2) to cross-examine defendant
3 should defendant testify, or to rebut any evidence offered, or
4 argument or representation made, by defendant, defendant's counsel,
5 or a witness called by defendant in any trial, sentencing hearing, or
6 other court proceeding; and (3) in any criminal prosecution of
7 defendant for false statement, obstruction of justice, or perjury.

8 b. Not to use Cooperation Information against defendant
9 at sentencing for the purpose of determining the applicable guideline
10 range, including the appropriateness of an upward departure, or the
11 sentence to be imposed, and to recommend to the Court that
12 Cooperation Information not be used in determining the applicable
13 guideline range or the sentence to be imposed. Defendant
14 understands, however, that Cooperation Information will be disclosed
15 to the United States Probation and Pretrial Services Office and the
16 Court, and that the Court may use Cooperation Information for the
17 purposes set forth in U.S.S.G § 1B1.8(b) and for determining the
18 sentence to be imposed.

19 c. In connection with defendant's sentencing, to bring to
20 the Court's attention the nature and extent of defendant's
21 cooperation.

22 d. If the USAO determines, in its exclusive judgment,
23 that defendant has both complied with defendant's obligations under
24 paragraphs 2 and 3 above and provided substantial assistance to law
25 enforcement in the prosecution or investigation of another
26 ("substantial assistance"), to move the Court pursuant to U.S.S.G.
27 § 5K1.1 to fix an offense level and corresponding guideline range
28

1 below that otherwise dictated by the sentencing guidelines, and to
2 recommend a term of imprisonment within this reduced range.

3 e. Not further criminally prosecute defendant for
4 violations of 18 U.S.C. § 501 arising out of defendant's conduct
5 described in the agreed-to factual basis set forth in Attachment A.
6 Defendant understands that the USAO is free to criminally prosecute
7 defendant for any unlawful conduct that occurs after the date of this
8 agreement. Defendant agrees that at the time of sentencing the Court
9 may consider the uncharged conduct in determining the applicable
10 Sentencing Guidelines range, the propriety and extent of any
11 departure from that range, and the sentence to be imposed after
12 consideration of the Sentencing Guidelines and all other relevant
13 factors under 18 U.S.C. § 3553(a).

14 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

15 7. Defendant understands the following:

16 a. Any knowingly false or misleading statement by
17 defendant will subject defendant to prosecution for false statement,
18 obstruction of justice, and perjury and will constitute a breach by
19 defendant of this agreement.

20 b. Nothing in this agreement requires the USAO or any
21 other prosecuting, enforcement, administrative, or regulatory
22 authority to accept any cooperation or assistance that defendant may
23 offer, or to use it in any particular way.

24 c. Defendant cannot withdraw defendant's guilty pleas if
25 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a
26 reduced guideline range or if the USAO makes such a motion and the
27 Court does not grant it or if the Court grants such a USAO motion but
28 elects to sentence above the reduced range.

1 a. Defendant made, printed, knowingly used or sold, or
2 possessed with the intent to use or sell, forged or counterfeit
3 postage meter stamps; and

4 b. At the time defendant made, printed, knowingly used or
5 sold, or possessed with the intent to use or sell such postage meter
6 stamps, defendant knew the postage meter stamps were forged or
7 counterfeit.

8 PENALTIES AND RESTITUTION

9 10. Defendant understands that the statutory maximum sentence
10 that the Court can impose for a violation of Title 18, United States
11 Code, Section 371, is: 5 years' imprisonment; a 3-year period of
12 supervised release; a fine of \$250,000 or twice the gross gain or
13 gross loss resulting from the offense, whichever is greatest; and a
14 mandatory special assessment of \$100. Defendant understands that the
15 statutory maximum sentence that the Court can impose for a violation
16 of Title 18, United States Code, Section 501, is: 5 years'
17 imprisonment; a 3-year period of supervised release; a fine of
18 \$250,000 or twice the gross gain or gross loss resulting from the
19 offense, whichever is greatest; and a mandatory special assessment of
20 \$100.

21 11. Defendant understands, therefore, that the total maximum
22 sentence for all offenses to which defendant is pleading guilty is:
23 10 years imprisonment; a 3-year period of supervised release; a fine
24 of \$500,000 or twice the gross gain or gross loss resulting from the
25 offenses, whichever is greatest; and a mandatory special assessment
26 of \$200.

