
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT
v. :
JUNG-WOO SHIM, : Mag No. 10-4161 (CCC)
a/k/a "Lewis Shim"
"Cheng X. Jin,"
"Yunzhe Quan," and
"Zelong Piao"

I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Barbara J. Woodruff, Special Agent
Federal Bureau of Investigation

Sworn to before me and subscribed in my presence,
September 15, 2010, at Newark, New Jersey

HONORABLE CLAIRE C. CECCHI
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A

Count One (Unlawfully Producing an Identification Document)

On or about July 12, 2006, in Bergen County, in the District of New Jersey and elsewhere, defendant Jung-Woo Shim, a/k/a "Lewis Shim," "Cheng X. Jin," "Yunzhe Quan," and "Zelong Piao," knowingly and without lawful authority produced, and caused and aided in the production of, an identification document, namely, an identification card, issued by the Illinois Department of Motor Vehicles, in the name of "Cheng Xue Jin," in or affecting interstate and foreign commerce, in violation of Title 18, United States Code, Section 1028(a)(1), (b)(1)(A), (c)(3)(A), and Title 18, United States Code, Section 2.

Count Two (Unlawfully Producing an Identification Document)

On or about July 13, 2006, defendant Jung-Woo Shim, in Bergen County, in the District of New Jersey and elsewhere, defendant Jung-Woo Shim, a/k/a "Lewis Shim," "Cheng Xue Jin," "Yunzhe Quan," and "Zelong Piao," knowingly and without lawful authority produced, and caused and aided in the production of, an identification document, namely, a driver's license, issued by the Illinois Department of Motor Vehicles, in the name of "Yunzhe Quan," in or affecting interstate and foreign commerce, in violation of Title 18, United States Code, Section 1028(a)(1), (b)(1)(A), (c)(3)(A), and Title 18, United States Code, Section 2.

Count Three (Unlawfully Producing an Identification Document)

On or about September 6, 2007, defendant Jung-Woo Shim, in Bergen County, in the District of New Jersey and elsewhere, defendant Jung-Woo Shim, a/k/a "Lewis Shim," "Cheng Xue Jin," "Yunzhe Quan," and "Zelong Piao," knowingly and without lawful authority produced, and caused and aided in the production of, an identification document, namely, a driver's license, issued by the New Jersey Department of Motor Vehicles, in the name of "Zelong Piao," in or affecting interstate and foreign commerce, in violation of Title 18, United States Code, Section 1028(a)(1), (b)(1)(A), (c)(3)(A), and Title 18, United States Code, Section 2.

Count One (Aggravated Identity Theft)

From in or about April 2008 through in or about August 2008, in Bergen County, in the District of New Jersey and elsewhere, defendant Jung-Woo Shim, a/k/a "Lewis Shim," "Cheng Xue Jin," "Yunzhe Quan," and "Zelong Piao," during and in relation to violations of federal law, namely, credit card fraud (18 U.S.C. § 1029), mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and fraud relating to social security numbers (42 U.S.C. § 408), knowingly transferred, possessed, and used, without lawful authority, the means of identification of another person, namely, Cheng Xue Jin, as described below in Attachment B, in violation of Title 18, United States Code, Section 1028A and Section 2.

ATTACHMENT B

I, Barbara J. Woodruff, am a Special Agent with the Federal Bureau of Investigation. I have knowledge of the facts set forth herein through my personal participation in this investigation and through oral and written reports from other federal agents or other law enforcement officers. Where statements of others are set forth herein, including statements that were consensually recorded, these statements are related in substance and in part. Furthermore, these conversations, unless otherwise indicated, occurred in the Korean language. Since this Criminal Complaint is being submitted for a limited purpose, I have not set forth every fact that I know or other law enforcement officers know concerning this investigation. I have only set forth those facts that I believe are sufficient to show probable cause exists to believe that the defendant has committed the offenses set forth in Attachment A. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

1. At all times relevant to this Criminal Complaint defendant Jung-Woo Shim, a/k/a "Lewis Shim," "Cheng X. Jin," "Yunzhe Quan," and "Zelong Piao," was a resident of Cliffside Park, New Jersey and the owner/operator of Hansel Financial Consulting, a purported financial consulting business located in Palisades Park, New Jersey.

2. On June 28, 2010, defendant Jung-Woo Shim, through his purported financial consulting business, Hansel Financing, issued an advertisement in Kyocharo, a Korean newspaper. The advertisement stated: "Hansel Financing, credit card with limit, same day cash (cheap processing fee); maxed out credit card extra, second and third round cash; maxed out line of credit, second and third round cash; American banks, people with those accounts, loans \$100,000; People going back to Korea for good, we can get up to \$300,000." Based on Your Affiant's education, training, and experience, I know that the phrases "second and third round cash" is a reference to defrauding credit card companies through various credit card "bust out" schemes. Although accomplished in many ways, credit cards are usually "busted out" by (1) obtaining credit cards in other people's names (i.e., identity fraud); (2) charging the credit card to the maximum credit limit (i.e., the first round), making a payment with insufficient funds toward the charges, and then, after the credit card company credits the account in the amount of the payment but before determining that it is fraudulent, making additional purchases on the credit card (i.e., the second round), and thereafter not paying for any of the charges; or (3) charging

the credit cards through various collusive merchants, for a fee, for the purpose of obtaining cash (or "kkang," a Korean slang phrase for such conduct).

