


APPROVED:


SARAH E. PAUL/CHRISTIAN R. EVERDELL
Assistant United States Attorneys

BEFORE: THE HONORABLE JAMES C. FRANCIS IV
United States Magistrate Judge
Southern District of New York

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SEALED COMPLAINT

UNITED STATES OF AMERICA :

Violations of

-v.- :

18 U.S.C. §§ 1349 and 1956(h)

LIN MIAO,

YONG JASON LEE,

a/k/a "Jason Lee,"

MICHAEL PEARSE,

YONGCHAO LIU,

a/k/a "Kevin Liu,"

MICHAEL PAJACZKOWSKI,

a/k/a "Paj," and

CHRISTOPHER GOFF,

COUNTY OF OFFENSES:

NEW YORK

15 MAG 1771

Defendants.

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SOUTHERN DISTRICT OF NEW YORK, ss.:

QUOC TUAN NGUYEN, being duly sworn, deposes and says
that he is a Special Agent with the Internal Revenue Service,
Criminal Investigation ("IRS-CI"), and charges as follows:

COUNT ONE

(Conspiracy to Commit Wire Fraud and Mail Fraud)

1. From at least in or about 2011, up to and
including in or about 2013, in the Southern District of New York
and elsewhere, LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee,"
MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL
PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants,
and others known and unknown, willfully and knowingly did
combine, conspire, confederate, and agree together and with each
other to commit wire fraud, in violation of Title 18, United
States Code, Section 1343, and mail fraud, in violation of Title

18, United States Code, Section 1341.

2. It was a part and an object of the conspiracy that LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343, to wit, MIAO, LEE, PEARSE, LIU, PAJACZKOWSKI, and GOFF participated in a scheme to defraud wireless cellular telephone customers by charging customers for premium text message subscription services without their authorization, and in doing so caused wires to be sent in interstate commerce.

3. It was a further part and an object of the conspiracy that LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, for the purpose of executing such scheme and artifice and attempting so to do, did place in a post office and authorized depository for mail matter, matters and things to be sent and delivered by the Postal Service, and did knowingly cause to be delivered by mail matters and things, in violation of Title 18, United States Code, Section 1341, to wit, MIAO, LEE, PEARSE, LIU, PAJACZKOWSKI, and GOFF participated in a scheme to defraud wireless cellular telephone customers by charging customers for premium text message subscription services without their authorization, and in doing so caused mailings to be sent and delivered by the Postal Service.

(Title 18, United States Code, Section 1349.)

COUNT TWO
(Conspiracy to Commit Money Laundering)

4. From at least in or about 2011, up to and including in or about 2013, in the Southern District of New York and elsewhere, LIN MIAO, MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit money laundering, in violation of Title 18, United States Code, Sections 1956(a)(1)(A)(i), 1956(a)(1)(B)(i), and 1957.

5. It was a part and an object of the conspiracy that LIN MIAO, MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in certain financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, with the intent to promote the carrying on of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i), to wit, the defendants withdrew funds from, and caused funds to be transferred from, bank accounts that contained proceeds of the fraud scheme alleged in Count One, in order to facilitate the fraud scheme by, among other things, making payments to co-conspirators.

6. It was further a part and an object of the conspiracy that LIN MIAO, MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, in an offense involving and affecting interstate and foreign commerce, knowing that the property involved in certain financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i), to wit, the defendants facilitated the transfer of funds from certain bank accounts, which contained

proceeds of the fraud scheme alleged in Count One, to the bank accounts of nominee companies controlled by co-conspirators in order to conceal payments to these co-conspirators for their role in the fraud scheme.

7. It was further a part and an object of the conspiracy that LIN MIAO, MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, within the United States and involving United States persons, in an offense involving and affecting interstate and foreign commerce, willfully and knowingly would and did engage in a monetary transaction, as that term is defined in Title 18, United States Code, Section 1957(f)(1), in criminally derived property that was of a value greater than \$10,000 that was derived from specific unlawful activity, in violation of Title 18, United States Code, Section 1957, to wit, the defendants withdrew funds from, and caused funds to be transferred from, bank accounts that contained proceeds of the fraud scheme alleged in Count One, in amounts greater than \$10,000.

(Title 18, United States Code, Section 1956(h).)

The bases for my knowledge and the foregoing charges are, in part, as follows:

8. I have been a Special Agent with the IRS-CI for approximately four years. I have personally participated in the investigation of this matter, along with other Special Agents from the IRS-CI, and Special Agents from the Federal Bureau of Investigation ("FBI") (collectively, the "Investigative Team"). As a Special Agent with the IRS-CI, I have investigated criminal violations of the Internal Revenue Code and related financial crimes.

9. I am familiar with the facts and circumstances set forth below from my participation in the investigation of this matter, from my personal knowledge, and from my conversations with members of the Investigative Team and others, and have examined documents and other records. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in sum and substance, except where otherwise indicated. Moreover, because this affidavit is submitted for the limited purpose of establishing probable cause supporting the arrests of

the defendants, I have not set forth each and every fact learned during the course of this investigation.

THE PREMIUM SMS INDUSTRY

10. Based on documents I have reviewed from the Federal Trade Commission ("FTC") and my discussions with people in the Premium SMS industry, I have learned the following about how premium text message subscription services, which are known as "Premium SMS services," are marketed and billed to mobile phone customers:

a. Premium SMS services are subscription services that are marketed to mobile phone customers. Mobile phone customers who sign up for Premium SMS services typically pay a monthly fee to receive recurring text messages sent to their mobile phones. The text messages contain different content depending on the service offered. Common examples of the types of content offered by Premium SMS services include monthly horoscopes, celebrity gossip, or trivia facts.

b. In the Premium SMS industry, companies that offer Premium SMS services are known as digital "content providers." Each service or "offer" that is marketed by a content provider is assigned a five or six digit number called a "short code." Content providers then arrange to send text messages to consumers using these "short codes."

c. Companies known as mobile "aggregators," serve as the middlemen between content providers and mobile phone carriers, such as Verizon, AT&T, Sprint, etc. Aggregators have access to the carriers' billing infrastructure and it is their job to assemble, or "aggregate," all of the monthly charges incurred by a particular mobile phone customer for Premium SMS services onto that customer's phone bill. Content providers give the monthly billing data for their "short codes" to the aggregators. The aggregators, in turn, place those charges on the appropriate mobile phone bills. The carriers then send out the bills containing the Premium SMS charges to the mobile phone customers and collect payment.

