

Magistrate Judge Brian A. Tsuchida

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHANGPENG ZHAO, a/k/a “CZ,”

Defendant.

NO. CR23-179 RAJ

UNITED STATES’ REPLY IN SUPPORT
OF MOTION TO MODIFY BOND

I. INTRODUCTION

The United States has moved to modify Defendant Changpeng Zhao’s bond to include routine conditions of pretrial release. Dkt. 63. The motion was based on a major change in Zhao’s circumstances: instead of being allowed to return to his home in the United Arab Emirates, Zhao has been ordered to remain in the United States through sentencing. The original bond conditions were based on the expectation that Zhao would be living in the UAE, and so they did not address matters such as custody of his passports and notifications to Pretrial Services related to his travel plans and residence. The United States filed its motion to modify the bond conditions to address these basic issues and to ensure that routine conditions are in place for Zhao as they would be for any other defendant on presentencing release. The government did not allege Zhao committed any violations of his release, but instead proposed modifications that are standard, minimally restrictive, appropriate, and consistent with the Court’s orders.

1 **II. DISCUSSION**

2 The defense criticizes the government for delay in filing its motion. Dkt. 65. But the
3 delay occurred because the government engaged in protracted negotiations with defense
4 counsel to try to file a consent motion. Judge Jones ordered Zhao to remain in the United
5 States on December 7, 2023. Dkt. 46. The government emailed defense counsel a draft
6 motion to modify on December 12 and invited edits and discussion. Weeks of back-and-
7 forth followed, including at least five conference calls and four drafts of the motion sent
8 by the government to the defense for their review. The government accepted some
9 revisions proposed by the defense. In the end, however, the parties could not come to a
10 complete agreement on the bond modifications. The defense also wanted the motion to say
11 that the modifications were “unwarranted.” Dkt. 65 at 4. The government could not agree
12 to that, because the modifications are warranted. After multiple calls, emails, and drafts,
13 the government decided that further discussion was fruitless and filed its motion.

14 As for the motion’s substance, the defense does not object to modifications 1
15 (remain in the continental U.S. through sentencing) or 3 (custody of passports).

16 With respect to proposed modification 2 (notification of travel plans), the defense
17 objects only to requiring notice to the government so that it may object to any proposed
18 travel. The defense says this requirement is unnecessary because Zhao’s travel “has not
19 been an issue to date.” Dkt. 65 at 8. But something that “has not been an issue to date” can
20 become an issue in the future. The defense also argues that the government could not have
21 a “reasonable basis” to object to Zhao’s travel. *Id.* In truth, it is easy to imagine scenarios
22 in which concerns could arise about post-plea travel by a multibillionaire defendant whose
23 permanent residence is in a nonextraditable country (UAE) and who has Canadian
24 citizenship. For example, if Zhao wanted to travel to the Canadian border shortly before
25 sentencing, the government could legitimately worry that he might be planning to flee.
26 Notably, the proposed modification does not require the government’s *permission* for Zhao
27 to travel—it requires only *notice* and an *opportunity* to raise the matter with the Court. This

1 is a modest and reasonable requirement.

2 The defense objects to proposed modification 4, which would require Zhao to
3 maintain his residence as directed and obtain the approval of Pretrial Services before
4 changing his residence. This is a standard, commonsense requirement—defendants on
5 release should not move without the knowledge and approval of the supervising Pretrial
6 Services Officer. Defendants in this District are routinely subject to this restriction, and
7 nothing entitles Zhao to be excused from it.¹

8 **III. CONCLUSION**

9 The Court should modify the bond as proposed in the government’s motion.

10 March 1, 2024

Respectfully submitted,

11 MARGARET MOESER
12 Acting Chief, Money Laundering and
13 Asset Recovery Section
14 Criminal Division
15 U.S. Department of Justice

TESSA M. GORMAN
United States Attorney
Western District of Washington

16 s/ Kevin G. Mosley
17 KEVIN G. MOSLEY
18 ELIZABETH R. CARR
19 Trial Attorneys

s/ Michael Dion
MICHAEL DION
JONAS LERMAN
Assistant United States Attorneys

20 JENNIFER KENNEDY GELLIE
21 Executive Deputy Chief performing the
22 duties of Chief, Counterintelligence and
23 Export Control Section
24 National Security Division
25 U.S. Department of Justice

*I certify that this pleading contains 671
words, in compliance with the Local
Criminal Rules*

26 s/ Beau D. Barnes
27 BEAU D. BARNES
ALEX WHARTON
Trial Attorneys

¹ As the government informed the defense before filing the bond motion, Pretrial Services also supports two other bond conditions that the government is not requesting. See Dkt. 63 at 2 nn.1&2. The government included those footnotes in the motion to inform the Court of Pretrial Services’ position.