3. On or about July 27, 2010 a confidential informant (hereinafter "Confidential Informant") called defendant Jung-Woo Shim on the number advertised in the June 28, 2010 edition of Kyocharo. The Confidential Informant set up a meeting with defendant Jung-Woo Shim at his office in Palisades Park, New Jersey to discuss defendant Jung-Woo Shim's ability to engage in credit card or "bust out" schemes.

4. On or about July 28, 2010, during a consensually recorded meeting (audio and visual), the Confidential Informant met with defendant Jung-Woo Shim at his office located in Ridgefield, New Jersey. During the meeting, defendant Jung-Woo Shim stated that cash could be withdrawn from lines of credit and that money could be obtained from credit cards through "kkang," a Korean slang for the practice of using collusive merchants to commit credit card fraud, as described below. Defendant Jung-Woo Shim explained that the credit cards of his customers (in this case the Confidential Informant) would be charged the maximum allowable amount, but the debt would not be paid. Therefore, defendant Jung-Woo Shim explained, if the Confidential Informant decided to move forward with the scheme, that the Confidential Informant's credit would ultimately be ruined. Defendant Jung-Woo Shim explained that he is assisted by merchants in carrying out this scheme. Based on this investigation and other investigations, Your Affiant knows that these merchants are co-conspirators in the scheme and collude with brokers, such as defendant Jung-Woo Shim, to "bust out" credit cards (hereinafter "Collusive Merchants"). Your Affiant further knows that, for a fee (i.e., a "kkang fee"), these collusive merchants charge or swipe the credit cards or credit card numbers for a certain amount, then split the proceeds of the charged amount with the customer. Defendant Jung-Woo Shim explained that the proceeds from the scheme are split eighty percent to the customer and twenty percent to the merchants on the "first round." On the "second and third rounds," fifty percent of the proceeds go to the customer and fifty percent go to the collusive merchants.

5. On or about July 12, 2006, defendant Jung-Woo Shim, using the Chinese name "Cheng Xue Jin" obtained an identification card (with photograph) issued by the Illinois Department of Motor Vehicles (hereinafter "IDMV"), in the name of "Cheng Xue Jin." Defendant Jung-Woo Shim used a corresponding social security number beginning with the digits 586 to obtain the identification card. The social security number defendant Jung-Woo Shim used to obtain this identification card was not issued to him by the United States.

6. On or about July 13, 2006, defendant Jung-Woo Shim, using the Chinese name "Yunzhe Quan," obtained a driver's license (with photograph) issued by the IDMV in the name of "Yunzhe Quan." Defendant Jung-Woo Shim used a corresponding social security number beginning with the digits 586 to obtain the driver's license. The social security number defendant Jung-Woo Shim used to obtain this driver's license was not issued to him by the United States.

7. On or about September 6, 2007, defendant Jung-Woo Shim, using the Chinese name "Zelong Piao," obtained a driver's license (with photograph) issued by the New Jersey Department of Motor Vehicles in the name of "Zelong Piao." Defendant Jung-Woo Shim used a corresponding social security number beginning with the digits 586 to obtain the driver's license. The social security number defendant Jung-Woo Shim used to obtain this driver's license was not issued to him by the United States.

8. The social security numbers with the prefix "586," as used by defendant Jung-Woo Shim, were issued by the United States to individuals, usually from China, who were employed in American territories, such as American Samoa, Guam, the Philippines, and Saipan. Defendant Jung-Woo Shim used these genuinely issued but fraudulently obtained social security numbers to produce, cause to be produce, and to obtain and possess identity documents, including the driver's licenses and identification documents listed above.

9. From in or about April 2008 through in or about August 2008, defendant Jung-Woo Shim, using the Chinese identity "Cheng Xue Jin" and a corresponding 586 social security number, applied for and received credit cards from American Express, Bank of America, Chase Manhattan bank, Discover Financial Services, HSBC bank, and PNC Bank. According to records provided by these credit card companies and other sources, these fraudulently acquired credit cards were used to make fraudulent charges that were never paid. For example, using credit cards in the name of Cheng Xue Jin, defendant Jung-Woo Shim made approximately \$1,055

in charges on a PNC Bank Visa card; approximately \$596 in charges on a Capital One Visa credit card; approximately \$530 on a Bank of America credit card (in part by issuing checks to make minimum payments on other credit cards); and approximately \$1,775 on an American Express card. Moreover, defendant Jung-Woo Shim, again using a credit card in the name of Cheng Xue Jin, obtained \$1,425 in cash advances from a Discover credit card.

10. According to PNC Bank, Discover; Capital One; Bank of America, and American Express, these charges were not paid, resulting in a loss of approximately \$5,300.