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April 1, 2024

**VIA EMAIL**

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Southern District of New York  
26 Federal Plaza  
New York, NY 10007

**Re: United States v. Kwok et al., Case No. 1:23-cr-00118 (AT)**

Counsel:

Pursuant to Federal Rule of Criminal Procedure 16(b)(1)(C), Defendant Ho Wan Kwok provides notice that he anticipates calling Thomas Bishop, a former Special Agent in the IRS's Criminal Investigative Division ("CID") as an expert witness in this matter.

**I. Qualifications**

Mr. Bishop's qualifications and prior testimony are further described in the Curriculum Vitae attached to this Expert Disclosure as Exhibit A. Over the course of his 25 years with CID, Mr. Bishop served in various roles, including as the Director of International Field Operations where he oversaw global investigations, including the IRS's efforts in the Panama Papers investigation. He also served as the Acting Special Agent in Charge of the CID's New York Field Office, where he supervised a wide range of investigations, including those involving fraud and money laundering. Mr. Bishop has supervised or conducted several hundred financial fraud and money laundering investigations. He is a Certified Fraud Examiner and an Enrolled Agent certified to practice before the IRS and who regularly conducts forensic investigations in a wide array of areas. Mr. Bishop has testified in both civil and criminal matters, and in the criminal arena, he has testified both on behalf of the government and the defense.



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## II. Summary of Anticipated Testimony

Mr. Bishop examined the flow of funds to and from specified entities (the “Operating Entities” as discussed below) during the period 2015 through 2023 (the “Relevant Period”). Based upon his analysis, Mr. Bishop will testify as to (i) the source and quantum of cash inflows into the Operating Entities; (ii) use of funds from the Operating Entities on Mr. Kwok and his family’s expenses (“Personal Expenses”) before and after the establishment of the Farm Loan Program; and (iii) the use of funds from the Operating Entities on his political movement, including protest related expenses, payroll expenses for employees supporting whistleblower movement activities, and other similar expenses (“Political Movement Expenses”).<sup>1</sup>

Mr. Bishop was additionally requested to examine certain financial records regarding the Himalaya Exchange’s payment of redemptions to customers, and will testify that there were in excess of fifty million dollars of such redemptions paid.

For each area of testimony, Mr. Bishop will provide testimony based on his education, training, professional experience, and understanding of relevant forensic accounting issues and practices, as well as his review of a number of documents, including bank account records for the Operating Entity Accounts (including bank statements, check stubs, and copies of checks), tax returns, emails, wire transfers, other records produced in discovery, public records, and the superseding indictment filed in the litigation.<sup>2</sup>

### *Specific Areas of Expected Testimony*

- Mr. Bishop will provide an overview of forensic accounting practices, and the process typically used to evaluate the banking transactions of target entities.
- Mr. Bishop will discuss his analysis that between 2015 and May 2020, the Operating Entities’ bank accounts (the “Operating Entity Accounts”) received substantial deposits, including from entities that he understands are associated with Mr. Kwok’s family’s wealth. He will further testify regarding the nature of the Operating Entities’ expenses during the same time period, and will testify that throughout the Operating Entities’ bank accounts were used to pay both Personal Expenses and Political Movement Expenses.
- Mr. Bishop will describe how that pattern—substantial inflows, including from entities associated with Mr. Kwok’s family wealth, into the Operating Entities’ bank accounts, and payment of both expenses related to Personal Expenses and Political Movement

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<sup>1</sup> Expenses that cannot or have yet to be categorized as either Personal Expenses or Political Movement Expenses have been labeled “Uncharacterized Expenses” for the purposes of Mr. Bishop’s analysis.

<sup>2</sup> Mr. Bishop may also review parts of the government’s ongoing production of discovery pursuant to the Court’s February 24, 2024 order, and may offer additional testimony based on that review.



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Expenses—continued between June 2020 and 2023. That time period includes the allegedly fraudulent transactions that the Indictment describes as occurring due to the purported “Farm Loans Program.”

