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Political Dissident or \$1 Billion Fraudster? A Chinese Tycoon Heads to Trial

Jurors to weigh the fate of high-living developer and Beijing critic Guo Wengui, who linked up with Steve Bannon

By *James T. Areddy* [Follow](#)

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Guo Wengui, a showy Beijing property-developer-turned-critic of China, will face trial Wednesday in New York on federal racketeering charges that allege he leveraged opposition to the Chinese Communist Party into a \$1 billion fraud that funded his own lavish lifestyle.

The case against Guo, who joined forces with Americans like former Trump adviser Steve Bannon and hedge-fund manager Kyle Bass to build a business around their shared criticism of Beijing, mixes Chinese money and intrigue with Wall Street and the media, against a backdrop of allegations of Beijing law enforcement meddling on U.S. soil.

An enigmatic character thought to be in his mid-50s and known by a half-dozen names, including Miles Kwok, Guo built fabulous wealth in China with projects to suit Beijing's priorities, like a dragon-shaped complex for the 2008 Summer Olympic Games.

Then a decade ago, Guo self-exiled to the U.S., where he began to trumpet scathing corruption allegations against senior members of the Chinese Communist Party. His outspokenness sparked a manhunt in the U.S. by Chinese agents and endeared Guo to Beijing critics, thousands of whom poured money into his ventures.

A Manhattan jury's tough task: deciding whether Guo is "a true political dissident or a fraudster," as the trial judge put it in one pretrial ruling.



Pangu Plaza, a dragon-shaped complex in Beijing, was one of Guo's projects. PHOTO: ZHANG PENG/LIGHTROCKET/GETTY IMAGES

The Justice Department charged Guo with over a dozen counts, including violating the Racketeer Influenced and Corrupt Organizations Act, for what it said was a scheme to harness distrust of the Chinese Communist Party to market and illegally sell investments in a media company, a membership club and his own cryptocurrency. The prosecution claims Guo raised over \$1 billion from his followers in the Chinese diaspora, and then diverted at least \$300 million into currency bets, sports cars, a yacht and a mansion to sustain his billionaire image.

The trial is expected to highlight Guo's relationships with Bannon and Bass, both vocal foes of China and nonexecutive directors of Guo's GTV Media Group. Neither man was charged, though the government has described Bannon as a Guo co-conspirator and alleged Guo put \$100 million into a Bass-run hedge fund, which promptly lost roughly a third of it trading currency derivatives.

Representatives for Bannon and Bass didn't respond to questions. Bass is expected to testify. Bannon, arrested onboard Guo's yacht, is expected to report to prison soon on unrelated charges.



Former Trump adviser Steve Bannon greeted Guo Wengui in 2018 in New York. PHOTO: DON EMMERT/AGENCE FRANCE-PRESSE/GETTY IMAGES

Pressure campaigns

On its face a fraud trial, the case is also among a handful of federal prosecutions now winding their way through New York courts that promise to detail how China has sought to exercise legal power within the U.S., or what the government calls transnational repression.

While the other prosecutions target suspected Chinese agents and alleged managers of a Chinese police outpost in New York, Guo's defense is expected to argue that his actions were efforts to evade that kind of Chinese pressure. The government's challenge will be to prove that the defendant turned Chinese coercion into a fundraising gimmick.

Shortly before the trial, a Guo co-defendant, his former chief of staff Yvette Wang, pleaded guilty to wire fraud and money laundering, which the government said together carry penalties of \$1.4 billion and a maximum prison term of 10 years. A third co-defendant hasn't been apprehended.

In addition to forfeiture of his assets, the government says Guo faces up to 20 years in prison on several counts if convicted. Identified as a Hong Kong citizen in some government filings, Guo could also be challenged to remain outside the reach of Beijing if convicted, which he sought to do by seeking political asylum in the U.S. after Beijing labeled him a fugitive.

Though known for his impeccably tailored suits and \$67.5 million apartment overlooking New York's Central Park—the government says his indulgences also included \$36,000 mattresses—since his arrest last year Guo has been held without bail in Brooklyn's Metropolitan

Detention Center. The notoriously shabby federal prison has housed prominent defendants such as crypto-king Sam Bankman-Fried, singer R. Kelly and socialite Ghislaine Maxwell.



Since his arrest last year Guo has been held in Brooklyn's Metropolitan Detention Center. PHOTO: YUKI IWAMURA/AGENCE FRANCE-PRESSE/GETTY IMAGES

Guo is expected to claim that what the government called a “criminal organization” that laundered money through 500 bank accounts in 80 names was instead a structure designed to frustrate a Chinese government campaign to stifle, kidnap or kill him in the U.S. Likewise, Guo's trappings of wealth—a \$26.5 million New Jersey mansion, \$3.5 million Ferrari, \$4.4 million Bugatti and \$37 million yacht—were meant to attract membership in the club Guo was forming for fellow opponents of China, the defense is expected to argue.

He had gained devotees by broadcasting tales of corruption in China to an online audience that reached hundreds of thousands. During hourslong video productions in Mandarin, Guo used innuendo to allege particular top party officials secretly controlled well-known Chinese companies and had families living luxuriously in California, teasing viewers with redacted documents he said proved their corruption.

Desmond Shum, a businessman-turned-author who watched Guo operate when both were developing projects in Beijing, calls him a well-connected and vengeful peddler of half-truths who made a splash promising peeks “behind closed doors of closed doors.” He's a product of a murky political system, Shum said, and “Even people very senior in the circle couldn't know how much is true and how much isn't true.”



The Justice Department charged Guo, shown in 2017, with over a dozen counts. PHOTO: NATALIE KEYSSAR FOR THE WALL STREET JOURNAL

After Guo began airing his corruption allegations, Beijing in April 2017 labeled him a fugitive, later saying he was under investigation for at least 19 major crimes like bribery, kidnapping, fraud, money laundering and rape, which Guo denied. And indeed, Chinese agents did harass Guo in New York, at one point sparking a standoff with the Federal Bureau of Investigation and a U.S. diplomatic protest, The Wall Street Journal has reported.

Guo, meanwhile, befriended people close to the Trump administration such as Bannon, even as other Americans, including Las Vegas casino magnate Steve Wynn, leaned on U.S. officials to expel him.

The federal judge in the case, Analisa Torres, earlier this year ruled that Guo should have a chance to argue that his actions were a byproduct of Beijing’s pressure. “Whether [Guo’s] explanations ultimately hold water is, of course, a question for the jury,” the judge wrote.

Write to James T. Areddy at James.Areddy@wsj.com

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