

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

----- X

UNITED STATES OF AMERICA :

-v- :

SEALED INDICTMENT

ZE XI QIU, :

a/k/a "Superman," :

a/k/a "Andy," :

DUOFU KE, :

a/k/a "K.E.," :

a/k/a "Old K," :

HONG GANG YANG, :

a/k/a "One Hand," :

ROBERT YANG, :

ZHEN LIU, :

a/k/a "Ken," :

HUAMING DONG, :

a/k/a "Hong Hong," :

ZIYI ZHANG, :

a/k/a "Beijing," :

YUNLEI WANG, :

a/k/a "Alex," :

ZI HE ZHENG, :

XUE ZHANG, :

a/k/a "Helen," :

CHUANPIN WANG, :

a/k/a "Jay," :

CARLOS MACIAS, :

TIAN YAN, :

FU LING SHI, :

a/k/a "Ah Ling," :

TENG WANG, :

a/k/a "Toby," :

BING LIU, :

CHEN GUANG-ANG, :

a/k/a "Yisheng Dong," :

YAN PING LIU, :

SHUQIN DONG, and :

XIU YAN ZHU, :

Defendants. :

----- X

13 Cr.

13 CRIM949

COUNT ONE

(Conspiracy to Commit Access Device Fraud)

The Grand Jury charges:

OVERVIEW OF THE SCHEME

1. From at least in or about June 2013, through in or about December 2013, in the Southern District of New York and elsewhere, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, together with others known and unknown, carried out an elaborate, large-scale counterfeit credit and debit card scheme. As part of the scheme, the defendants and their coconspirators stole the account numbers for credit/debit cards belonging to at least 1,000 different individuals and used those stolen account numbers to make or attempt to make at least \$2 million in unauthorized purchases of merchandise at retail stores throughout the United States.

2. The scheme generally worked as follows. The conspirators obtained stolen credit/debit card information from computer hackers who remotely compromised databases containing credit/debit card numbers and/or from "carding" websites, which are Internet-based forums in which users sell and exchange stolen credit card/debit card

numbers. The conspirators then produced counterfeit credit/debit cards that were encoded with the stolen account information and used those counterfeit cards to make unauthorized purchases of merchandise at retail stores throughout the United States. In order to convert the fraudulently-obtained merchandise into cash, the conspirators sold the merchandise to other members of the conspiracy who, in turn, sold the merchandise to others or arranged for others to return the merchandise to the stores for a cash refund.

THE DEFENDANTS

3. ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," HUAMING DONG, a/k/a "Hong Hong," and ZHEN LIU, a/k/a "Ken," the defendants, were New York-based leaders of the scheme. QIU, KE, HONG GANG YANG, HUAMING DONG and ZHEN LIU were responsible for obtaining stolen credit/debit card account information from ROBERT YANG, the defendant, among other sources.

4. After obtaining the stolen credit/debit card information, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," HUAMING DONG, a/k/a "Hong Hong," and ZHEN LIU, a/k/a "Ken," the defendants, with the assistance of ZIYI ZHANG, a/k/a "Beijing," and ZI HE ZHANG, the defendants, manufactured counterfeit credit/debit cards that were (i) encoded with the stolen credit/debit card account information using a device known as a magnetic strip reader and (ii) embossed to bear the names of other conspirators, referred to as "shoppers," who would

use the fraudulent cards to make unauthorized purchases.

5. After the counterfeit credit/debit cards were created, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," HUAMING DONG, a/k/a "Hong Hong," and ZHEN LIU, a/k/a "Ken," the defendants, would assemble teams of "shoppers" to make fraudulent purchases with the counterfeit cards at retail stores throughout the United States. Each team of shoppers typically was managed by individuals referred to as "drivers," who were responsible for transporting the teams of shoppers to retail establishments to make fraudulent purchases and reporting back to the leaders of the fraud ring on the progress of the scheme. ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," and ZI HE ZHENG, the defendants, acted as "drivers." On occasion, QIU, KE, HUAMING DONG and ZHEN LIU also acted as "drivers" and coordinated teams of shoppers.

6. CHUANPIN WANG, a/k/a "Jay," and XUE ZHANG, a/k/a "Helen," the defendants, recruited "shoppers" who were willing to use the counterfeit credit/debit cards to make unauthorized purchases.

7. CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG and XIU YAN ZHU, the defendants, acted as "shoppers." In addition, on occasion, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," HUAMING DONG, a/k/a "Hong Hong," and ZIYI ZHANG, a/k/a "Beijing," also made or attempted to make unauthorized purchases using the counterfeit credit/debit cards.

8. ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E." a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," HUAMING DONG,

a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing" and ZI HE ZHENG, the defendants, among others, helped store the fraudulently-obtained merchandise at various locations. The merchandise was then distributed to other coconspirators, including FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, the defendants, to be sold or exchanged for cash refunds.

