

IN THE
SUPREME COURT OF THE REPUBLIC OF PALAU
TRIAL DIVISION

FILED
DEC 09 2021
9:55 am
PALAU SUPREME COURT
CLERK

CRIMINAL CASE NO. 20-096

REPUBLIC OF PALAU,

Plaintiff,

v.

BENJAMIN ISKAWA, YANXIANG ZU aka
ALICE, CONGYING LIU and CHANGHONG
SUN,

Defendants.

**JUDGMENT AND ORDERS ON
GUILTY PLEA**

Counsel for Plaintiff: A. Cripps & M. Bells,
Office of the Special Prosecutor
Counsel for Defendant
Iskawa: S. Remoket

Defendant was charged with eleven counts in this case. On December 8, 2021, the parties filed a Plea Agreement under which Defendant elected to plead guilty to the following five counts: Count 1, Misconduct in Public Office, in violation of 17 PNC § 4204 and 17 PNC § 3918, a Class B felony punishable by up to a \$25,000 fine, 10 years incarceration, or both; Count 2, Violation of the Code of Ethics, in violation of 33 PNC § 605(c)(1) and (d), a misdemeanor punishable by up to one year imprisonment, or up to 3 times the amount of income he failed to report; Count 6, Violation of the Unified Tax Act, in violation of 40 PNC § 1601, a misdemeanor punishable by up to one year imprisonment, a fine of not more than \$2,000, or both; Count 7, Violation of the Unified Tax Act, in violation of 40 PNC § 1701, a felony punishable by up to three years imprisonment, a fine of not more than \$10,000, or both, and for which he shall be assessed a civil penalty of fifty

percent of the tax owed; and Count 10, Violation of the Foreign Investment Act, in violation of subsections (1), (b), or (c) of Section 103 (Requirement of Foreign Investment Approval Certificate), a misdemeanor punishable by up to one year imprisonment, a \$1,000 fine, or both. In addition, the citizen offender is liable for a civil penalty of at least \$1,000 but no more than \$10,000 for the first offense.

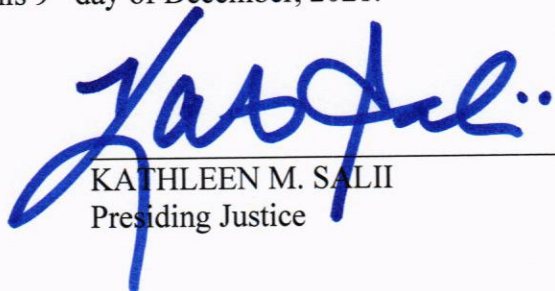
In exchange, the Republic agreed to dismiss the remaining six counts: Counts 3, 4, 5, 8 and 9, Violations of the Unified Tax Act, and Count 11, Promoting Prostitution in the Second Degree. After questioning the Defendant and reviewing the Affidavit of Probable Cause, the Court finds that the plea was entered knowingly, intelligently, and voluntarily, and that there was a factual basis for the plea as follows:

Defendant, while Governor of Ngaraard State, Republic of Palau, operated the Jia Ren Massage Parlor, located on the third floor of the Fuji Restaurant in Koror, as a sole proprietor, for which he entered into a rental agreement as lessee and agreed to pay monthly rent, utilities, and taxes. On August 8, 2019, a business license was issued to Defendant for the Jia Ren Massage Passage, which license expired on December 31, 2019, which was renewed and expired on December 31, 2020. During this time, Defendant failed to disclose on his required Financial Disclosure Statement any assets or liabilities as a result of his interests in the Jia Ren Massage Parlor for calendar year 2019; he also failed to keep business records for Jia Ren Massage Parlor, including receipts for cash receipts, cash sales, payment on accounts receivables and miscellaneous receipts, for the dates between August 1-December 31, 2019; he filed a false tax return for Jia Ren Massage Parlor for the third tax quarter of 2019, July 1 – September 30, 2019, which contained false information when he claimed he had no employees for that time when there were, in fact,

employees of the business; and he knowingly aided or assisted Yanxian Zu by operating what is commonly referred to as a “front business” in violation of the Foreign Investment Act. The Court finds Defendant GUILTY of Misconduct in Public Office, Violation of the Code of Ethics, two counts of Violation of the Unified Tax Act, and Violation of the Foreign Investment Act.

In light of Defendant’s change of plea, the trial dates are vacated. A pre-sentence report is hereby ordered to be completed and provided to court and counsel in accordance with 17 PNC §§ 614 and 615 and ROP Cr. Pro. Rule 32(c) by no later **than December 27, 2021**. Sentencing is hereby set for **January 10, 2022 at 1:30 p.m. in Courtroom 101**. Defendant is **ORDERED** to appear.

SO ORDERED this 9th day of December, 2021.


KATHLEEN M. SALII
Presiding Justice