27 12. Defendant understands that defendant will be required to
28 pay full restitution to the victim of the offenses to which defendant

1 is pleading guilty. Defendant agrees that, in return for the USAO's
2 compliance with its obligations under this agreement, the Court may
3 order restitution to persons other than the victim of the offenses to
4 which defendant is pleading guilty and in amounts greater than those
5 alleged in the counts to which defendant is pleading guilty. In
6 particular, defendant agrees that the Court may order restitution to
7 any victim of any of the following for any losses suffered by that
8 victim as a result: (a) any relevant conduct, as defined in U.S.S.G.
9 § 1B1.3, in connection with the offenses to which defendant is
10 pleading guilty; and (b) any counts dismissed pursuant to this
11 agreement as well as all relevant conduct, as defined in U.S.S.G. §
12 1B1.3, in connection with those counts. The parties currently
13 believe that the applicable amount of restitution is approximately
14 \$158,288,991, but recognize and agree that this amount could change
15 based on facts that come to the attention of the parties prior to
16 sentencing.

17 13. Defendant understands that supervised release is a period
18 of time following imprisonment during which defendant will be subject
19 to various restrictions and requirements. Defendant understands that
20 if defendant violates one or more of the conditions of any supervised
21 release imposed, defendant may be returned to prison for all or part
22 of the term of supervised release authorized by statute for the
23 offense that resulted in the term of supervised release, which could
24 result in defendant serving a total term of imprisonment greater than
25 the statutory maximum stated above.

26 14. Defendant understands that, by pleading guilty, defendant
27 may be giving up valuable government benefits and valuable civic
28 rights, such as the right to vote, the right to possess a firearm,

1 the right to hold office, and the right to serve on a jury.
2 Defendant understands that she is pleading guilty to a felony and
3 that it is a federal crime for a convicted felon to possess a firearm
4 or ammunition. Defendant understands that the convictions in this
5 case may also subject defendant to various other collateral
6 consequences, including but not limited to revocation of probation,
7 parole, or supervised release in another case and suspension or
8 revocation of a professional license. Defendant understands that
9 unanticipated collateral consequences will not serve as grounds to
10 withdraw defendant's guilty pleas.

11 15. Defendant and her counsel have discussed the fact that, and
12 defendant understands that, if defendant is not a United States
13 citizen, the convictions in this case makes it practically inevitable
14 and a virtual certainty that defendant will be removed or deported
15 from the United States. Defendant may also be denied United States
16 citizenship and admission to the United States in the future.
17 Defendant understands that while there may be arguments that
18 defendant can raise in immigration proceedings to avoid or delay
19 removal, removal is presumptively mandatory and a virtual certainty
20 in this case. Defendant further understands that removal and
21 immigration consequences are the subject of a separate proceeding and
22 that no one, including her attorney or the Court, can predict to an
23 absolute certainty the effect of her convictions on her immigration
24 status. Defendant nevertheless affirms that she wants to plead
25 guilty regardless of any immigration consequences that her pleas may
26 entail, even if the consequence is automatic removal from the United
27 States.

28

FACTUAL BASIS

1
2 16. Defendant admits that defendant is, in fact, guilty of the
3 offenses to which defendant is agreeing to plead guilty. Defendant
4 and the USAO agree to the statement of facts provided in the
5 attachment marked as Attachment A, and agree that this statement of
6 facts is sufficient to support pleas of guilty to the charges
7 described in this agreement and to establish the Sentencing
8 Guidelines factors set forth in paragraph 18 below but is not meant
9 to be a complete recitation of all facts relevant to the underlying
10 criminal conduct or all facts known to either party that relate to
11 that conduct.

SENTENCING FACTORS

12
13 17. Defendant understands that in determining defendant's
14 sentence the Court is required to calculate the applicable Sentencing
15 Guidelines range and to consider that range, possible departures
16 under the Sentencing Guidelines, and the other sentencing factors set
17 forth in 18 U.S.C. § 3553(a). Defendant understands that the
18 Sentencing Guidelines are advisory only, that defendant cannot have
19 any expectation of receiving a sentence within the calculated
20 Sentencing Guidelines range, and that after considering the
21 Sentencing Guidelines and the other § 3553(a) factors, the Court will
22 be free to exercise its discretion to impose any sentence it finds
23 appropriate up to the maximum set by statute for the crimes of
24 conviction.

