
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
 :
 v. : Crim. No. 12-7062
 :
 HUI SHENG SHEN, a/k/a "Charlie," and :
 HUAN LING CHANG, a/k/a "Alice" : **CRIMINAL COMPLAINT**
 :


I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief. On or about the dates set forth below, in Essex and Union Counties, in the District of New Jersey and elsewhere, the defendants did:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

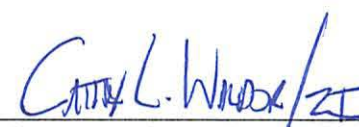


Ronald Pascale, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed,

March 1, 2012, at Newark, New Jersey

HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

 6:58 PM 3/1/12

Signature of Judicial Officer
PURSUANT TO
FED R. CRIM. P 4.1(b)(6)(C)

ATTACHMENT A

Count 1

(Conspiracy to Import Methamphetamine)

From at least as early as in or around February 2011 to in or around February 2012, in the Philippines, in Essex and Union Counties, in the District of New Jersey, and elsewhere, defendants

Hui Sheng Shen, a/k/a "Charlie," and
Huan Ling Chang, a/k/a "Alice,"

did knowingly and intentionally conspire and agree with Soon Ah Kow and others to import into the United States from a place outside thereof, namely, Taiwan, 50 grams or more of methamphetamine, its salts, isomers, and salts of its isomers, contrary to Title 21, United States Code, Sections 952(a) and 960(b)(1)(H).

In violation of Title 21, United States Code, Section 963.

Count 2

(Importation of Methamphetamine)

In or about August 2011, in Essex County, in the District of New Jersey and elsewhere, defendants

Hui Sheng Shen, a/k/a "Charlie," and
Huan Ling Chang, a/k/a "Alice,"

did knowingly and intentionally import into the United States from a place outside thereof, namely, Taiwan, 50 grams or more of methamphetamine, its salts, isomers, and salts of its isomers.

In violation of Title 21, United States Code, Sections 952(a) and 960(b)(1)(H) and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Ronald Pascale, have been a Special Agent with the Federal Bureau of Investigation ("FBI") for approximately eight years, and I have been personally involved in the investigation of this matter. The information contained in this Complaint is based on my personal knowledge and on information obtained from other sources, including: a) statements made or reported by various witnesses with knowledge of relevant facts; b) my review of publicly available information relating to the defendants; and c) my review of business records, bank records and other documents and evidence obtained through Court orders, subpoenas and other sources. Because this Complaint is being submitted for the limited purpose of establishing probable cause, it does not include every fact that I have learned during the course of the investigation. Where the content of documents and the actions, statements, and conversations of individuals are recounted herein, they are recounted in substance and in part, except where otherwise specifically indicated. All times and dates indicated in this affidavit are approximate.

SUMMARY OF THE INVESTIGATION

1. Since in or around February 2011, the FBI has been investigating defendants Hui Sheng Shen ("Shen") and Huan Ling Chang ("Chang") (collectively, the "Defendants"). As set forth more fully below, Defendants imported approximately 1 kilogram of approximately 93.7% pure methamphetamine from Asia into the United States, and then negotiated to import dozens of kilograms more. On or about February 18, 2012, Defendants arrived in the United States to finalize a transaction for approximately 50 kilograms of crystal methamphetamine.

THE DEFENDANTS

2. Defendant Shen is a resident of Taiwan and portrays himself as a logistics expert who can obtain and transmit contraband items throughout the world.
3. Defendant Chang is a resident of Taiwan and portrays herself as a schoolteacher, and is fluent in English, Spanish, Mandarin, and Fukinese.

BACKGROUND ON THE PORT

4. At all times relevant to this Complaint:
 - a. Port Newark-Elizabeth Marine Terminal (the "Port") was operated by the Port Authority of New York and New Jersey. It was the largest container port in the eastern United States. The Port handled more than 3,700 vessels and more than 2.5 million containers annually, with a total value of more than \$100 billion in goods passing through the Port per year.
 - b. Nearly all international trade, including the shipment of goods from Taiwan to the United States, involved what was known as intermodal freight transportation. This process allowed freight to be transported using several different "modes" of

transport – such as truck, rail, and ship – without the cargo being repeatedly loaded and unloaded. The standard units of intermodal freight transportation were corrugated steel containers, also known as “boxes.”

- c. Taiwan was a known source from which methamphetamine was shipped to the United States.

THE INVESTIGATION

- 5. In or around August 2008, a confidential source of information (“CS”), who had been used in prior investigations and had proven reliable and credible, informed the FBI that an individual named Soon Ah Kow (“Kow”) was looking for assistance in importing containers of counterfeit cigarettes into the United States.¹
- 6. Law enforcement then introduced Kow to undercover law enforcement agents (the “UCs”). The UCs posed as individuals capable of clearing counterfeit goods through customs and having the goods removed from ports in the United States.
- 7. Kow subsequently imported millions of dollars’ worth of contraband merchandise into the United States with the UCs’ “assistance.” Specifically, between in or around May 2009 and in or around September 2010, Kow and the UCs arranged for the importation of several containers of counterfeit cigarettes, footwear, and other goods from China and elsewhere into the Port.

