



## U.S. Department of Justice

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### **ROCKFORD MAN FOUND GUILTY ON FEDERAL CHARGES INVOLVING PROSTITUTION AT ROYAL HEALTH SPA**

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 CHESTER EPPERSON, Rockford Police Chief, today made the following announcement:

**DAVID L. KUBLY**, 2243 18<sup>th</sup> Avenue, Rockford, Illinois, was found guilty this afternoon in federal court of conspiring to use interstate telephone lines to transmit credit card information to aid his prostitution business at the Royal Health Spa, located at 4103 South Main Street, Rockford, Illinois, as well as money laundering conspiracy in connection with the operation of the Royal Health Spa. The jury’s verdict followed a four-day trial.

KUBLY, along with three co-defendants, were charged by superseding indictment on August 3, 2005. The indictment alleged, and evidence established at trial showed, that KUBLY owned the building located at 4103 South Main Street and was involved in the operations of the Royal Health Spa between February 2001 and February 2005, during which time the spa was actually a front for a large-scale prostitution business. KUBLY conspired with KYONG CHA PARK, PUN I. HODGE, OKNYON MOSER, and others to transmit customers’ credit card charge information to credit card processing services in order for the prostitution business to obtain the receipts. Once authorization for the use of credit cards was obtained, those receipts were deposited into the Royal Health Spa’s business checking accounts. The Royal Health Spa was formerly known as the Fuji Health Spa. KUBLY, KYONG CHA PARK, and OKNYON MOSER then wrote and caused others to write checks from those business checking accounts to pay for the Royal Health Spa’s expenses, including advertising, rent, utilities, and wages.

KUBLY faces a maximum potential penalty for both counts of up to 25 years of imprisonment, a fine of \$750,000 or \$250,000 plus twice the value of the property involved in the money laundering, whichever is greater, and between 2 and 3 years of supervised release after his release from imprisonment. He may also be subject to a criminal forfeiture judgment. The actual sentence will be determined by the United States District Court, guided by the United States Sentencing Guidelines. He is set to be sentenced on August 31, 2006 at 2:30 p.m.

KYONG CHA PARK, PUN I. HODGE, and OKNYON MOSER previously pleaded guilty to conspiring to use interstate telephone lines to aid the prostitution business as well as money laundering conspiracy at the Royal Health Spa. PARK and MOSER are set to be sentenced on August 11, 2006, at 1:30 p.m. and 2:00 p.m., respectively. HODGE is set to be sentenced on August 31, 2006, at 1:30 p.m.

KUBLY was the thirteenth and last of the defendants convicted as a result of the investigation, which began in October 2003 and involved seven massage parlors operating as fronts for prostitution in Rockford, Illinois. In addition to the Royal Health Spa, the following massage parlors were closed: Paradise Health Spa, 278 N. Phelps Avenue, Pine Tree Spa, 4315 East State Street, Rainbow Health Spa, 4734 East State Street, Osaka Spa, 4215 East State Street, Sakura Spa, 4415 Harrison Avenue, and the Tokyo Oriental Health Spa, 1538 Broadway. The conviction announced today was 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 cases were prosecuted in United States District Court by Assistant United States Attorneys Michael F. Iasparro, Joseph C. Pedersen and Mark T. Karner.