25 18. Defendant and the USAO agree to the following applicable
26 Sentencing Guidelines factors:

27 Base Offense Level: 9 [U.S.S.G. § 2B5.1]

1 Specific Offense
2 Characteristics:

3	Loss Amount Between \$150 Million - \$250 Million	26	[U.S.S.G. §§ 2B5.1(b)(1)]
4	Manufacture of Counterfeit Government Obligations:	2	[U.S.S.G. § 2B5.1(b)(2)]
5	Part of Offense Committed Outside United States	2	[U.S.S.G. § 2B5.1(b)(5)]
7	Role in the Offense:		
8	Organizer or Manager in Criminal Activity	2	[U.S.S.G. § 3B1.1]

9
10 Defendant and the USAO reserve the right to argue that additional
11 specific offense characteristics, adjustments, and departures under
12 the Sentencing Guidelines are appropriate.

13 19. Defendant understands that there is no agreement as to
14 defendant's criminal history or criminal history category.

15 20. Defendant and the USAO reserve the right to argue for a
16 sentence outside the sentencing range established by the Sentencing
17 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),
18 (a)(2), (a)(3), (a)(6), and (a)(7).

19 WAIVER OF CONSTITUTIONAL RIGHTS

20 21. Defendant understands that by pleading guilty, defendant
21 gives up the following rights:

- 22 a. The right to persist in a plea of not guilty.
23 b. The right to a speedy and public trial by jury.
24 c. The right to be represented by counsel - and if
25 necessary have the Court appoint counsel - at trial. Defendant
26 understands, however, that, defendant retains the right to be
27 represented by counsel - and if necessary have the Court appoint
28 counsel - at every other stage of the proceeding.

1 d. The right to be presumed innocent and to have the
2 burden of proof placed on the government to prove defendant guilty
3 beyond a reasonable doubt.

4 e. The right to confront and cross-examine witnesses
5 against defendant.

6 f. The right to testify and to present evidence in
7 opposition to the charges, including the right to compel the
8 attendance of witnesses to testify.

9 g. The right not to be compelled to testify, and, if
10 defendant chose not to testify or present evidence, to have that
11 choice not be used against defendant.

12 h. Any and all rights to pursue any affirmative defenses,
13 Fourth Amendment or Fifth Amendment claims, and other pretrial
14 motions that have been filed or could be filed.

15 WAIVER OF APPEAL OF CONVICTION

16 22. Defendant understands that, with the exception of an appeal
17 based on a claim that defendant's guilty pleas were involuntary, by
18 pleading guilty defendant is waiving and giving up any right to
19 appeal defendant's convictions on the offenses to which defendant is
20 pleading guilty. Defendant understands that this waiver includes,
21 but is not limited to, arguments that the statutes to which defendant
22 is pleading guilty are unconstitutional, and any and all claims that
23 the statement of facts provided herein is insufficient to support
24 defendant's pleas of guilty.

25 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

26 23. Defendant agrees that, provided the Court imposes a total
27 term of imprisonment on all counts of conviction of no more than 120
28 months defendant gives up the right to appeal all of the following:

1 (a) the procedures and calculations used to determine and impose any
2 portion of the sentence; (b) the term of imprisonment imposed by the
3 Court; (c) the fine imposed by the Court, provided it is within the
4 statutory maximum; (d) to the extent permitted by law, the
5 constitutionality or legality of defendant's sentence, provided it is
6 within the statutory maximum; e) the amount and terms of any
7 restitution order, provided it requires payment of no more than
8 \$158,288,991; (f) the term of probation or supervised release imposed
9 by the Court, provided it is within the statutory maximum; and
10 (g) any of the following conditions of probation or supervised
11 release imposed by the Court: the conditions set forth in Second
12 Amended General Order 20-04 of this Court; the drug testing
13 conditions mandated by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the
14 alcohol and drug use conditions authorized by 18 U.S.C. § 3563(b)(7).

15 24. Defendant also gives up any right to bring a post-
16 conviction collateral attack on the convictions or sentence,
17 including any order of restitution, except a post-conviction
18 collateral attack based on a claim of ineffective assistance of
19 counsel, a claim of newly discovered evidence, or an explicitly
20 retroactive change in the applicable Sentencing Guidelines,
21 sentencing statutes, or statutes of conviction. Defendant understands
22 that this waiver includes, but is not limited to, arguments that the
23 statutes to which defendant is pleading guilty are unconstitutional,
24 and any and all claims that the statement of facts provided herein is
25 insufficient to support defendant's pleas of guilty.