d. The carriers, the aggregators, and the content providers share the revenue generated by the Premium SMS subscriptions. The exact revenue split is determined by the

particular agreements negotiated between the parties. Often the carriers can collect between 40%-50% of the revenue generated, the aggregators can collect between 25%-35%, and the content providers collect the remaining portion.

e. It is standard industry practice in the Premium SMS industry to require that consumers take two steps to confirm a purchase of a Premium SMS service. This practice is known as "double opt-in" verification. For example, a content provider typically advertises to consumers over the Internet, and instructs them on how to order the Premium SMS service via text message. The consumer then sends a text message from his or her mobile phone to a five or six digit "short code," and receives in response a text message describing how to opt-in to the subscription service. The opt-in then typically involves replying to the text message with a key word or PIN number, or entering the key word or PIN number onto a website. Once the consumer has opted-in through the double opt-in process, the consumer is enrolled in the content provider's Premium SMS service, and the charges will begin to appear on the consumer's mobile phone bill.

11. By contrast, and as set forth in further detail below, I believe that in this case, LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, caused consumers to receive unsolicited text messages for Premium SMS services. Consumers never affirmed their interest in these services at any point, let alone through a double opt-in verification. I further believe that the consumers were billed for these Premium SMS services, even though the consumers had never ordered them.

THE DEFENDANTS AND THEIR COMPANIES

12. I have reviewed internal emails retrieved from a computer server used by a digital "content provider" that offered Premium SMS services to mobile phone customers (the "Texting Company") (the "Texting Company Server," a copy of which was previously provided to me by the FTC). From my review of these emails, I believe that the fraud scheme was carried out primarily by certain officers and employees of the Texting Company, and by certain officers and employees of a web of affiliated companies ("Affiliate-1," "Affiliate-2," "Affiliate-

3," and "Affiliate-4," collectively, the "Texting Company Affiliates"). These officers and employees include LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, and YONGCHAO LIU, a/k/a "Kevin Liu," the defendants.

13. Moreover, based my review of emails from the Texting Company Server, I have learned that the fraud scheme also involved employees at one of the mobile aggregators (the "Mobile Aggregator"), including MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants.

14. From my review of publicly available corporate records, emails from the Texting Company Server, and representations made on social media pages, I have learned the following information about the Texting Company, the Texting Company Affiliates, and the Mobile Aggregator:

a. LIN MIAO, the defendant, was the founder, President and CEO of the Texting Company.

b. YONG JASON LEE, a/k/a "Jason Lee," the defendant, was the Chief Technology Officer of the Texting Company.

c. Another co-conspirator not named as a defendant herein ("CW-1") was the Director of Global Sales at the Texting Company.¹

d. MICHAEL PEARSE, the defendant, was the CEO of Affiliate-1.

e. YONGCHAO LIU, a/k/a "Kevin Liu," the defendant was a Java Development Engineer for Affiliate-1. During the relevant time period, Affiliate-1 was controlled by MIAO and PEARSE.

¹ In or about April 2015, CW-1 pleaded guilty to, *inter alia*, conspiracy to commit mail and wire fraud and conspiracy to commit money laundering, based on CW-1's role in the fraudulent scheme described herein. CW-1 pleaded guilty to these charges pursuant to a cooperation agreement with the Government in the hope of receiving a more lenient sentence. CW-1's information has consistently been reliable and has been corroborated by other evidence in this case.

f. Affiliate-2 was controlled by MIAO and CW-1, who held themselves out to be, respectively, Affiliate-2's CEO and President.

g. Affiliate-3 was controlled by MIAO and PEARSE.

h. Affiliate-4 was controlled by MIAO, PEARSE, LEE, and CW-1. LEE held himself out to be Affiliate-4's CEO.

i. MICHAEL PAJACZKOWSKI, a/k/a "Paj," the defendant, was the Vice President of Compliance and Customer Care for the Mobile Aggregator.

j. CHRISTOPHER GOFF, the defendant, was an Account Manager for the Mobile Aggregator.

15. From my review of emails from the Texting Company Server and my discussions with CW-1, I further believe that LIN MIAO and MICHAEL PEARSE, the defendants, CW-1, and others created and operated the Texting Company Affiliates to spread out the commission of their fraudulent scheme among different corporate entities in order to reduce the possibility that the full scope of the scheme would be detected by mobile phone carriers or consumers.

16. Based on information I have received from the FTC, I believe that the Texting Company and the Texting Company Affiliates stopped conducting business in or about December 2013, following the initiation of a civil lawsuit by the FTC (the "FTC Lawsuit"). From my review of court filings from the FTC Lawsuit, I know that the FTC Lawsuit was filed against the Texting Company, the Texting Company Affiliates, LIN MIAO, the defendant, and CW-1, and that the FTC Lawsuit was based, in part, on some of the fraudulent conduct described herein. I also know that the FTC Lawsuit was settled in or about the summer of 2014 and that, in connection with the settlement, judgments were entered against the defendants in that case which, collectively, totaled over \$247 million.

OVERVIEW OF THE FRAUD SCHEME

17. As set forth in more detail below, I believe that from at least in or about 2011, up through and including in or

about 2013, LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, engaged in a multi-million dollar scheme to defraud consumers by placing unauthorized charges on consumers' cellular phone bills, through a practice known as "auto-subscribing."

18. To do this, LIN MIAO, the defendant, and CW-1 purchased mobile phone numbers from MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, among others. As employees of the Mobile Aggregator, which had access to the carriers' billing infrastructure, PAJACZKOWSKI and GOFF had access to a large volume of mobile phone numbers, some of which they sold to MIAO and CW-1. MIAO then worked with YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, and YONGCHAO LIU, a/k/a "Kevin Liu," the defendants, among others, to have unsolicited text messages sent to the telephone numbers that had been purchased and to enroll those customers in Premium SMS services without their knowledge or consent. MIAO, LEE, PEARSE, and LIU also took steps to conceal the fraud scheme by making it appear as if the customers had, in fact, opted-in to the Premium SMS services. PAJACZKOWSKI and GOFF, moreover, created shell companies to receive payments for their role in the fraud scheme, in order to further conceal the fraud.