STATUTORY ALLEGATIONS

9. From at least in or about June 2013 through at least in or about December 2013, in the Southern District of New York and elsewhere, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, willfully and knowingly did combine, conspire, confederate, and agree together and with each other to commit an offense against the United States, to wit, to violate Title 18, United States Code, Sections 1029(a)(2), 1029(a)(3), 1029(a)(4) and 1029(a)(5).

10. It was a part and an object of the conspiracy that ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing,"

YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, knowingly and with intent to defraud, in an offense affecting interstate and foreign commerce, would and did traffic in and use one and more unauthorized access devices during a one-year period, and by such conduct obtained items of value aggregating more than \$1,000 during that period, in violation of Title 18, United States Code, Section 1029(a)(2).

11. It was further a part and an object of the conspiracy that ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, knowingly and with intent to defraud, in an offense affecting interstate and foreign commerce, would and did possess fifteen and more devices which were counterfeit and unauthorized access devices, in violation of Title 18, United States Code, Section 1029(a)(3).

12. It was further a part and an object of the conspiracy that ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.,"

a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, knowingly and with intent to defraud, in an offense affecting interstate and foreign commerce, would and did produce, traffic in, control, and possess device-making equipment, in violation of Title 18, United States Code, Section 1029(a)(4).

13. It was further a part and an object of the conspiracy that ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, knowingly and with intent to defraud, in an offense affecting interstate and foreign commerce, would and did effect transactions, with one and more access devices issued to another person or persons, to receive payment and any other thing of value during a one-year period the aggregate value of which was equal to and greater than \$1,000, in

violation of Title 18, United States Code, Section 1029(a)(5).

OVERT ACTS

14. In furtherance of the conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. On or about July 3, 2013, in Flushing, New York, XUE ZHANG, a/k/a "Helen," the defendant, recruited another individual to make fraudulent purchases with counterfeit credit/debit cards encoded with stolen account information.

b. On or about July 7, 2013, in Flushing, New York, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," and HUAMING DONG, a/k/a "Hong Hong," the defendants, provided approximately 100 counterfeit credit cards encoded with stolen account information belonging to other individuals to two coconspirators ("CC-1" and "CC-2").

c. On or about July 11, 2013, in New York, New York, CC-1 and CC-2 possessed approximately 100 counterfeit credit cards, encoded with stolen account information belonging to other individuals.

d. On or about July 18, 2013, in Flushing, New York, QIU provided approximately 150 counterfeit credit cards encoded with stolen account information belonging to other individuals to CHUANPIN WANG, a/k/a "Jay," the defendant, and other coconspirators.

e. On or about August 21, 2013, in Flushing, New York, QIU, DUOFU KE, a/k/a "K.E," and ZI HE ZHENG, the defendants, encoded stolen credit card information onto counterfeit credit cards.

f. On or about October 8, 2013, KE, QIU, and ZHENG arranged for a package containing approximately 200 counterfeit credit cards encoded with stolen account information to be mailed to ZIYI ZHANG, a/k/a "Beijing," the defendant, YAN, and others in Texas.

g. On or about October 9, 2013, in New York, New York, QIU and CARLOS MACIAS, the defendants, possessed counterfeit credit cards encoded with stolen account information belonging to other individuals.

h. On or about October 9, 2013, in King of Prussia, Pennsylvania, QIU and MACIAS made unauthorized purchases of commercial goods using counterfeit credit cards encoded with stolen account information belonging to other individuals.

i. On or about October 18, 2013, in Durham, North Carolina, ZIYI ZHANG and YUNLEI WANG, a/k/a "Alex," the defendant, possessed approximately 155 counterfeit credit cards that were encoded with stolen account information belonging to other individuals and some of which were embossed in the names of YAN and YAN PING LIU, the defendant.

j. On or about October 22, 2013, during a telephone conversation, ZHENG informed KE, in sum and substance, that ZHENG and other coconspirators had made approximately \$27,000 in unauthorized purchases that day using approximately 50 counterfeit credit cards.

k. On or about October 25, 2013, KE, YUNLEI WANG, and

ZIYI ZHANG, and YAN PING LIU, the defendants, provided retail goods that had been purchased with counterfeit credit cards to FU LING SHI, a/k/a "Ah Ling," the defendant.

l. On or about November 5, 2013, QIU provided BING LIU, the defendant, with approximately \$30,000 worth of cosmetic products that had been purchased with counterfeit credit cards encoded with stolen account information belonging to other individuals.

m. On or about November 5, 2013, QIU instructed HONG GANG YANG, a/k/a "One Hand," the defendant, to provide QIU with counterfeit VISA credit cards encoded with stolen account information belonging to other individuals.

n. On or about November 5, 2013, SHI informed QIU, in sum and substance, that SHI could provide cash to QIU so that QIU could pay salaries to other coconspirators.

o. On or about November 6, 2013, ROBERT YANG, the defendant, and KE, discussed distributing counterfeit credit cards, encoded with stolen account information belonging to other individuals, to other coconspirators to make fraudulent purchases.