26 25. The USAO agrees that, provided all portions of the sentence
27 are at or below the statutory maximum specified above the USAO gives
28 up its right to appeal any portion of the sentence, with the

1 exception that the USAO reserves the right to appeal the following:
2 (a) the amount of restitution ordered if that amount is less than
3 \$158,288,991.

4 RESULT OF WITHDRAWAL OF GUILTY PLEA

5 26. Defendant agrees that if, after entering guilty pleas
6 pursuant to this agreement, defendant seeks to withdraw and succeeds
7 in withdrawing defendant's guilty pleas on any basis other than a
8 claim and finding that entry into this plea agreement was
9 involuntary, then (a) the USAO will be relieved of all of its
10 obligations under this agreement, including in particular its
11 obligations regarding the use of Cooperation Information; (b) in any
12 investigation, criminal prosecution, or civil, administrative, or
13 regulatory action, defendant agrees that any Cooperation Information
14 and any evidence derived from any Cooperation Information shall be
15 admissible against defendant, and defendant will not assert, and
16 hereby waives and gives up, any claim under the United States
17 Constitution, any statute, or any federal rule, that any Cooperation
18 Information or any evidence derived from any Cooperation Information
19 should be suppressed or is inadmissible; and (c) should the USAO
20 choose to pursue any charge or any civil, administrative, or
21 regulatory action that was either dismissed or not filed as a result
22 of this agreement, then (i) any applicable statute of limitations
23 will be tolled between the date of defendant's signing of this
24 agreement and the filing commencing any such action; and
25 (ii) defendant waives and gives up all defenses based on the statute
26 of limitations, any claim of pre-indictment delay, or any speedy
27 trial claim with respect to any such action, except to the extent

1 that such defenses existed as of the date of defendant's signing this
2 agreement.

3 27. Defendant agrees that if any count of conviction is
4 vacated, reversed, or set aside, the USAO may: (a) ask the Court to
5 resentence defendant on any remaining count of conviction, with both
6 the USAO and defendant being released from any stipulations regarding
7 sentencing contained in this agreement, (b) ask the Court to void the
8 entire plea agreement and vacate defendant's guilty pleas on any
9 remaining count of conviction, with both the USAO and defendant being
10 released from all their obligations under this agreement, or
11 (c) leave defendant's remaining conviction, sentence, and plea
12 agreement intact. Defendant agrees that the choice among these three
13 options rests in the exclusive discretion of the USAO.

14 EFFECTIVE DATE OF AGREEMENT

15 28. This agreement is effective upon signature and execution of
16 all required certifications by defendant, defendant's counsel, and an
17 Assistant United States Attorney.

18 BREACH OF AGREEMENT

19 29. Defendant agrees that if defendant, at any time after the
20 the effective date of this agreement, knowingly violates or fails to
21 perform any of defendant's obligations under this agreement ("a
22 breach"), the USAO may declare this agreement breached. For example,
23 if defendant knowingly, in an interview, before a grand jury, or at
24 trial, falsely accuses another person of criminal conduct or falsely
25 minimizes defendant's own role, or the role of another, in criminal
26 conduct, defendant will have breached this agreement. All of
27 defendant's obligations are material, a single breach of this
28 agreement is sufficient for the USAO to declare a breach, and

1 defendant shall not be deemed to have cured a breach without the
2 express agreement of the USAO in writing. If the USAO declares this
3 agreement breached, and the Court finds such a breach to have
4 occurred, then:

5 a. If defendant has previously entered guilty pleas
6 pursuant to this agreement, defendant will not be able to withdraw
7 the guilty pleas.

8 b. The USAO will be relieved of all its obligations under
9 this agreement; in particular, the USAO: (i) will no longer be bound
10 by any agreements concerning sentencing and will be free to seek any
11 sentence up to the statutory maximum for the crimes to which
12 defendant has pleaded guilty; (ii) will no longer be bound by any
13 agreements regarding criminal prosecution, and will be free to
14 criminally prosecute defendant for any crime, including charges that
15 the USAO would otherwise have been obligated to dismiss pursuant to
16 this agreement; and (iii) will no longer be bound by any agreement
17 regarding the use of Cooperation Information and will be free to use
18 any Cooperation Information in any way in any investigation, criminal
19 prosecution, or civil, administrative, or regulatory action.