19. The consumers who received the unsolicited text messages typically ignored or deleted the messages, often believing them to be spam. Regardless, the consumers were billed for the receipt of the messages, at a rate of \$9.99 per month, through charges that typically appeared on the consumers' cellular telephone bills in an abbreviated and confusing form. The \$9.99 charge recurred each month unless and until consumers noticed the charges and took action to unsubscribe. Even then, consumers' attempts to dispute the charges and obtain refunds from the Texting Company or from the Texting Company Affiliates were often unsuccessful.

20. Through their successful orchestration of this fraud scheme, LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others known and unknown, generated tens of millions of dollars in proceeds for themselves, some of which were used to

fund a lavish lifestyle of expensive parties, travel, and gambling.

21. As set forth below, my belief that the defendants participated in a scheme to "auto-subscribe" mobile phone customers to Premium SMS services is based, in part, on complaints from victims of the fraud scheme, emails from the Texting Company Server, information obtained from CW-1, and bank records, among other sources.

CONSUMER COMPLAINTS

22. Based on my review of documents provided by the FTC, I have learned that hundreds of consumers have complained about the fraudulent conduct of the Texting Company and the Texting Company Affiliates to government agencies, the Better Business Bureau ("BBB"), and their phone companies. Moreover, based on my review of emails from the Texting Company Server, I believe that hundreds of thousands of additional consumers had their numbers purchased and were auto-subscribed in the manner described above. I believe that these consumers likely did not notice the monthly charges, which were buried in phone bills that are frequently set up to be automatically paid.

23. I have personally reviewed declarations from approximately twenty different consumer victims, which were filed in connection with the FTC Lawsuit. I and other members of the Investigative Team have also conducted interviews of consumer victims, including consumer victims who were defrauded in New York, New York. Based on these sources of information, I have learned that from in or about the fall of 2011, up to and including early 2013, consumers across the country were sent unsolicited text messages from the Texting Company and the Texting Company Affiliates, for which they were charged \$9.99 per month. I further believe that these consumers were all victims of the fraud scheme to auto-subscribe consumers to Premium SMS services. The consumers all reported a similar pattern of conduct, which typically consisted of the following:

a. The consumer victims began to receive periodic unsolicited text messages concerning love tips, celebrity gossip, trivia, or jokes, which the consumer victims either ignored or deleted.

b. Sometime after receiving the unsolicited text messages, the consumer victims began to notice unauthorized charges on their cellular telephone bills from the Texting Company and the Texting Company Affiliates. The charges, which were for \$9.99 per month, and which purportedly had been authorized, typically appeared on the consumer victims' phone bills in an abbreviated and confusing form, e.g., with billing descriptors such as "96633IQ16CALL8668611606," "25184USBFIQMIG," and "8888906150 BrnStorm23981.

c. The consumer victims called their telephone companies, which sometimes provided them with refunds or partial refunds for the unauthorized charges.

d. The consumer victims attempted to reach the Texting Company and the Texting Company Affiliates to complain about the unauthorized charges. The consumer victims either received no response whatsoever, were promised a refund that they were never provided, or received a refund only after filing a complaint with the BBB.

e. In some cases, the Texting Company and/or the Texting Company Affiliates told the consumer victims that the consumer victims had authorized the charges, and promised to send the consumer victims copies of the authorizations that they had purportedly given. The consumer victims never received copies of the purported authorizations, despite repeated requests.

THE SCHEME TO TEXT AND CHARGE CONSUMERS WITHOUT THEIR CONSENT

Purchasing Phone Numbers to Auto-Subscribe

24. Emails from the Texting Company Server, which I have reviewed, reveal that LIN MIAO, the defendant, and others began the scheme in or about the middle of 2011, by purchasing mobile phone numbers to auto-subscribe. I believe that CHRISTOPHER GOFF, the defendant, was one of several people who sold phone numbers to MIAO during that time period. For example:

a. On or about July 19, 2011, GOFF sent an email to MIAO with the subject line "Numbers," and an attachment entitled "Sprint.txt," which contains numerous phone numbers.

Rather than sending this email from his work email address, GOFF sent the email from a personal email address called "goofballs22@gmail.com" (the "Goofballs Email Address").²

b. On or about July 19, 2011, the same day that MIAO received the above email from GOFF attaching numerous phone numbers, MIAO sent an email to CW-1, in which MIAO states in part, "Hey Guy: One sentence. I love Auto. Shit, i shouldn't write this in an email. Hahaha BTW: 40k sprint numbers = \$200k a month profit for us. hehehe."

c. On or about July 20, 2011, GOFF sent an email from the Goofballs Email Address to MIAO, with the subject line "T-Mobile." In the email, GOFF writes "T-Mobile #s." Attached to the email is a document entitled "T-Mobile.txt," which contains numerous phone numbers.

d. On or about July 29, 2011, MIAO sent an email to MICHAEL PEARSE, the defendant, and CW-1, with the subject line "Private." In the email, MIAO states, in part, "Glad we all had time to think this through and get the right strategy down \$218k should last us 2-3 weeks advance pay on the auto submit Currently we're at 6K MSIDN's per day. By the end of next week, we will be at 12k MSIDNs."³ MIAO goes on, in the email, to state that "If we follow this

² In a later email, dated November 8, 2011, which I have reviewed, GOFF cautioned MIAO to "please send anything regarding this to my personal account going forward. I don't want [the Mobile Aggregator] to have any view for this at all. They can get access to my email whenever they want and I don't want this to be caught." I therefore believe that GOFF used the Goofballs Email Address to send phone numbers to MIAO because GOFF did not want others at the Mobile Aggregator to discover that he was engaging in this conduct. Moreover, as discussed in further detail below, I believe that GOFF used a second personal email address to discuss and arrange with MIAO the method by which GOFF would be paid for the phone numbers that GOFF was providing to MIAO.