- Mr. Bishop will further explain that, based on his analysis of these financial transactions, after the start of the purported Farm Loans Programs in or about June 2020, the aggregate proceeds from sources other than the Farm Loans Programs exceeded the Operating Entities’ aggregate expenditures on Personal Expenses and Uncharacterized Expenses.
- Mr. Bishop will testify that the Himalaya Exchange paid in excess of fifty million dollars of customer redemptions through the Himalaya Exchange’s account at FV Bank.

### **III. Materials Relied Upon in Reaching Conclusions**

#### *A. Materials Relied Upon in Operating Entity Analysis*

Mr. Bishop and his supporting team conducted his flow of funds analysis by, among other things, reviewing transactional information extracted from the banking records for the Operating Entity Accounts, which were produced by the government. The Operating Entities that Mr. Bishop’s analysis focused on included Golden Spring (New York) Limited, HCHK Property Management, Inc., HCHK Technologies, Inc., Lamp Capital LLC, Leading Shine NY Limited, and Lexington Property and Staffing (LLC and Inc, respectively). Mr. Bishop additionally reviewed transactional information extracted from a produced statement relating to a bank account associated with ACA Capital Group Ltd.

In analyzing the transactional data gathered from the bank statements for the Operating Entities, Mr. Bishop reconciled the senders/recipients of the various financial transactions described in those statements. Where necessary, the information from the bank statements was supplemented by details from additional records found in the document production, such as check stubs, copies of checks, tax returns, emails, wire transfers, other records produced in discovery, and the superseding indictment filed in the litigation. Based on this analysis, Mr. Bishop quantified the amount of cash inflows and outflows by counterparty, which included entities alleged to be part of the “Kwok Enterprise” in the superseding indictment, various natural persons, other Operating Entities, and other non-related entities.

Mr. Bishop additionally analyzed the outflows from the Operating Entities to determine whether any given expenditure was best characterized as a Personal Expense, a Political Movement Expense (including both protest-related expenses as well as relevant corporate expenses), or an Uncategorized Expense.



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*B. Materials Relied Upon in Himalaya Exchange Redemptions Analysis*

In addition to the above, Mr. Bishop examined financial records relating to a bank account maintained for the Himalaya Exchange by FV Bank, which the government had identified as holding the Exchange's U.S. dollar reserves (the "Reserve Account"). Specifically, Mr. Bishop analyzed certain payments characterized as "redemptions" on FV Bank records produced in this case. Based upon his analysis, Mr. Bishop will testify that there were in excess of fifty million dollars of customer redemptions between August 6, 2021 and June 30, 2022 from the Reserve Account.

To confirm that the records accurately reflected redemption activity, Mr. Bishop also analyzed additional bank data produced by FV bank and compared them to the bank statements for the Reserve Account. In addition, members of Mr. Bishop's team independently identified a statistically significant sample of the redemption transactions reflected on the Reserve Account statements and verified that those accurately tied out to customer accounts on the Himalaya Exchange database.

\* \* \*



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**IV. Disclosure, Reservation of Rights to Supplement**

In connection with his testimony, Mr. Bishop may prepare and offer summaries of and demonstratives regarding the voluminous records he has examined, including bank records, accounting ledgers, and financial documents, which Mr. Kwok may seek to introduce into evidence. Such summaries will be offered pursuant to Federal Rule of Evidence 1006.

Mr. Bishop may attend the testimony of other witnesses, including the government's expert witnesses, and may offer additional opinions and/or summary charts in response to the testimony given by such witnesses.

Mr. Bishop reserves his right to supplement and/or amend these disclosures, including in response to the government's disclosures and the evidence presented in its case-in-chief.

Very truly yours,

A handwritten signature in blue ink, appearing to read "S. Schirick", written over a horizontal line.

PRYOR CASHMAN LLP

Sidhardha Kamaraju

E. Scott Schirick

Matthew S. Barkan

Daniel J. Pohlman

John Kilgard

Clare P. Tilton

Reviewed, Approved, and Adopted by:

A handwritten signature in blue ink, appearing to read "Thomas E. Bishop", written over a horizontal line.