p. On or about November 9, 2013, during a telephone conversation, CHUANPIN WANG informed KE, in sum and substance, that he had made approximately \$25,000 in fraudulent purchases that day using approximately 27 counterfeit credit cards.

q. On or about November 11, 2013, QIU agreed to provide TENG WANG, a/k/a "Toby," with approximately \$8,000 worth of commercial products that had been purchased with counterfeit credit

cards encoded with stolen account information belonging to other individuals.

r. On or about November 12, 2013, during a telephone conversation, ROBERT YANG informed KE, in sum and substance, that he possessed stolen credit card information belonging to individuals from the states of Washington and New York.

s. On or about November 14, 2013, during a telephone conversation, HUAMING DONG informed QIU, in sum and substance, that he possessed stolen debit card account information.

t. On or about November 17, 2013, during a telephone conversation, ZHEN LIU, a/k/a "Ken," the defendant, informed QIU, in sum and substance, that he had made approximately \$37,000 in purchases using counterfeit credit cards.

u. On or about December 1, 2013, in Freehold, New Jersey, CHEN GUANG-ANG, a/k/a "Yisheng Dong," the defendant, possessed approximately 22 fraudulent credit cards encoded with stolen account information belonging to other individuals.

v. On or about December 2, 2013, in Tyson's Corner, Virginia, SHUQIN DONG and XIU YAN ZHU, the defendants, possessed approximately 74 counterfeit credit cards encoded with stolen account information belonging to other individuals.

(Title 18, United States Code, Section 1029(b)(2).)

COUNT TWO
(Aggravated Identity Theft)

The Grand Jury further charges:

15. The allegations contained in paragraphs 1 through 8 above are hereby repeated, realleged, and incorporated by reference as if fully set forth herein.

16. From at least in or about June 2013, through in or about December 2013, in the Southern District of New York and elsewhere, ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, and others known and unknown, willfully and knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to the felony violation charged in Count One of this Indictment, to wit, the defendants used, and aided and abetted the use of, stolen credit card and debit card information belonging to other individuals in order to make unauthorized purchases of merchandise.

(Title 18, United States Code, Sections 1028A(a)(1),
1028A(b) and 2.)

FORFEITURE ALLEGATION

17. As a result of committing the access device fraud offense alleged in Count One ZE XI QIU, a/k/a "Superman," a/k/a "Andy," DUOFU KE, a/k/a "K.E.," a/k/a "Old K," HONG GANG YANG, a/k/a "One Hand," ROBERT YANG, ZHEN LIU, a/k/a "Ken," HUAMING DONG, a/k/a "Hong Hong," ZIYI ZHANG, a/k/a "Beijing," YUNLEI WANG, a/k/a "Alex," ZI HE ZHENG, XUE XHANG, a/k/a "Helen," CHUANPIN WANG, a/k/a "Jay," CARLOS MACIAS, TIAN YAN, FU LING SHI, a/k/a "Ah Ling," TENG WANG, a/k/a "Toby," BING LIU, CHEN GUANG-ANG, a/k/a "Yisheng Dong," YAN PING LIU, SHUQIN DONG, and ZIU YAN ZHU, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting, or derived from, proceeds obtained directly or indirectly as the result of such violation, including but not limited to approximately \$2 million in United States currency.

SUBSTITUTE ASSETS PROVISION

18. If any of the property described above as being subject to forfeiture, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

c. has been placed beyond the jurisdiction of the Court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Sections 982(a) & (b) and Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendants up to the value of the forfeitable property.

(Title 18, United States Code, Section 982; Title 21, United States Code, Section 853.)



PREET BHARARA
United States Attorney

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- v. -

ZE XI QIU, a/k/a "Superman," a/k/a "Andy,"
DUOFU KE, a/k/a "K.E.," a/k/a "Old K,"
HONG GANG YANG, a/k/a "One Hand,"
ROBERT YANG,
ZHEN LIU, a/k/a "Ken,"
HUAMING DONG, a/k/a "Hong Hong,"
ZIYI ZHANG, a/k/a "Beijing,"
YUNLEI WANG, a/k/a "Alex,"
ZI HE ZHENG,
XUE XHANG, a/k/a "Helen,"
CHUANPIN WANG, a/k/a "Jay,"
CARLOS MACIAS,
TIAN YAN,
FU LING SHI, a/k/a "Ah Ling,"
TENG WANG, a/k/a "Toby,"
BING LIU,
CHEN GUANG-ANG, a/k/a "Yisheng Dong,"
YAN PING LIU,
SHUQIN DONG, and
ZIU YAN ZHU,

Defendants.

INDICTMENT

13 Cr.

(Title 18, United States Code, Sections 1029(b)(2),
1028A(a)(1), 1028A(b) and 2)

PREET BHARARA
United States Attorney.

A TRUE BILL

[REDACTED]

Foreperson.