³ Based on my review of publicly available information, I know that an MSIDN is the number assigned to the SIM card in a mobile telephone.

strategy, we will each make \$2 million USD before end of the year."

e. On or about July 31, 2011, MIAO sent an email to GOFF at the Goofballs Email Address, copying CW-1, in which MIAO describes the "total numbers for July." Listed in the email are the following totals for "July 1-31," broken down by short code:

25814: (T-Mobile: 7823 MSIDN's)

Total Net Carrier: \$20173.30

96633: (T-Mobile: 6215 MSIDN's)

Total Net Carrier: \$9427.15 . . .

32063: (T-Mobile: 4688 MSIDN's)

Total Net Carrier: \$5455.45 . . .

83577: (Sprint: 814 MSIDN's)

Total Net Carrier: \$2417.88

I believe that the "total net carrier" figures set forth in this email represent the total revenues received by MIAO in July 2011 from auto-subscribing consumers through the phone numbers provided by GOFF.

f. On or about August 1, 2011, MIAO sent an email to CW-1, with the subject line "Auto-Sub July Total." In the email, MIAO states "Hehehe free money." He then lists the "Auto-Subscribe Total Net Carrier" for "July 1-31," which is "\$79,004.81." MIAO further breaks that number down by short code, as follows:

25814: Total Net Carrier: \$20173.30

96633: Total Net Carrier: \$9427.15

32063: Total Net Carrier: \$5455.45

83577: Total Net Carrier: \$2417.88

74248: Total Net Carrier: \$12,100.50

77050: Total Net Carrier: \$21,173.78

77910: Total Net Carrier: \$5967.75

25870: Total Net Carrier: \$2289

The first four short codes and totals listed in this email are the same as the short codes and totals listed in the July 31, 2011 email described above, which MIAO sent to GOFF. As noted above, I believe these numbers represent revenues received as a result of auto-subscribing consumers through the phone numbers provided by GOFF. I also believe that the remainder of the short codes and totals listed in this email represent revenues received from auto-subscribing consumers through phone numbers provided by other co-conspirators.

25. I have also spoken with CW-1 about the efforts of LIN MIAO, the defendant, to purchase phone numbers from others for the purpose of auto-subscribing consumers. CW-1 has informed me that MIAO sometimes purchased phone numbers for this purpose from MICHAEL PAJACZKOWSKI, a/k/a "Paj," the defendant. Indeed, on one occasion, CW-1 was directly involved in purchasing phone numbers from PAJACZKOWSKI, at MIAO's direction. Specifically, CW-1 has informed me, in substance and in part, that:

a. In or around October 2011, at MIAO's instruction, CW-1 met PAJACZKOWSKI in Los Angeles, California to give PAJACZKOWSKI \$100,000 in cash, in exchange for a thumb drive that contained phone numbers to be used for auto-subscribing consumers.

b. When CW-1 met PAJACZKOWSKI in Los Angeles, CW-1 gave PAJACZKOWSKI \$35,000 in cash in exchange for the thumb drive. CW-1 then sent PAJACZKOWSKI the remaining \$65,000 cash in the mail, in several installments.

26. Emails from the Texting Company Server, which I have reviewed, corroborate what CW-1 has told me regarding CW-1's purchase of phone numbers from MICHAEL PAJACZKOWSKI, a/k/a "Paj," the defendant. In the emails, MIAO makes reference to CW-1 picking up a CD from PAJACZKOWSKI containing phone numbers, and to a "\$100k" payment. Specifically:

a. On or about October 25, 2011, MIAO sent an email to CW-1, with the subject line "Paj Checklist." In the email, MIAO states as follows:

Hey Guy:

Checklist for Paj's \$100k when you see him:

- CD with at least 500k phone numbers on it
- 1st code to be moved over middle of next week
- Canada and Australia codes to be moved over
- Detailed email re all of the bugs we need to patch up on our end.

Lin

b. On or about October 28, 2011, MIAO sent an email to CW-1, with the subject line "Important: Paj." In the email, MIAO states as follows:

Hey Guy:

Just a check list with Paj:

- Make sure he agrees that 98952 gets transferred over to aggregation next week
- Make sure you get the CD from him and ask him how often we get new numbers and how we get them
- Ask him about the \$700k
- Ask him how soon we can do Canada and AU

Lin

Setting Up the Auto-Subscribe Software

27. CW-1 has also informed me, in substance and in part, that YONG JASON LEE, a/k/a "Jason Lee," the defendant, was a software programmer who helped LIN MIAO, the defendant, develop the software that the Texting Company used to auto-subscribe consumers.

28. Emails from the Texting Company Server, which I have reviewed, corroborate what CW-1 has told me regarding the involvement of YONG JASON LEE, a/k/a "Jason Lee," the defendant, on the technical side of the auto-subscribing fraud. For instance:

a. I have reviewed additional emails from CHRISTOPHER GOFF, the defendant, using the Goofballs Email Address, to LIN MIAO, the defendant, attaching lists of numerous

phone numbers (the "GOFF Phone Lists"). Many of the numbers on the GOFF Phone Lists have area codes beginning in "646," which is one area code for the borough of Manhattan. I have also reviewed emails from MIAO, in which MIAO forwards the GOFF Phone Lists to LEE, and asks LEE "Can you run this through [a mobile aggregator's] api asap?" I believe that in these emails to LEE, MIAO is asking LEE to run the phone numbers from the GOFF Phone Lists through the "api," or application-programming interface, of a mobile aggregator, so that the phone numbers could be used to auto-subscribe consumers to Premium SMS services. Indeed, members of the Investigative Team have identified consumer victims whose phone numbers appeared on the GOFF Phone Lists, and who were subsequently charged for Premium SMS services without their permission, including at least one consumer who was defrauded in New York, New York.

b. I have also reviewed a November 22, 2011 email from LEE to MIAO, in which LEE discusses obtaining phone numbers for MIAO, and identifies some of the technical aspects of processing these numbers. For example, LEE states, in part, as follows:

Please don't forget that I'm your Secret Weapon. :) . . .

I'm pretty sure you will be ended up [sic] around 1.6 Million valid phone numbers by end of this month. (Can you buy me a house? haha)

Here are the summaries of my work since then . . .

5. With this rate of carrier look up batch process speed, I'm thinking that it will be done by december 1st (I'm only processing US numbers)

6. Currently I'm having a 20% fail rate (invalid phone number or carrier) of phone numbers out of 2 Millions. I'm guessing you will have around 1.6 million valid phone numbers by Dec. 1st.