Importing Narcotics

- 8. In or around June 2010, Kow and the UCs began discussing the possibility of the UCs’ acquiring narcotics from Kow and his associates. Kow stated, in substance and in part, that Kow had several sources from whom the UCs could purchase narcotics, including heroin and methamphetamine.
- 9. The UCs then arranged an in-person meeting with Kow. However, because Kow was aware of prior law enforcement operations in the United States relating to conduct in which he was involved, Kow refused to meet in the United States. Consequently, in or about February 2011, over the course of several days, Kow met with certain UCs in or around Manila, the Philippines.
- 10. In Manila, Kow introduced the UCs to Kow’s associates – Defendants Shen and Chang.

¹ On or about January 6, 2012, Kow was indicted by a grand jury sitting in Newark, New Jersey for conspiracy to import narcotics, importation of narcotics, smuggling, transportation of counterfeit cigarettes, conspiracy to traffic in counterfeit goods, and trafficking in counterfeit goods. On or about February 18, 2012, Kow was arrested in the Philippines.

11. Kow stated that Defendant Shen represented the interests of Kow's associates, wealthy narcotics dealers who had been trafficking drugs for over 25 years. During the meetings in Manila, Defendant Shen and Kow arranged for the delivery of a sample of crystal methamphetamine to be delivered to the UCs in the lobby of the UCs' hotel. The sample field tested positive for the presence of methamphetamine.
12. In or about March 2011, certain UCs met with Defendants in Florida. During recorded meetings, Defendant Shen told the UCs that he was a transportation expert who assisted Kow and Kow's associates in selling and shipping narcotics throughout the world. Defendants and the UCs made further arrangements to import narcotics to the United States, and engaged in negotiations regarding price, quantities, and logistics.

Communications Regarding Narcotics

13. In or about May 2011, a transaction for one kilogram of crystal methamphetamine was finalized between Defendants and the UCs ("the One Kilo Meth Transaction"). The negotiations took place over recorded telephone calls. The parties also discussed the insecurity of e-mails, which could be saved and later discovered by law enforcement. To resolve this problem, the UCs established an e-mail account (the "E-Mail Account") and gave Defendants the username and password to the E-Mail Account. Thereafter, rather than sending e-mails back and forth (which could create an incriminating paper trail), Defendants and the UCs logged into the E-Mail Account and created draft e-mail messages that Defendants and the UCs could access. Defendants and the UCs therefore could read and update the drafts without actually transmitting them.

Defendants Sell Crystal Methamphetamine to UCs

14. The One Kilo Meth Transaction was intended to be a "sample" load, to ensure that all parties were able to meet their responsibilities, and that all parties were satisfied with the results. Defendants explained that they rarely engaged in narcotics transactions of such small quantities.
15. On or about May 24, 2011, the UCs wired approximately \$70,000 to a bank account in or around Taiwan that had been provided by Defendants. This amount included the price of the narcotics in the One Kilo Meth Transaction, the shipping costs, and a payment to Kow for Kow's role in brokering the transaction.
16. In or about July 2011, Defendants sent the UCs a bill of lading for the container (the "Meth Container") that was to include the crystal methamphetamine. During recorded conversations, Defendants provided the UCs with the precise location of the narcotics within the Meth Container. Defendant Shen also told the UCs that he was an expert at

hiding contraband within cargo containers so it would not be detected by law enforcement.

17. On or about August 9, 2011, the Meth Container arrived at the Port.
18. Law enforcement agents examined the Meth Container. Secreted within the Meth Container, in the location described by Defendants, was approximately 994 grams of crystal methamphetamine. The methamphetamine was hidden inside three closed bags of Chinese tea. These, in turn, were then placed within a metal tower-type computer, which was then placed within the packaging for such a computer.
19. The crystal methamphetamine was later analyzed, and found to be approximately 93.7% pure.

Bigger Narcotics Deals

20. After the One Kilo Meth Transaction, the UCs continued to discuss further – larger – narcotics transactions with Defendants during recorded conversations and e-mails. These discussions included:
 - a. Sending crystal methamphetamine into Japan from elsewhere in Asia, secreted in electrical generators so as to appear destined for tsunami relief;
 - b. Sending approximately 300 kilograms of liquid methamphetamine from Mexico to Japan in tequila bottles;
 - c. Importing approximately 25 kilograms of crystal methamphetamine from Asia to the United States.
21. To further these discussions, the parties decided to meet in or around Las Vegas, Nevada in or around October 2011. On or about October 19, 2011, Defendants arrived in or around Las Vegas, and Defendants and UCs held a series of recorded meetings to further the conspiracy to import narcotics. During these meetings, Defendants and the UCs discussed, among other things, the price, quantity, and logistics of further methamphetamine transactions.
22. On or about February 18, 2012, Defendants arrived in New York for another series of meetings with UCs. During these recorded meetings, Defendants and UCs finalized the negotiations for a series of large-scale international narcotics transactions, which would result in more than approximately 50 kilograms of methamphetamine to be imported into the United States, and hundreds more sent to Japan and elsewhere. Defendants provided UCs with information for a bank account that Defendants had opened for these transactions.