20 c. The USAO will be free to criminally prosecute
21 defendant for false statement, obstruction of justice, and perjury
22 based on any knowingly false or misleading statement by defendant.

23 d. In any investigation, criminal prosecution, or civil,
24 administrative, or regulatory action: (i) defendant will not assert,
25 and hereby waives and gives up, any claim that any Cooperation
26 Information was obtained in violation of the Fifth Amendment
27 privilege against compelled self-incrimination; and (ii) defendant
28 agrees that any Cooperation Information and any Plea Information, as

1 well as any evidence derived from any Cooperation Information or any
2 Plea Information, shall be admissible against defendant, and
3 defendant will not assert, and hereby waives and gives up, any claim
4 under the United States Constitution, any statute, Rule 410 of the
5 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of
6 Criminal Procedure, or any other federal rule, that any Cooperation
7 Information, any Plea Information, or any evidence derived from any
8 Cooperation Information or any Plea Information should be suppressed
9 or is inadmissible.

10 30. Following the Court's finding of a knowing breach of this
11 agreement by defendant, should the USAO choose to pursue any charge
12 that was either dismissed or not filed as a result of this agreement,
13 then:

14 a. Defendant agrees that any applicable statute of
15 limitations is tolled between the date of defendant's signing of this
16 agreement and the filing commencing any such action.

17 b. Defendant waives and gives up all defenses based on
18 the statute of limitations, any claim of pre-indictment delay, or any
19 speedy trial claim with respect to any such action, except to the
20 extent that such defenses existed as of the date of defendant's
21 signing this agreement.

22 COURT AND UNITED STATES PROBATION AND PRETRIAL SERVICES

23 OFFICE NOT PARTIES

24 31. Defendant understands that the Court and the United States
25 Probation and Pretrial Services Office are not parties to this
26 agreement and need not accept any of the USAO's sentencing
27 recommendations or the parties' agreements to facts or sentencing
28 factors.

1 32. Defendant understands that both defendant and the USAO are
2 free to: (a) supplement the facts by supplying relevant information
3 to the United States Probation and Pretrial Services Office and the
4 Court, (b) correct any and all factual misstatements relating to the
5 Court's Sentencing Guidelines calculations and determination of
6 sentence, and (c) argue on appeal and collateral review that the
7 Court's Sentencing Guidelines calculations and the sentence it
8 chooses to impose are not error, although each party agrees to
9 maintain its view that the calculations in paragraph 18 are
10 consistent with the facts of this case. While this paragraph permits
11 both the USAO and defendant to submit full and complete factual
12 information to the United States Probation and Pretrial Services
13 Office and the Court, even if that factual information may be viewed
14 as inconsistent with the facts agreed to in this agreement, this
15 paragraph does not affect defendant's and the USAO's obligations not
16 to contest the facts agreed to in this agreement.

17 33. Defendant understands that even if the Court ignores any
18 sentencing recommendation, finds facts or reaches conclusions
19 different from those agreed to, and/or imposes any sentence up to the
20 maximum established by statute, defendant cannot, for that reason,
21 withdraw defendant's guilty pleas, and defendant will remain bound to
22 fulfill all defendant's obligations under this agreement. Defendant
23 understands that no one -- not the prosecutor, defendant's attorney,
24 or the Court -- can make a binding prediction or promise regarding
25 the sentence defendant will receive, except that it will be within
26 the statutory maximum.

NO ADDITIONAL AGREEMENTS

34. Defendant understands that, except as set forth herein, there are no promises, understandings, or agreements between the USAO and defendant or defendant's attorney, and that no additional promise, understanding, or agreement may be entered into unless in a writing signed by all parties or on the record in court.

PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

35. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

UNITED STATES ATTORNEY'S OFFICE
FOR THE CENTRAL DISTRICT OF
CALIFORNIA

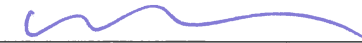
E. MARTIN ESTRADA
United States Attorney



JAMES C. HUGHES
RICHARD E. ROBINSON
Assistant United States Attorneys

April 7, 2024

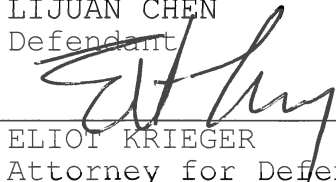
Date



LIJUAN CHEN
Defendant

April 2, 2024

Date



ELIOT KRIEGER
Attorney for Defendant Lijuan Chen

4/2/2024

Date

CERTIFICATION OF DEFENDANT

1
2 This agreement has been read to me in Mandarin Chinese, the
3 language I understand best. I have had enough time to review and
4 consider this agreement, and I have carefully and thoroughly
5 discussed every part of it with my attorney. I understand the terms
6 of this agreement, and I voluntarily agree to those terms. I have
7 discussed the evidence with my attorney, and my attorney has advised
8 me of my rights, of possible pretrial motions that might be filed, of
9 possible defenses that might be asserted either prior to or at trial,
10 of the sentencing factors set forth in 18 U.S.C. § 3553(a), of
11 relevant Sentencing Guidelines provisions, and of the consequences of
12 entering into this agreement. No promises, inducements, or
13 representations of any kind have been made to me other than those
14 contained in this agreement. No one has threatened or forced me in
15 any way to enter into this agreement. I am satisfied with the
16 representation of my attorney in this matter, and I am pleading
17 guilty because I am guilty of the charges and wish to take advantage
18 of the promises set forth in this agreement, and not for any other
19 reason.

20
21 
22 _____
23 LIJUAN CHEN
24 Defendant

20 *April 2, 2024*
21 _____
22 Date

CERTIFICATION OF INTERPRETER

I, Yanyan Liu, am fluent in the written and spoken English and Mandarin Chinese languages. I accurately translated this entire agreement, including Attachment A, from English into Mandarin Chinese to defendant Lijuan Chen on this date.

Yanyan Liu
INTERPRETER

April 2, 2024
Date

CERTIFICATION OF DEFENDANT'S ATTORNEY

I am Lijuan Chen's attorney. I have carefully and thoroughly discussed every part of this agreement with my client. Further, I have fully advised my client of her rights, of possible pretrial motions that might be filed, of possible defenses that might be asserted either prior to or at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines provisions, and of the consequences of entering into this agreement. To my knowledge: no promises, inducements, or representations of any kind have been made to my client other than those contained in this agreement; no one has threatened or forced my client in any way to enter into this agreement; my client's decision to enter into this agreement is an informed and voluntary one; and the factual basis set forth in this agreement is sufficient to support my client's entry of guilty pleas pursuant to this agreement.

Eliot Krieger
ELIOT KRIEGER
Attorney for Defendant Lijuan Chen

4/2/2024
Date

1 symbol with a digital signature. Among other things, the IBI
2 embedded in the coded section of a postage label showed whether the
3 mailer had paid the appropriate amount of postage for the item to be
4 mailed, given the item's designated class of mail.

5 Co-defendant Chuanha Hu and Defendant's Shipping Business

6 4. Defendant and her co-defendant, Chuanhua Hu ("co-defendant
7 Hu"), owned and operated a package shipping business in City of
8 Industry, California. Defendant's customers included e-commerce and
9 logistics businesses in the United States and the People's Republic
10 of China.

11 5. Defendant and co-defendant Hu operated their business
12 through multiple business entities, including: (1) AHC International
13 Group, Inc.; (2) AHC Supply Chain Management, Inc.; (3) Art Plus
14 Technology, Inc.; (4) Coco USA Group, Inc.; (5) Coco USA Group
15 International, Inc.; and (6) ZHC Logistics, Inc.

16 6. Defendant and co-defendant Hu operated their business
17 through one or more warehouses located in City of Industry,
18 California. Defendant and co-defendant Hu provided their customers
19 with, among other services, postage and shipping services for goods
20 to be delivered within the United States. Defendant's and co-
21 defendant Hu's warehouses would receive deliveries of packages on a
22 daily basis from China. Their employees would affix PC Postage
23 shipping labels to these packages and deliver the packages to USPS
24 facilities to be shipped throughout the United States.

25 **B. THE OBJECT OF THE CONSPIRACY**

26 7. Beginning no later than in or about November 2019, and
27 continuing until at least in or about May 2023, in Los Angeles
28 County, within the Central District of California, and elsewhere,

1 defendant and co-defendant Hu knowingly conspired and agreed with
2 each other and with others to defraud the United States by impeding,
3 impairing, obstructing, and defeating the lawful government functions
4 of the USPS in the ascertainment and collection of postal revenues,
5 namely, postage fees on packages shipped by defendant and co-
6 defendant Hu within the United States.

7 **C. THE MANNER AND MEANS OF THE CONSPIRACY**

8 8. The object of the conspiracy was to be carried out, and was
9 carried out, in substance, as follows:

10 a. In late 2019, defendant and co-defendant Hu began
11 providing shipping services, including the shipping of packages via
12 U.S. mail, for logistics businesses located in China. In order to
13 avoid the cost of postage, co-defendant Hu began creating false and
14 counterfeit postage to ship packages. Specifically, co-defendant Hu
15 began printing duplicate and counterfeit Netstamps - denomination
16 stamps that may be purchased online from third-party vendors and
17 printed onto adhesive paper.

18 b. In November 2019, knowing that law enforcement was
19 investigating his use of counterfeit postage, co-defendant Hu fled
20 the United States and moved to China. After fleeing to China, co-
21 defendant Hu began developing various ways to counterfeit postage and
22 avoid detection. In coordination with others, co-defendant Hu began
23 developing a computer program for fabricating counterfeit PC postage
24 shipping labels. Defendant remained in the United States and managed
25 the warehouses used by defendant and co-defendant Hu to ship mail
26 parcels bearing the counterfeit postage printed using the computer
27 program developed by co-defendant Hu and others.

1 c. Beginning in 2020, defendant and co-defendant Hu began
2 affixing, and causing to be affixed, counterfeit PC Postage to mail
3 matter they presented to USPS for delivery. The counterfeit PC
4 Postage used by defendant and co-defendant Hu took two forms: (1)
5 postage labels with altered human-readable information ("altered
6 postage labels"); and (2) postage labels with IBI copied from
7 previously mailed packages ("duplicated postage labels").

8 d. Co-defendant Hu and others working at his direction in
9 China would cause the altered postage labels to contain IBI
10 evidencing prepayment of postage that was insufficient to cover the
11 required costs of shipping the item to which the label was affixed.
12 This was accomplished by co-defendant Hu purchasing PC Postage
13 shipping labels from third-party vendors using false weight and
14 shipping distance information. Co-defendant Hu and others operating
15 at his direction would then alter the human-readable portion of the
16 purchased shipping labels to conform to the actual weight and
17 shipping distance of the subject mail.

18 e. Co-defendant Hu and others working at his direction
19 would cause the duplicated postage labels to contain IBI copied from
20 PC Postage shipping labels purchased for previous mailings, thereby
21 avoiding the need to pay for the postage shown on the duplicated
22 label. Co-defendant Hu and others operating at his direction would
23 transpose and cause to be transposed the copied IBI onto fabricated
24 shipping labels designed to mimic the PC Postage shipping labels of
25 third-party postage vendors.

26 f. Co-defendant Hu and others operating at his direction
27 created web-portals that customers could use to order counterfeit PC
28 Postage. Customers would enter the relevant information for each

1 package (e.g., recipient name and address, weight) into the web
2 portal, and receive a unique barcode corresponding to each package.
3 Customers would then affix the barcodes to their packages and ship
4 the packages, via airmail, to the warehouse managed by defendant.
5 Defendant and others operating at her direction would then scan the
6 barcodes on the packages into the web-portal created by co-defendant
7 Hu, and thereby access the counterfeit PC postage shipping labels
8 created for each package. Defendant and others operating at her
9 direction would then print the counterfeit PC postage shipping labels
10 and affix them to each package. Finally, individuals operating at
11 defendant's direction would deliver the packages bearing the
12 counterfeit PC postage shipping labels to USPS distribution centers
13 for acceptance and shipping.

14 g. In May 2020, packages mailed by defendant and co-
15 defendant Hu began to be rejected with greater frequency by USPS
16 distribution centers in Southern California. To avoid detection by
17 USPS, defendant and co-defendant Hu began shipping packages bearing
18 counterfeit PC postage shipping labels to other warehouse owners in
19 Ohio and Texas. When one of these warehouse owners was subsequently
20 confronted by USPIIS postal inspectors and contacted defendant,
21 defendant advised the warehouse owner not to worry and instructed him
22 to falsely claim that he received the packages from China and that he
23 did not know the subject packages bore counterfeit postage.
24 Defendant and co-defendant Hu subsequently ceased shipping packages
25 to Ohio and Texas.

