

Fraud Trial Begins for Chinese Billionaire Who Allied Himself With America's Right

Charged with defrauding thousands of investors in the U.S. and overseas of more than \$1 billion, Guo Wengui could face decades in prison.



By Michael Forsythe

Michael Forsythe has reported about Guo Wengui since 2017.

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Four years ago, Guo Wengui, a prominent Chinese property developer, announced the imminent end of Communist rule and the formation of the New Federal State of China.

The setting wasn't Beijing, or anywhere close to China, but a boat in New York Harbor. He was joined by Steve Bannon, the right-wing firebrand and former adviser to President Trump. Another Trump aide, Peter Navarro, would be declared the shadow government's "international ambassador."

"From this day forward, the Communist Party is not the legal government of China!" he shouted in Mandarin.

Mr. Guo, also known as Miles Kwok, had completed a remarkable transformation, from exiled Beijing billionaire to a player in America's right-wing firmament.

But a lot has gone wrong since then. Accused of defrauding thousands of people in the United States and abroad of more than \$1 billion, he appeared Wednesday in federal court in Manhattan for the start of his trial.



In June 2020, Steve Bannon and Mr. Guo announced the “New Federal State of China,” an alternative Chinese government, in New York Harbor. via YouTube

Last year, American authorities charged Mr. Guo with money laundering, securities fraud and wire fraud for unlawfully selling shares in his media company, selling memberships in a concierge service and marketing a cryptocurrency that prosecutors say is bogus.

If convicted, he could face decades in prison or possible deportation to China, where he is wanted on charges that include rape, bribery and fraud. On Tuesday, prosecutors asked Judge Analisa Torres to bar Mr. Guo’s defense lawyers from bringing up deportation because it could “curry sympathy from the jury.”

Mr. Guo appeared in court for jury selection in a gray suit jacket and without the beard he had grown before his arrest. While he whispered to his American lawyers, presumably in English, he wore headphones and relied on a translator to follow the official proceedings.

Members of the jury were being chosen from a pool of 100, and their names will not be made public during the trial, which is expected to last seven weeks, “to protect all of you from any unwanted attention,” Judge Torres said.

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Mr. Guo’s defense team, which includes Sidhardha Kamaraju, a former federal prosecutor in Manhattan, plans to call witnesses to dispute the government’s claim that Mr. Guo’s cryptocurrency operation was bogus and that he misrepresented the value of his media company. They also plan to show that Mr. Guo was a target of the Chinese government, which mounted a lobbying campaign during the Trump administration to repatriate him.

The campaign he endured “is a sign that he would never victimize anybody,” Mr. Kamaraju said in an interview.

One of Mr. Guo’s former assistants, Yvette Wang, pleaded guilty this month to conspiracy to commit wire fraud and conspiracy to commit money laundering. She will be sentenced in September and faces up to 10 years in prison. She isn’t expected to testify against Mr. Guo.

China and the United States have vastly different political systems, but Mr. Guo managed to thrive, for a time, in both. In each country, he attracted influential and powerful figures with his vast wealth and private jets, luxury yachts and fine wine.

In China, he cultivated a powerful senior intelligence officer who had access to embarrassing information about top government bureaucrats. He fled China in 2015 after the patron, Ma Jian, a vice minister for state security, was detained.

While in China, Mr. Guo met many celebrated Americans, including Henry Kissinger and George P. Shultz, both former secretaries of state. When he submitted his application to the co-op board of the Sherry Netherland Hotel on Fifth Avenue for a \$68 million penthouse apartment, he included a letter of recommendation from Tony Blair, the former British prime minister. “Miles is honest, forthright and has impeccable taste,” Mr. Blair wrote.

Born into poverty in rural China, Mr. Guo, whose current age has been variously characterized as 53 to 56, developed a refined style, preferring tailored Brioni suits and luxury cars. When Federal Bureau of Investigation agents raided his properties last year, they found two mattresses worth \$36,000 each, a \$31,000 bed, a \$140,000 piano and several cars, including a Bugatti Chiron Super Sport, a Lamborghini and a Rolls-Royce.

In exile, Mr. Guo mounted a campaign in 2017 to discredit China’s anticorruption chief ahead of an important Communist Party meeting that fall. In doing so, he built up a large following of supporters both within China and among the vast Chinese diaspora, though his claims about corruption in the top ranks of the Communist Party couldn’t be substantiated by The New York Times.

That same year, the Chinese government mounted an unsuccessful campaign to repatriate Mr. Guo, tapping Steve Wynn, the finance chairman of the Republican National Committee who ran a casino resort in the Chinese territory of Macau, along with Elliott Broidy, the deputy chairman, to persuade Mr. Trump.

By then, Mr. Guo had become a member of Mar-a-Lago, Mr. Trump’s Palm Beach, Fla., club, and had begun bringing prominent allies of the president into his orbit, including Mr. Bannon later that year.

As the 2020 election approached, Mr. Guo’s U.S.-based media network, GTV, attempted to influence the election by promoting fabricated contents of a laptop belonging to Hunter Biden, a son of then-candidate Joe Biden. After the election, his network helped fund the so-called Million MAGA March in support of Mr. Trump. Mr. Guo also helped finance a court challenge to Mr. Biden’s election victory in Georgia, Mother Jones magazine reported.

Two months after appearing with Mr. Guo in the waters off New York City, Mr. Bannon was arrested on Mr. Guo's yacht on fraud charges of his own (he was later pardoned by Mr. Trump). In 2021 Mr. Guo, facing a court order to pay hundreds of millions of dollars to a Hong Kong fund, declared bankruptcy. And three companies tied to Mr. Guo, including GTV, agreed to pay the Securities and Exchange Commission more than \$500 million after the agency said he had illegally sold shares in his media company.

After his arrest last year, he was denied bail, and he has been detained at the Metropolitan Detention Center in Brooklyn. Hours after being taken into custody, a fire broke out in his apartment, which takes up the 18th floor of the Sherry Netherland and has a balcony facing Central Park. Records show the unit is now controlled by a bankruptcy trustee.

***A correction was made on May 22, 2024:** An earlier version of this article misstated the circumstances surrounding the ownership of Mr. Guo's Manhattan apartment. The holding company that owns the apartment is controlled by a bankruptcy trustee, not Mr. Guo.*

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at nytnews@nytimes.com. [Learn more](#)

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