(emphasis in original).

c. Further, I have reviewed a December 2, 2011, email from LEE to MIAO, with the subject line "Re: IMPORTANT UPDATE: Jason Lee (Good News)." In the email, LEE writes, in

part, "Dear my brother Lin, I have 1,777M (177,000K more than I predicted before) valid phone number ready to be turned into golds." Attached to the email is a zip file entitled "1.7M numbers by Jason Lee.zip," which contains numerous phone numbers (the "LEE Phone List"). Like the GOFF Phone Lists, the LEE Phone List contains many numbers with area codes beginning in "646." Moreover, the Investigative Team has identified consumer victims whose numbers appeared on the LEE Phone List, and who were subsequently charged for Premium SMS services without their permission.

Concealing the Auto-Subscribing

29. Emails from the Texting Company Server show that the practice of auto-subscribing consumers continued throughout the second half of 2011 and into 2013. The emails further show the LIN MIAO, MICHAEL PEARSE, and YONGCHAO LIU, a/k/a "Kevin Liu," the defendants, attempting to fix various technical problems that arose when auto-subscribing consumers in order to conceal the fraud.

30. For example, I have reviewed emails from in or about August 2011, in which LIN MIAO and YONGCHAO LIU, a/k/a "Kevin Liu," the defendants, discuss obtaining valid IP addresses to assign to the phone numbers that they have purchased. Based on my interviews of people employed in the Premium SMS industry, I understand that mobile phone carriers require IP addresses and time stamps as proof that consumers have actually accessed a website and opted-in to the Premium SMS services in question. I therefore believe that MIAO, LIU, and their co-conspirators needed to find valid IP addresses to assign to the phone numbers they had purchased, to make it falsely appear to the carriers as though the consumers were opting-in to those services rather than being auto-subscribed to the services. For instance:

a. On or about August 13, 2011, MIAO sent an email to LIU, stating, in part, "Do you have a big IP table that you can pull random US IP addresses from?" MIAO goes on to state, in this email, that "[i]t is very important that we include a different valid US IP address for each MSIDN."

b. On or about August 14, 2011, LIU sent a responsive email to MIAO, copying MICHAEL PEARSE, the defendant. In this email, LIU states, in part, "Hmm, we don't have a large

IP database, so what you are saying is: The IP information currently attached to the batch file is not the true one but something we make up?" On or about the same day, MIAO sent a responsive email to LIU, copying PEARSE, in which MIAO states, in part, "Yes, if we can find a large US IP database. We need to match each MSIDN with a valid ip address."

31. Similarly, I have reviewed emails from the Texting Company Server regarding the timing of the series of text messages sent to an auto-subscribed consumer. In particular, I have reviewed a series of emails regarding the timing of the "PIN" text message (the "PIN Message"), which asks the consumer to enter a PIN number opting in to the Premium SMS service, and the "Welcome" text message (the "Welcome Message"), which welcomes the consumer to the service (ostensibly after the consumer has already opted-in by entering the requisite PIN). In these emails, LIN MIAO, MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," the defendants, and others discuss the possibility of randomizing and/or spacing out the timing between the sending of the PIN Message and the sending of the Welcome Message, in order to hide from mobile phone carriers and others the fact that auto-subscribed consumers were not really opting-in to the services by entering a PIN in response to the PIN Message. They further discuss how the existing "time gap" between the PIN Message and the Welcome Message is problematic, because it is "a perfect bell shaped curve," instead of a more random distribution of time gaps, which one would expect to see if consumers were actually responding to the PIN Message. For example:

a. On or about September 15, 2011, an employee of the Mobile Aggregator ("Mobile Aggregator Employee-1") sent an email to another employee of the Mobile Aggregator ("Mobile Aggregator Employee-2") and MICHAEL PAJACZKOWSKI, a/k/a "Paj," the defendant, with the subject line "Re: [the Texting Company] Aggregation audit." In the email, Mobile Aggregator Employee-1 writes, in part, "Negative Highlights: . . . 3. Pin/welcome time gap a perfect bell shaped curve[,]."

b. On or about September 17, 2011, MIAO sent an email to LIU and PEARSE, with the subject line "Pin/Welcome Time Gap." In the email, MIAO writes, in part, "Hey Kevin: [The Mobile Aggregator] came back and commented that we had a 'perfect bell shaped curve' in terms of PIN/Welcome time gap

that we have of 15-35 seconds. Thank you for changing this to between 20-80 seconds but is there anyway we can avoid the perfect bell shape through randomization? Not sure here, wanted to see your thoughts. They commented that 'normal' traffic is not perfect bell shape."

c. On or about September 19, 2011, MIAO sent an email to PEARSE, with the subject line "Proposal PIN." In the email, MIAO writes as follows:

Hey Mike:

What do you think about the proposed flow below?

- Randomize Confirm PIN with Wrong and Right PIN's
- Randomize How many Wrongs before Right: Randomize Between 1-8 attempts before success

Lin

MSIDN 1:

Send PIN
Wait 25 seconds
Confirm with Wrong PIN
Wait 12 seconds
Confirm with Wrong PIN
Wait 18 seconds
Confirm with Right PIN
Send Welcome Message
Send Welcome Content

MSIDN 2:

Send PIN
Wait 34 seconds
Confirm with Right PIN
Send Welcome Message
Send Welcome Content

MSIDN 3:

Send PIN
Wait 44 seconds

Confirm with Wrong PIN
Wait 12 seconds
Confirm with Wrong PIN
Wait 26 seconds
Confirm with Wrong PIN
Wait 15 seconds
Confirm with Right PIN
Send Welcome Message
Send Welcome Content

MSIDN 4:

Send PIN
Wait 59 seconds
Confirm with Wrong PIN
Wait 22 seconds
Confirm with Right PIN
Send Welcome Message
Send Welcome Content.

d. On or about September 27, 2011, PEARSE sent an email to CW-1, stating, in part, "The new logic we included for PIN success randomization is working efficiently."