Thomas Bishop, CFE

# **EXHIBIT A**

## **THOMAS E. BISHOP, CFE, EA STATEMENT OF QUALIFICATIONS**

Mr. Bishop is a former (retired) IRS Special Agent, a Certified Fraud Examiner, an Enrolled Agent certified to practice before the IRS, and eligible to receive NYS Court appointments. He specializes in investigative, forensic accounting, and litigation support, for public and private sector clients. He focuses predominantly on tax advocacy and controversy and white-collar litigation consulting services to attorneys with clients involved in civil and criminal matters. Mr. Bishop has over 30 years of combined federal law enforcement and private sector experience and recently established his firm, Tom Bishop & Associates LLC.

### **Industry Involvement**

Tom frequently lectures and presents on federal criminal tax and white-collar investigative matters, as well as international tax administration, offshore banking and the IRS Voluntary Disclosure Program to industry organizations. These organizations include the American Bar Association; New York City Bar Association; Nassau County Bar Association; Suffolk County Bar Association; New York State Society of CPAs; the Florida International Bankers Association; and the Practising Law Institute.

### **Education**

- Bachelor of Science, Accounting – Penn State University 1990

### **Employment Background & Experience**

- President, Tom Bishop & Associates LLC, East Islip, NY, with a focus on tax controversy and advocacy, white collar litigation support and forensic accounting services. (Established December 2022)
- Managing Director, BDO USA, LLP, New York, NY, concentrating on forensic investigation, tax controversy, investigative and litigation support. (March 2021 to December 2022)
- Director, Baker Tilly US, LLP, New York, NY, concentrating in tax controversy, investigative and litigation support. (January 2017- March 2021)
- Director, International Field Operations, IRS Criminal Investigation (IRS CI), Washington DC. Senior IRS CI official responsible for the oversight of all IRS CI international investigative activities involving countries in the western hemisphere. (2016). The IRS CI Executive in charge of the “Panama Papers” investigation. Retired in good standing on December 31, 2016.
- Assistant Special Agent in Charge, IRS Criminal Investigation, New York, NY Responsible for all regional field operations, including the investigative, administrative and HR matters for NYC, Long Island, and Western New York, covering four federal judicial districts. (2012 – 2016). Headed the IRS International

Financial Fraud Task Force, responsible for the investigations of over a dozen Swiss, Lichtenstein, and Caribbean financial institutions, as well as the recovery of over \$1 Billion in taxes, penalties and forfeitures to the US Government.

- Supervisory Special Agent, IRS Criminal Investigation, New York, NY. Front line supervisor responsible for daily investigative activities ten IRS CI special agents. Provide direct oversight and guidance to team members related to complex financial investigations including tax evasion/fraud, money laundering, public corruption and construction related financial frauds. (2005 – 2012)
- Special Agent, IRS Criminal Investigation, New York, NY. Conducted complex financial investigations involving violations of the Internal Revenue Code and related financial crimes including money laundering and Bank Secrecy Act violations. Testified before grand jury and in jury trials. Collaborated with the United States Attorney's office and the Department of Justice, Tax Division. (1991 – 2005)

### **Trial Testimony for the Government**

- US District Court, Eastern District of NY & Southern District of NY
  - US v. Meneilly, et al
  - US v. Isernio, et al
  - US v. Friemann

### **Trial Testimony for the Defense**

- US v. Wedd, et al (SDNY – April 2017, August 2017 and November 2017)
- US v. Gyetvay (Middle District of Florida, March 2023)
- US v. Khwaja (EDNY - April 2023)

### **Civil Testimony**

- Deposition, Superior Court, Mecklenburg, North Carolina  
Kixsports, LLC v. Ryan Munn, Tyler Vaughn (17-CVS-16373) (July 2019)

### **Professional Activities**

- Mr. Bishop is Certified Fraud Examiner (CFE) and a member of the Association of Certified Fraud Examiners.
- IRS Enrolled Agent (EA) (December 2016 – present)
- NYS Unified Court System Appointment Eligible – Accountant