26 h. Between 2020 and 2023, defendant and co-defendant Hu
27 would routinely cause tens of thousands of parcels bearing
28 counterfeit PC postage shipping labels to be delivered to USPS

1 distribution centers in a single day. The subject parcels would be
2 stored in large cardboard boxes known as "gaylords", typically
3 measuring 48" x 40" X 36." In order to increase the probability that
4 their packages would be accepted at USPS distribution centers,
5 defendant and co-defendant Hu, and individuals operating at their
6 direction, would frequently arrange the parcels in each gaylord so
7 that the top layer of parcels (i.e. the parcels visible to anyone
8 looking inside the top of the gaylord) were comprised primarily of
9 altered postage rather than duplicated postage. Defendant and co-
10 defendant Hu employed this strategy based on the shared belief that
11 the altered postage was more likely to pass inspection by USPS
12 personnel than the duplicated postage. When placing parcels bearing
13 counterfeit PC postage shipping labels in each gaylord, defendant and
14 co-defendant Hu, and others operating at their direction, would
15 ensure that at least 10% of the parcels in each gaylord bore altered
16 postage.

17 9. Between January 2020 and May 2023, defendant and co-
18 defendant Hu knowingly mailed and caused to be mailed over 34 million
19 parcels containing counterfeit PC postage shipping labels, causing
20 losses to the USPS of over \$150 million.

21 **D. OVERT ACTS**

22 10. In furtherance of the conspiracy, and to accomplish its
23 object, defendant and co-defendant Hu, together with others operating
24 at their direction, on or about the following dates, committed and
25 willfully caused others to commit the following overt acts, among
26 others, within the Central District of California and elsewhere:

27 Overt Act No. 1: On October 25, 2022, defendant and co-
28 defendant Hu caused to be transported to the USPS LA P&DC a delivery

1 of approximately 4,779 packages to be shipped via U.S. mail. This
2 delivery included multiple packages bearing counterfeit USPS Priority
3 Mail postage meter stamps. The counterfeit USPS Priority Mail
4 postage meter stamps affixed to these packages included both altered
5 postage labels and duplicated postage labels.

6 Overt Act No. 2: On May 23, 2023, at a warehouse facility
7 located at 16285 Gale Avenue, City of Industry, California, defendant
8 and co-defendant Hu caused to be printed over 17,000 counterfeit USPS
9 First Class Mail postage stamps, including both altered postage
10 labels and duplicated postage labels.

11 **E. Defendant's Forging of Counterfeit Postage on May 24, 2023**

12 11. On or about May 24, 2023, in Los Angeles County, within the
13 Central District of California, and elsewhere, defendant knowingly
14 forged and counterfeited, and caused to be forged and counterfeited,
15 a United States Postal Service First Class Mail postage meter stamp
16 on a package addressed from "online seller" of San Bernardino,
17 California, to J.W. of Sterling Heights, Michigan, and knowingly
18 possessed with intent to use such forged and counterfeited postage
19 meter stamp.

20 ***

21 I have read this STATEMENT OF FACTS in support of the plea
22 agreement in its entirety, and signed my initials at the lower right
23 corner of each page to confirm that. I have had enough time to
24 review and consider this statement of facts, and I have carefully and
25 thoroughly discussed every part of it with my attorney. I agree that
26 this statement of facts is sufficient to support pleas of guilty to
27 the charges described in the plea agreement and to establish the
28

1 Sentencing Guidelines factors set forth in paragraph 18 of the plea
2 agreement.

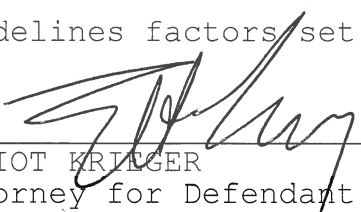
3 

LIJUAN CHEN

Date

April 2, 2024

5 I am LIJIUAN CHEN's attorney. I have carefully and thoroughly
6 discussed every part of this statement of facts with my client and
7 agree that it is sufficient to support pleas of guilty to the charges
8 described in the plea agreement and to establish the Sentencing
9 Guidelines factors set forth in paragraph 18 of the plea agreement.

10 

ELLIOT KRUEGER
Attorney for Defendant Lijuan Chen

Date

4/2/2024