32. Finally, I have reviewed emails from the Texting Company Server, in which LIN MIAO and YONGCHAO LIU, a/k/a "Kevin Liu," the defendants, discuss how they have been accidentally sending auto-subscribed customers the Welcome Message before the PIN Message (which would not happen if consumers were actually responding to the PIN Message with a PIN opting-in to the Premium SMS services). For example:

a. On or about January 4, 2012, MIAO sent an email to LIU, in which MIAO states, in part, "Hey Kevin: [The Mobile Aggregator] alerted us that we're sending Welcome before PIN, can you check this? I believe this is either on 60206 or 98952."

b. In response, LIU sent an email, dated January 4, 2012, to MIAO, copying PEARSE, in which LIU states, in substance in in part, that he made some modifications to the computer system that generates the PIN Message and the Welcome Message which should fix the problem and ensure that "the WELCOME is 20 seconds behind the PIN."

33. The technical glitches described in the above emails are consistent with some of the consumer complaints I have reviewed during the course of this investigation. Specifically, I have reviewed complaints made to the BBB by consumers claiming that unauthorized charges from the Texting Company and the Texting Company Affiliates appeared on their phone bills. Many of these consumer victims reported receiving a PIN Message and a Welcome Message nearly simultaneously, without any intervening action by the consumer to opt-in to the services - e.g., by entering a PIN on a website or responding to the text. For example:

a. A consumer victim in Oklahoma City, Oklahoma, who filed a complaint with the BBB in or about April 2012, reported to the BBB that "[o]n april 19, 2012, @ 12:47 AM Central Time, I received Three Text messages on my phone all within 2 seconds of each other, back to back." The first text message read "Brain cool IQ fun facts billed at 9.99/mo msg&data rates May apply. Reply HELP for help. Enter your password on the website to continue: 4283." The second text message read "Welcome to brain cool IQ! For help call 18888906150 \$9.99/mo for 3msg/wk. Reply HELP for help Reply stop to cancel Msg&Data rates may aply." The third text message read "Guess What? The tallest building on Earth is currently found in dubai, United Arab Emirates at 2,684 feet tall. For help call 18888906150." The consumer victim told the BBB that when he/she called the number in the text messages to complain, the response the consumer victim was given was that he/she had "sign[ed] up, [gotten] a text and sen[t] back the pin." However, the consumer victim reported to the BBB that he/she "NEVER did any of that," and that "[a]ll of the text[s] happened within 2 seconds of each other." The consumer victim further noted, in his/her complaint to the BBB, that "[i]n the real world it would [have] taken longer than 2 seconds to open your phone, read what the number is, and then send it back in a text, and then get the text back."

b. A consumer victim in Brooklyn Center, Minnesota, who filed a complaint with the BBB in or about April 2012, reported to the BBB that "[o]n March 20, 2012, at 2.18 pm CST, I received within one minute [messages] about 'IQ Power: Trivia Alerts.'" The first message "stated I had to enter a pin on a website and it would cost \$9.99/month." The second

message, which was "received directly after the first, leaving no time for me to have gone to the website to enter the pin number, stated my account was charged \$9.99." The third message, which was "received in the same minute, stated a piece of trivia." The consumer victim told the BBB that when he/she called the phone number in the text messages to complain, he/she was told that he/she "went to the website and registered for this service," which was the "only way to receive this." When the consumer victim "said I had never heard of it, nor had [I] entered a pin number and my phone had been in my possession alone, they said they could not help me."

Proceeds from the Scheme

34. CW-1 has informed me, in substance and in part, that beginning in or around the middle of 2011, the Texting Company ceased conducting legitimate business and began making money only from the auto-subscribing fraud described herein. Indeed, in or around this time, CW-1 stopped performing legitimate work as the Texting Company's Director of Global Sales, which involved finding and purchasing advertising space on the Internet, and simply began receiving large distributions of money from the Texting Company. CW-1 spoke with LIN MIAO, the defendant, about auto-subscribing, and learned that the large distributions CW-1 was receiving consisted of money that the Texting Company was generating through auto-subscribing consumers.

35. CW-1 received distributions from the auto-subscribing fraud totaling tens of thousands of dollars, and sometimes hundreds of thousands of dollars, per month. MIAO also received very large distributions from the auto-subscribing fraud, which MIAO spent freely on travel, parties, and expensive accommodations. For instance, in or around late 2011 or early 2012, CW-1 observed MIAO spend \$15,000 per night on a hotel room.

36. Moreover, I have reviewed records from Bank of America for bank accounts held in the name of the Texting Company (the "Texting Company Bank Records"). Based on my review of the Texting Company Bank Records, I estimate that the auto-subscribing fraud generated tens of millions of dollars in proceeds for its participants. For instance, the Texting Company Bank Records show, among other things, the following

transactions:

a. Approximately \$54.08 million in revenue to the Texting Company's bank accounts from mobile aggregators, for the period from in or about August 2011 through in or about November 2013.

b. Approximately \$22.7 million in direct wire transfers from the Texting Company's bank accounts to an account in the name of LIN MIAO, the defendant, for the period from in or about August 2011 through in or about November 2013.

c. Approximately \$7.5 million in direct wire transfers from the Texting Company's bank accounts to an account in the name of CW-1, for the period from in or about August 2011 through in or about July 2012.

CW-1's Phone Call with PEARSE

37. In addition to providing information about the fraudulent scheme described herein, CW-1 has spoken with MICHAEL PEARSE, the defendant, at the direction of the Investigative Team. That conversation, which took place on or about April 21, 2015, was a telephone call that was monitored and recorded with the consent of CW-1. I and other members of the Investigative Team listened to the telephone call between CW-1 and PEARSE as it occurred.

38. During CW-1's monitored and recorded call with MICHAEL PEARSE, the defendant, PEARSE made statements indicating that he and other defendants were knowingly involved the auto-subscribing scheme. For example, PEARSE stated the following, in substance and in part:

a. All of the money that PEARSE received from LIN MIAO, the defendant, went to a bank account in Hong Kong. PEARSE did not touch the money in that bank account because he was too scared to do so. PEARSE knew the money "wasn't real" and there would "be come back."

b. MIAO's wife had to know what was going on, because there was "so much money" coming in from MIAO, and she was not dumb.

c. MIAO's employee, YONG JASON LEE, a/k/a "Jason Lee," the defendant, also "knew what was going on." LEE "worked up [an] API for whatever was dumping numbers." YONGCHAO LIU, a/k/a "Kevin Liu," the defendant, was PEARSE's tech guy who "pressed the run button every night."

d. MIAO purchased "buckets of numbers" from an "Asian chick" who lived in Canada.

e. MIAO was "panicking one day" and went to New York with huge amounts of cash to pay people from the Mobile Aggregator. The people from the Mobile Aggregator "have a lot of money" and "seem to have gotten off scott free."

