



U.S. Department of Justice

*United States Attorney
Northern District of Illinois
Western Division*

Michael F. Iasparro
Assistant U.S. Attorney

308 West State Street - Room 300
Rockford, Illinois 61101

PH: (815) 987-4444
FAX: (815) 987-4236

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EIGHT ARRESTED ON FEDERAL RACKETEERING CHARGES INVOLVING PROSTITUTION AT ROCKFORD MASSAGE PARLORS; FOUR ARRESTED ON STATE PROSTITUTION RELATED CHARGES

ROCKFORD – PATRICK J. FITZGERALD, United States Attorney for the Northern District of Illinois; ROBERT D. GRANT, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; BYRAM TICHENOR, Special Agent-in-Charge of the Internal Revenue Service Criminal Investigation Division; ELISSA A. BROWN, Special Agent-in-Charge of the Bureau of Immigration and Customs Enforcement; JOSEPH A. PIRONE, Acting Special Agent-in-Charge of the United States Postal Service; PAUL LOGLI, Winnebago County State's Attorney; and STEVEN PUGH, Rockford Police Chief, today made the following announcement:

On Sunday, February 27, 2005, federal and local law enforcement officers arrested two men and six women on four federal criminal complaints charging each with conspiring to use interstate facilities, namely telephone lines transmitting credit card information, to aid racketeering enterprises, namely enterprises involving prostitution in Rockford, Illinois.

Charged in *United States v. Kenneth Lee, et al.*, No. 05 CR 50007, were **KENNETH LEE**, also known as "Kyung Lee," 39, 6707 Mill Brook Drive, Rockford; and **YOUNG JA HWANG**, also known as "Coco," 52, 651 North Wilcox Avenue, Los Angeles, California, and **MI RAN PARK**, also known as "Mae," 45, North Mulford Road, Rockford. Lee and Hwang have been arrested and an arrest warrant has been issued for Park. These three defendants were charged in federal court with conspiring to use telephone lines to transmit credit card information to aid racketeering enterprises, namely the Paradise Health Spa, located at 278 North Phelps Avenue, and the Pine Tree Spa, located at 4315 East State Street, from June 2002 through February 27, 2005. The federal complaint alleged that both the Paradise Health Spa and the Pine Tree Spa were fronts for prostitution. According to the federal complaint, when customers of the two enterprises would pay by credit card, the

Note to editors: representatives of law enforcement agencies, the United States Attorney's Office, and the States Attorney's Office will be available to answer questions on these charges at approximately 1:30 p.m. on the Second Floor of the Public Safety Building. Copies of the criminal complaints will be available at that time.

businesses would use interstate telephone lines to transmit the credit card charge information to credit card processing services in order for the prostitution businesses to obtain the receipts.

Charged in *United States v. David L. Kubly, et al.*, No. 05 CR 50009, were **DAVID L. KUBLY**, 2243 18th Avenue, Rockford, **KYONG CHA PARK**, also known as "Young," 56, 4205 Madison Street, Skokie, Illinois; **PUN I. HODGE**, also known as "Pun I. Kubly," also known as "Kimberly," 2243 18th Avenue, Rockford, and **OKNYON MOSER**, 51, 3877 Youngstown Road SE, Warren, Ohio. Kubly, Park and Hodge were arrested and an arrest warrant has been issued for Moser. These four defendants were charged in federal court with conspiring to use telephone lines to transmit credit card information to aid a racketeering enterprise, namely the Royal Health Spa, located at 4103 South Main Street, from September 2002 through February 27, 2005. The federal complaint alleged that the Royal Health Spa was a front for prostitution. According to the federal complaint, the business used interstate telephone lines to transmit its customers' credit card charge information to credit card processing services in order for the prostitution business to obtain the receipts.

Charged in *United States v. Myung Ok Lee, et al.*, No. 05 CR 50010, was **MYUNG OK LEE**, 70, 1177 Shingle Oak Lane, Rockford, and **MIA DEBOER**, 50, 5243 Swanwood Street, Caledonia, Michigan. These two defendants were charged in federal court with conspiring to use telephone lines to transmit credit card information to aid a racketeering enterprise, namely the Tokyo Oriental Health Spa, located at 1538 Broadway, Rockford, from December 2002 through February 27, 2005. The federal complaint alleged that the Tokyo Oriental Health Spa was a front for prostitution. According to the federal complaint, the business used interstate telephone lines to transmit its customers' credit card charge information to credit card processing services in order for the prostitution business to obtain the receipts.

Charged in *United States v. Ok Yon Klinge*, No. 05 CR 50011, was **OK YON KLINGE**, also known as "Yus Me," 49, 1872 Raincloud Drive, Rockford. Klinge was charged in federal court with conspiring with unnamed others to use telephone lines to transmit credit card information to aid a racketeering enterprise, namely the Rainbow Health Spa, formerly located at 4734 East State Street, Rockford, from January 1998 through November 2003. The federal complaint alleged that the Rainbow Health Spa was a front for prostitution. According to the federal complaint, the defendant conspired to use interstate telephone lines to transmit the spa customers' credit card charge information to credit card processing services in order for the prostitution business to obtain the receipts.

Each complaint alleged that when a customer arrived at the various spas, the customer would pay an up-front fee, termed "front money," for either one-half hour or one hour of

massage time. According to the complaints, during that time the customer and the attendant negotiated a further price for other services to be rendered, most often of a sexual nature. The price negotiated for the sexual services is termed the "back money." The complaints alleged that the average income generated by each spa per customer was \$200, and that the spas averaged between 10-30 customers per day. According to the federal complaints, customers sometimes used credit and/or debit cards to pay for the prostitution provided at the spas.

All of the men and women arrested Sunday on federal charges will appear in federal court today in Rockford before United States Magistrate Judge P. Michael Mahoney for their initial appearance on the complaint. Bail hearings will be set at that time. All of the federal defendants arrested will be held in federal custody until their bail hearings. Any member of the public with information on any of the individuals not yet arrested are asked to contact the local FBI office or the Rockford Police Department.

If convicted of the federal charge, each defendant faces a maximum potential sentence of five years of imprisonment and a \$250,000 fine. The actual sentence for each defendant would be determined by the United States District Court, guided by the United States Sentencing Guidelines.

Members of the public are reminded that a criminal complaint is only a charge and is not evidence of guilt. Each defendant is entitled to indictment by a federal grand jury and a fair trial at which time the government has the burden of proving each defendant's guilt beyond a reasonable doubt.

In conjunction with the federal arrests and execution of the five search warrants, four individuals were arrested on state prostitution-related charges. Charged with prostitution were Han Kyong Sook, 34, 278 North Phelps Avenue, Rockford, Mihwa Yuk, 31, 725 Bixel, Los Angeles, California, Kyung Ran Kim, 6789 Tiddle Way, Lorton, Virginia. Charged with pandering was Yong Se Yi, 58, 4103 South Main Street, Rockford.

The arrests announced today were the result of a joint investigation led by the Rockford Office of the Federal Bureau of Investigation, the Rockford Police Department, the Internal Revenue Service, the United States Postal Service, and the United States Bureau of Immigration and Customs Enforcement. The investigation began in October 2003. The federal cases are being prosecuted in United States District Court by Assistant United States Attorney Michael F. Iasparro. The state cases are being prosecuted in Winnebago County Circuit Court by a member of State's Attorney Paul Logli's staff.

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