LAUNDERING OF PROCEEDS FROM THE SCHEME TO DEFRAUD

39. From my review of various records, and from information provided by CW-1, I also believe that LIN MIAO, MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and others, made efforts to launder proceeds from the fraudulent scheme described herein by, *inter alia*, using the proceeds to make payments to co-conspirators, in a manner that facilitated the scheme and concealed the nature of the payments being made.

MIAO's \$2.75 Million Payment to CW-1

40. For example, from speaking with CW-1, and from reviewing bank records, I know that in or about September 2012, LIN MIAO, the defendant, made a \$2.75 million payment to CW-1, which represented, in part, a satisfaction of the debt owed by MIAO to CW-1 for auto-subscribing distributions. CW-1 has informed me of the following, in substance and in part, regarding the circumstances of this payment:

a. In early 2012, CW-1 discovered that MIAO was taking supplemental distributions from the Texting Company, which MIAO was hiding from others in the company. This discovery by CW-1 contributed to the deterioration of CW-1's relationship with MIAO.

b. Shortly thereafter, MIAO and CW-1 had a meeting in San Francisco, California. At that meeting, MIAO and CW-1 agreed to dissolve their business relationship and

discussed a severance arrangement for CW-1. MIAO indicated that he knew he owed CW-1 money and wanted to repay CW-1. CW-1 negotiated a \$2.75 million payment from MIAO, which partly represented the value of CW-1's shares in a separate company that CW-1 owned with MIAO, and partly represented a satisfaction of the debt owed by MIAO to CW-1 for his role in the auto-subscribing scheme.

c. This meeting in San Francisco, and the subsequent payment by MIAO of \$2.75 million to CW-1, marked the end of CW-1's employment with the Texting Company.

41. From the bank records that I have reviewed, including the Texting Company Bank Records, I believe that the \$2.75 million payment from LIN MIAO, the defendant, to CW-1 was derived from proceeds from the auto-subscribing fraud discussed herein, and was transferred by MIAO between various bank accounts. Specifically:

a. Between on or about January 1, 2012 through on or about September 30, 2012, the Texting Company wired approximately \$10,381,630.41 from the Texting Company's bank accounts to a money market account held in the name of MIAO ("Account-1").

b. During this same time period, MIAO transferred approximately \$9,461,000.00 from Account-1 to another money market account held in the name of MIAO ("Account-2").

c. Between in or about April 2012 and in or about July 2012, MIAO transferred approximately \$3,160,000 from Account-2 to a brokerage account held in the name of MIAO in New York, New York ("Account-3").

d. On or about September 5, 2012 and September 13, 2012, respectively, MIAO made payments of \$1,000,000 each from Account-3 to another bank account held in MIAO's name ("Account-4").

e. On or about September 14, 2012, MIAO wired \$2.75 million from Account-4 to a bank account controlled by CW-1.

*MIAO's Payments to Shell Companies Controlled by
PAJACZKOWSKI and GOFF*

42. From my review of emails from the Texting Company Server, I know that MICHAEL PAJACZKOWSKI, a/k/a "Paj," the defendant, used two personal email addresses to communicate with LIN MIAO, the defendant: "thats1spicymeatball@gmail.com" (the "Spicy Meatball Email Address") and "very.important.information.123@gmail.com" (the "Very Important Information Email Address"). I also know, from my review of emails and bank and other records, that PAJACZKOWSKI used the Spicy Meatball Email Address and the Very Important Information Email Address to surreptitiously correspond with MIAO about the money that PAJACZKOWSKI was owed for providing phone numbers to MIAO for auto-subscribing consumers, and to coordinate payments from MIAO to a shell company ("Shell Company-1") that PAJACZKOWSKI controlled. For example:

a. I have reviewed a November 12, 2011 email from MIAO to the Spicy Meatball Email Address, copying CW-1, with the subject line "Re: October 31 - November 6 Statement." MIAO sent this email to the Spicy Meatball Email Address shortly after arranging for CW-1 to pick up phone numbers from PAJACZKOWSKI. Based on my review of the November 12, 2011 email, I believe that in this email, MIAO is calculating the amount of money that PAJACZKOWSKI is owed for the phone numbers that he has provided to CW-1. In the email, MIAO writes as follows:

We need to assume these numbers based on actuals:

November 1 - 11: We ran 19149 numbers

On 19149 numbers, it generated 10720 billed numbers. (You can check this using the login and also this matches [the Mobile Aggregator] Reports)

So based on that statistics, the 100k numbers that you sent, only about 50% will be successful, not 100%

At 50,000 success * \$6 NCR = \$300,000

Then you take 70% of that number = \$210,000

20% of \$210,000 would be around \$42,000.

b. Similarly, I have reviewed a December 29, 2011 email sent by MIAO to the Spicy Meatball Email Address and CW-1, with the subject line "Important: Wire Consolidation." Based on my review of this email, I believe that in this email, MIAO is continuing to discuss the amount of money that PAJACZKOWSKI is owed for phone numbers that PAJACZKOWSKI provided. In the email, MIAO writes as follows:

Hi:

Below is the accounting consolidation from October 31st to December 11th. I will be working on December 12th numbers to this past week in a little bit. A few things that I will need:

1. I will need 6 SEPARATE invoices from your company for the exact amounts listed below
2. I will also need the W-9 form attached completed and sent back to me
3. I will also need the name of a representative of your company for our books
4. As soon as I have all of these, I will wire you ASAP

October 31 - November 6: \$4717.89
November 7 - November 13: \$5167.99
November 14 - November 20: \$19,945.29
November 21 - 27: \$54,626.81
November 28 - December 4: \$47,768.75
December 5 - December 11: \$57,889.81

Total: \$190,116.54

[CW-1] told me he gave you \$130,000 in cash advance.

Net To Be Wired: \$60,116.54

c. From bank records, which I have reviewed, I have learned that on or about January 5, 2012, the Texting Company sent a wire transfer of \$60,116.54 (which is the "net to be wired" amount discussed in the above email) to a bank account in the name of Shell Company-1. Based on my review of publicly available records, I have learned that the address associated

with Shell Company-1, as listed on the Shell Company-1 bank account, was PAJACZKOWSKI's former residence in Los Angeles, California. I have also learned that the individual listed on the bank records as the president of Shell Company-1 resided with PAJACZKOWSKI at that same address, up until in or about July 2013, and currently resides with PAJACZKOWSKI at an address in Plano, Texas. Accordingly, I believe that PAJACZKOWSKI controls Shell Company-1 and that the \$60,116.54 was sent to PAJACZKOWSKI as payment due to PAJACZKOWSKI for providing phone numbers to MIAO and CW-1.

d. I have also reviewed an email dated May 2, 2012, from the Very Important Information Email Address to MIAO, with the subject line "Sales Invoice." In the email, the user of the Very Important Information Email Address, i.e., PAJACZKOWSKI, writes, "Hello, Please find attached most recent sales invoice." On or about May 15, 2012, MIAO forwarded the email to CW-1, in an email with the subject line "Fwd: Paj Sales Invoice." Attached to these emails is an invoice dated January 5, 2012, purporting to be from Shell Company-1. The invoice indicates that Shell Company-1 is due a "Sales Commission" of \$141,976.23 for the period of time from February 27 through March 31. I believe that the "Sales Commission" referenced in the invoice attached to this email is a payment due to PAJACZKOWSKI for providing phone numbers to MIAO and CW-1 and PAJACZKOWSKI's cut of the resulting proceeds from the fraud.

43. Similarly, from my review of emails from the Texting Company Server, I know that CHRISTOPHER GOFF, the defendant, used two personal email addresses, the Goofballs Email Address and an email address with a domain name belonging to a shell company (the "Shell Company-2 Email Address), respectively, to communicate with LIN MIAO, the defendant. I also believe, as discussed above, that GOFF used the Goofballs Email Address to send lists of phone numbers to MIAO in or about mid to late 2011, so that MIAO could use the phone numbers to auto-subscribe consumers. In addition, I have reviewed emails that show that GOFF continued to find phone numbers for the Texting Company in 2012, and to send them to MIAO using the Goofballs Email Address. For example:

a. I have reviewed a January 26, 2012 email from GOFF, using the Goofballs Email Address, to MIAO. In the email, GOFF writes, "Here you go. I am not sure how many but I

know there is a lot overall." Attached to the email is a document entitled "Numbers.txt," which contains numerous phone numbers.

b. Similarly, I have reviewed a March 22, 2012 email from GOFF, using the Goofballs Email Address, to MIAO. In the email, GOFF writes, in part, "Here is more traffic." Attached to the email is a document entitled "Premium MSIDNs," which contains numerous phone numbers.

44. Moreover, I believe, from my review of emails from the Texting Company Server, that CHRISTOPHER GOFF, the defendant, used the Shell Company-2 Email Address to correspond with LIN MIAO, the defendant, about paying GOFF for these phone numbers through the use of a shell company ("Shell Company-2"), that GOFF controlled. For instance:

a. I have reviewed a February 8, 2012 email from GOFF, using the Shell Company-2 Email Address, to MIAO, with the subject line "New Corporation Docs." In email, GOFF writes, "Hey Lin, Can you please send over anything I need to fill out for my new LLC ([Shell Company-2])? I want to get this set up for the next payment that is made. Thanks, Chris."

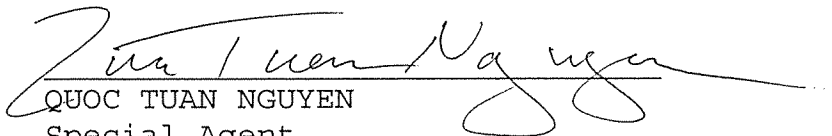
b. Similarly, I have reviewed an April 22, 2012 email from GOFF, using the Shell Company-2 Email Address, to MIAO, with the subject line "Banking Information - [Shell Company-2]." In the email, GOFF provides MIAO with the "new banking information for [Shell Company-2]," and further writes, in part, "Let me know if you need any other documents filled out or other information from me for the next payment and future payments."

c. I have also reviewed a July 13, 2012 email from GOFF, using the Shell Company-2 Email Address, to MIAO, with the subject line "[Shell Company-2] - Invoice." In the email, GOFF writes, "Hello Lin, Please find the invoice attached for payment due. Thanks, Chris." Attached to the email is an invoice dated July 13, 2012, from "[Shell Company-2]." The invoice indicates that Shell Company-2 is due "Advertising Services/Consulting" fees in the amount of \$75,000.

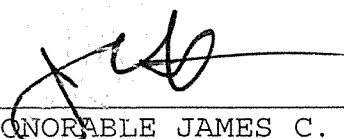
d. I have also reviewed a March 18, 2013 email from GOFF, using the Shell Company-2 Email Address, to MIAO,

with the subject line "Outstanding Invoice." In the email, GOFF writes, in part, "Hey Lin, I have been trying to reach you for a few months now and I am not able to get a hold of you [T]he attached invoice from [Shell Company-2] was never paid from [the Texting Company]. Can you please look into this and remit payment as soon as possible." Attached to the email is an invoice dated August 21, 2012, from "[Shell Company-2]." The invoice indicates that Shell Company-2 is due "Advertising Services/Consulting" fees in the amount of \$30,000.

WHEREFORE, the deponent respectfully requests that arrest warrants be issued for LIN MIAO, YONG JASON LEE, a/k/a "Jason Lee," MICHAEL PEARSE, YONGCHAO LIU, a/k/a "Kevin Liu," MICHAEL PAJACZKOWSKI, a/k/a "Paj," and CHRISTOPHER GOFF, the defendants, and that they be arrested and imprisoned, or bailed, as the case may be.


QUOC TUAN NGUYEN
Special Agent
Internal Revenue Service
Criminal Investigation

Sworn to before me this
26th day of May, 2015


THE HONORABLE JAMES C. FRANCIS IV
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK