

UNITED STATES DISTRICT COURT

for the

Central District of California

United States of America

v.

PEICHENG SHEN,

Defendant(s)

Case No.

78MJ03189

LODGED
10/30/2018
10:00 AM
10:00 AM

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

Beginning on a date unknown, but no later than July 4, 2018, and continuing to a date unknown, in the County of Los Angeles in the Central District of California, the defendant violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. § 1951	Hobbs Act Extortion
18 U.S.C. §§ 1201(a)(1), (c)	Kidnapping and Conspiracy to Kidnap
18 U.S.C. § 1203	Hostage Taking and Conspiracy to Commit Hostage Taking
18 U.S.C. §§ 371, 875(a), (b), (c)	Conspiracy to Commit Interstate Communications with Intent to Extort
18 U.S.C. § 371	Conspiracy
18 U.S.C. §§ 2(a), (b)	Aiding and Abetting and Causing an Act to Be Done

This criminal complaint is based on these facts:

Please see attached affidavit. Continued on the attached sheet.*15*
Complainant's signature

Cara Sammartino, Special Agent, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date:

11/30/18

Patrick J. Walsh
Judge's signature

City and state: Los Angeles, California

Hon. Karen Stevenson, U.S. Magistrate Judge

AFFIDAVIT

I, Cara A. Sammartino, being duly sworn, declare and state as follows:

I. PURPOSE OF AFFIDAVIT

1. This affidavit is made in support of a criminal complaint against PEICHENG SHEN ("P. SHEN") for violations of 18 U.S.C. §§ 1951 (Hobbs Act Extortion); 1201(a)(1), (c) (Kidnapping and Conspiracy to Kidnap); 1203 (Hostage Taking and Conspiracy to Commit Hostage Taking); 371, 875(a), (b), (c) (Conspiracy to Commit Interstate Communications with Intent to Extort); 371 (Conspiracy); and 2(a), (b) (Aiding and Abetting and Causing an Act to Be Done).

2. The facts set forth in this affidavit are based upon my personal observations, my training and experience, and information obtained from various law enforcement personnel and witnesses. This affidavit is intended to show merely that there is sufficient probable cause for the requested complaint and arrest warrant and does not purport to set forth all of my knowledge of or investigation into this matter. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and part only.

II. BACKGROUND OF AFFIANT

3. I am a Special Agent with the FBI, and have been so employed since May 2016. I received my initial training and instruction to become a Special Agent during 21 weeks at the FBI Academy located in Quantico, Virginia. There, I received

training concerning violations of the United States criminal statutes. After initial training, I was assigned to the Los Angeles Division of the FBI and worked from the West Covina, California office on the International Violent Crime and Major Offenders squad. I was assigned to a variety of criminal cases including bank robberies, narcotics trafficking, money laundering, wire fraud, extortion, kidnappings and virtual kidnappings for ransom. I have worked with and consulted with numerous law enforcement officers experienced in money laundering, wire fraud, and extortion investigations. I have also led and/or participated in multiple investigations involving money laundering, wire fraud, and extortion.

III. SUMMARY OF PROBABLE CAUSE

4. On or about July 16, 2018, victim ROUCHEN LIAO ("LIAO") was kidnapped in San Gabriel, California, after last being seen with a man he knew as "DAVID." The next day, LIAO's parents received, via the application WeChat, two pictures of a bound and gagged LIAO who appeared to be held inside a closet, as well as messages demanding a \$2 million ransom delivered to three Chinese bank account numbers in exchange for LIAO's life.

5. P. SHEN's appearance substantially matches the physical description of "DAVID." Further, the phone with the phone number that LIAO had stored for "DAVID" pinged off of the same cell towers as P. SHEN's phone at the approximate time and place of the July 16, 2018 kidnapping, and at two previous meetings "DAVID" had with LIAO.

6. Recovered WeChat messages between P. SHEN and a co-conspirator, GUANGYAO YANG ("G. YANG") showed discussions in the days before and after LIAO's kidnapping about taping up a person's eyes and mouth, kicking someone, and questions about account numbers. On July 18, 2018, P. SHEN arranged to have only a closet re-carpeted in the master bedroom of a Corona, California house that G. YANG had previously rented. That closet is consistent in appearance with the closet in the background of the ransom photograph of LIAO. The lower wall in the closet had barefoot prints on it in close proximity to each other consistent with those that would be made by a bound person lying down and pushing against the wall with his feet.

IV. STATEMENT OF PROBABLE CAUSE

7. Based on my review of law enforcement reports, conversations with other law enforcement agents, my own knowledge of the investigation, and on my training and experience, I am aware of the information contained in this affidavit.

A. Victim LIAO Meets with "DAVID" In the Weeks Prior to the Kidnapping

1. July 4, 2018 Meeting

8. MuYe Li ("M. Li"), one of LIAO's friends, told the FBI that LIAO and an individual named "DAVID" met at approximately 8:00 p.m. on July 4, 2018. That meeting took place in a parking lot at 15333 Culver Drive, Irvine, CA in the parking lot. M. Li stated that he was present at the meeting as well.

9. According to M. Li, "DAVID" drove a dark colored minivan to the July 4, 2018 meeting.

10. M. Li stated that the purpose of the meeting was for LIAO to hire the individual named "DAVID" to help LIAO collect a debt from another individual. At the meeting, LIAO and "DAVID" agreed that LIAO would pay a fee of approximately \$20,000 to \$30,000 for that help.

11. M. Li later told the FBI that LIAO had met "DAVID" through G. YANG.

2. July 14, 2018 Meeting

12. Jin Yuchao ("J. Yuchao"), another one of LIAO's friends, told the FBI that LIAO had a meeting with "DAVID" in the evening of July 14, 2018. J. Yuchao said he was at that meeting because LIAO did not trust "DAVID."

13. J. Yuchao recalled that during the meeting, LIAO and "DAVID" discussed how LIAO was going to identify the individuals who owed the debt. "DAVID" instructed LIAO to point out each person and P. SHEN "would do the rest."

14. On or about September 10, 2018, law enforcement showed J. Yuchao the California Department of Motor Vehicle ("DMV") photograph of P. SHEN. J. Yuchao stated he could not positively identify P. SHEN as "DAVID," because the July 14, 2018 meeting was at sunset, and he had avoided staring at DAVID's face.

B. LIAO is Kidnapped on July 16, 2018

15. On July 17, 2018, M. Li reported to the San Gabriel Police Department that LIAO had gone missing on July 16, 2018.

16. As M. Li later reported to the FBI, on July 16, 2018, he dropped LIAO off at the parking lot at 140 W. Valley Blvd., San Gabriel, California at approximately 7:00 p.m. At that time, M. Li believed that LIAO was meeting with "DAVID" to collect a debt from the third party. During the drive to San Gabriel, LIAO spoke to "DAVID" on the phone. M. Li recalled that he could hear the conversation because LIAO's phone was connected to the vehicle's speakers via Bluetooth. During the conversation, "DAVID" instructed LIAO to come alone.

17. M. Li stated that once he and LIAO arrived at the parking lot at 140 W. Valley Blvd., LIAO instructed M. Li to watch the meeting between LIAO and DAVID covertly, and M. Li agreed. M. Li recalled that from several parking rows away where he was watching, he saw LIAO enter a dark colored minivan driven by a male Asian. M. Li also saw a second car he believed was occupied by two Asian males that followed the car carrying LIAO out of the parking lot. According to M. Li, that was the last time M. Li saw LIAO.

C. A Police Sketch Based on M. Li's Description of "DAVID" Matches P. SHEN

18. On or about August 6, 2018, M. Li provided a physical description of "DAVID" to a Los Angeles Sheriff's Department's Forensic Sketch artist.

19. Upon a review of the LASD Forensic Sketch of "DAVID," I recognized the sketch to be the same person depicted in

P. SHEN's California DMV photograph, aside from a missing medium-sized mole above P. SHEN's eye.¹

20. Further, in a prior interview with the FBI, M. Li had described "DAVID" as tall, over six feet, a fit and muscular build, Chinese, and 30 to 40 years old. That description matches P. SHEN's physical description, as shown on P. SHEN's California driver's license, which shows that P. SHEN is 6'7" tall,² 200 pounds, and 32 years old as of July 2018.³

D. On July 17, 2018, LIAO's Parents Receive Pictures of Bound LIAO and Demands for \$2 Million Ransom

21. LIAO's father, Yuan Liao ("Y. Liao"), told the FBI that at approximately 4:14 p.m. on July 17, 2018, he received two photographs on the WeChat application from LIAO's WeChat username, toby070. The two photographs showed LIAO with his legs bound, his hands restrained behind his back, and his eyes taped. I have reviewed copies of these photographs provided by LIAO's family.

22. Y. Liao also recalled that at approximately 4:19 p.m. that same day, he received an incoming call via the WeChat application from LIAO's WeChat, toby070. When Y. Liao answered,

¹ As described in greater detail below, the FBI originally learned of P. SHEN when Chinese authorities seized G. YANG's phone and saw messages related to the kidnapping and ransom accounts between G. YANG and a username associated with P. SHEN.

² A previous California DMV license for P. SHEN lists his height as 6'1".

³ On or about September 10, 2018, the FBI showed M. LI the California DMV photo of P. SHEN. M. LI stated he could not positively identify DAVID as P. SHEN, because the meeting on July 4, 2018 was at sunset, "DAVID" had worn what appeared to be prescription sunglasses, and M. LI had purposely avoided looking at "DAVID" in the face out of fear.

he heard LIAO's voice saying words (in Mandarin) to the effect of, "Father save me, help me, I have been kidnapped."

23. According to Y. Liao, an unknown male voice then came on the line and made statements, in Mandarin, to the effect of, "Your son has made me very poor. I have lost everything and suffered a divorce because of him. I have been looking for Tony [LIAO's first name] for a long time. You must pay two million US dollars in exchange for his life." Y. Liao could hear the sounds of LIAO screaming and crying in the background. Y. Liao believed that he also heard LIAO being beaten.

24. Y. Liao recalled that at approximately 8:42 p.m., still on July 17, 2018, he received a photograph from LIAO's WeChat username, toby070, with three account numbers for banks in China, 6226181715338888, 6228451398060174771, and 6228450088077022573, followed by four WeChat messages (in Chinese) from the same username with instructions on depositing a \$2 million ransom into those accounts. The fourth and final WeChat message from LIAO's WeChat, toby070, reiterated the message (in Chinese), "Three Hours." I have reviewed the photograph of the account numbers and the four WeChat messages. After the fourth message, Y. Liao did not receive any further messages from LIAO's WeChat username.

25. Since July 17, 2018, Y. Liao has not received any communications from LIAO by any means and has been unable to contact LIAO.

E. Aodi Su States that He Transmitted Account Numbers to G. YANG on July 17, 2018

26. On August 5, 2018, the FBI interviewed Aodi Su ("A. Su"). A. Su stated that G. YANG had approached him in early July 2018, asking for assistance with transferring approximately \$2,000,000 USD from China to the United States. A. Su claimed G. YANG said the transaction was to help G. YANG's uncle in China buy property in the United States. A. Su agreed to help G. YANG.

27. On July 17, 2018 at approximately 8:33 p.m., A. Su sent a text message to G. YANG containing three account numbers to banks in China: 6226181715338888, 6228451398060174771, and 6228450088077022573. These were the same three account numbers in the ransom message sent to Y. Liao on July 17, 2018 at approximately 8:42 p.m., as described above.

28. According to A. Su, G. YANG cancelled the transaction several hours later. G. YANG stated that his uncle found other channels to transfer the money.

29. A. Su stated that he did not know of any kidnapping.

F. On July 18, 2018, P. SHEN Arranges to have a Single Closet Rush Re-carpeted

30. On September 10, 2018, the FBI interviewed Yingli Zhao ("Y. Zhao"), a housing contractor. Y. Zhao identified the California DMV photograph of P. SHEN as the person he knew as "Little Shen." Y. Zhao stated that P. SHEN had contacted him by phone and text message on July 18, 2018 to change the carpet at a house located at 14231 Rolling Stream Place, Corona, California 92880 (the "Corona House") where Y. Zhao had

previously performed repair jobs. Y. Zhao stated, in effect and substance, that because he did not install carpet, he asked a different individual, "Q. Li," to change the carpet.

31. Y. Zhao stated that he had previously performed repair jobs at P. SHEN's request at the Corona House. Y. Zhao provided the FBI with a screenshot of a text message from 415-481-9998, a number that he believed was P. SHEN's, that had the address "14231 Rolling Stream Place" in it. Y. Zhao also recalled that P. SHEN drove a dark colored, seven passenger van.

32. In a subsequent interview with Q. Li (full name Qifan Li), Q. Li stated that on July 18, 2018, at approximately 2:12 p.m., Y. Zhao contacted him and texted him the address of the Corona House. Y. Zhao asked Q. Li to "do a rush job" on the carpet there.

33. Q. Li stated that between 5:30 p.m. and 9:00 p.m. on July 18, 2018, he completed carpet removal and installation on the master bedroom closet in the Corona House. Q. Li stated that the carpet in that area did not appear to be worn or stained, and that he did not know why the carpet needed to be replaced. Q. Li replaced the carpet in the master bedroom closet only.

34. The FBI subsequently learned from the property manager of the Corona House that G. YANG was the prior tenant, but that he had terminated the lease in or about April 2018. However, G. YANG never gave back the keys to the Corona House.

35. In an October 19, 2018, consent search of the Corona House, the FBI found that the carpet in the master bedroom

closet appeared to be new, and that it did not match the carpeting in the rest of the house. With an Alternate Light Source ("ALS"), the FBI was able to find several sets of barefoot prints along the lower half of the wall inside that closet. The footprints were of bare feet in close proximity to each other. In my training and experience, the placement of the prints both in close proximity to each other and near the bottom portion of the wall was consistent with a person lying on their back on the floor with their feet bound together.

36. In comparing the photographs of LIAO that LIAO's parents had received on July 17, 2018, I noticed that the corner of the master bedroom closet in the Rolling Stream House appeared to be similar in (white) color and structure to the background of the photographs of LIAO. In addition, the baseboards appeared to be similar in size, style, and color.

37. In a trashcan located in the garage of the Corona House, the FBI also discovered a UPS Nike shipping label with P. SHEN's name on it.

G. Messages Recovered from G. YANG's Phone Appear to Show Conversations with P. SHEN About the Kidnapping

38. The FBI learned that G. YANG subsequently left the United States for China on or about July 26, 2018.

39. On or about July 29, 2018, G. YANG was arrested in China by the Chengdu Public Security Bureau ("PSB") for his role in the kidnapping of LIAO.

40. On September 25, 2018, the FBI received a briefing by Chinese investigators with the PSB. Lead Investigator Leiyi Li

("Investigator Li") stated that he had conducted a search of G. YANG's cellular telephone that was seized when G. YANG was taken into custody. Investigator Li was able to recover G. YANG's WeChat messages in three forensic installments from the phone. Many of the messages recovered were fragmented, deleted messages.

41. On G. YANG's phone, Investigator Li saw WeChat communications with a WeChat user named "DAMON", with a WeChat ID of "kingnine1115." Investigator Li determined that that "kingnine1115" username was registered to P. SHEN, with United States phone numbers listed for that subscriber as 415-481-9998 and 626-420-7252.

42. On September 19, 2018, pursuant to a federal search warrant, WeChat provided the FBI with the following information retained for WeChat user kingnine1115:

Username: damon2553

Nickname: DAMON

Alias: kingnine1115

Email: kingnine1115@gmail.com

Mobile: 626-420-8582

43. Based on WeChat messages still on the phone, Investigator LI was able to determine that "DAMON" used a dialect of Chinese commonly spoken in Shanghai. Investigator LI also recognized DAMON referred to G. YANG as "Long Legs," and that G. YANG referred to DAMON as "Older Brother." Based on Investigator LI's examination of G. YANG's WeChat messages, only

DAMON referred to G. YANG as "Long Legs" and G. YANG referred only to DAMON as "Older Brother."

44. Investigator Li later provided the FBI with the deleted fragments of WeChat messages that he believed, based on the previously described analysis, came from a conversation between G. YANG and "Damon." Investigator Li provided the messages in Chinese. According to an FBI linguist, the messages included:

- On July 14, 2018:
 - 7:09PM PDT:⁴ "I arrived big bro."
 - 7:23PM PDT, "I am coming out to buy some cigarettes."
 - 7:30PM PDT, "When is the fucker arriving?"
 - 7:54PM PDT, "Big bro, call or send something to me when it's done."
 - 8:07PM PDT, "Big bro"
 - 8:07PM PDT, "Tape up the eyes and mouth."
 - 8:11PM PDT, "Forget it."
- On July 17, 2018:
 - 6:48PM PDT, "Can't do this with one person."
 - 6:48PM PDT, "Need you to come back and help me on this."
 - 6:48PM PDT, "I am out of strength now."
 - 8:17PM PDT, "Don't panic big bro."
 - 8:19PM PDT, "Has he been screaming nonstop?"
 - 8:19PM PDT, "I have been kicking him."
 - 8:28PM PDT, "What's going on with them? It's almost noon still no account numbers?"
- On July 18, 2018:
 - 10:08AM PDT, "Old Zhao doesn't have time today."
 - 10:09AM PDT, "Ask him ASAP when, big bro."
 - 10:09AM PDT, "I will go pick you up after lunch."
 - 10:09AM PDT, "Go there and clean up a bit."
 - 10:09AM PDT, "I gotta hurry and return the house."

⁴ All times are approximate.

45. The FBI obtained the contents of G. YANG's phone from Chinese authorities. In a subsequent review of G. YANG's phone, FBI agents found that G. YANG had conducted Internet searches for the following subjects, translated in substance from Chinese:

- a. On or about June 10, 2018: Narcotics used to subdue a person;
- b. On or about a date prior to July 16, 2018: Research into a different, prior kidnapping; and
- c. On or about July 18, 2018: Time frame for a corpse to decompose in soil.

H. FBI Analysis Shows that P. SHEN's Phones were at the Kidnapping Site and the Corona House

46. On or about July 18, 2018, LIAO's girlfriend provided the FBI with the contact phone number for the individual saved in LIAO's contact list as "DAVID from New York who's boss is Jason": 929-206-4118 ("DAVID's Phone").

a. I later learned from records provided by Verizon Wireless that DAVID's Phone was a pre-paid TRACFONE. After obtaining Closed Circuit Television video from a West Covina Wal-Mart of the purchase of the phone, I saw that G. YANG (based on a comparison with his California DMV photograph) had purchased DAVID's Phone on June 20, 2018.

b. According to Call Detail Records provided by Verizon Wireless, between the dates of June 20 and July 16, 2018, the only number to contact DAVID's Phone was 402-419-9984, which is LIAO's number according to LIAO's girlfriend and M. Li.

47. As explained above, according to Y. Zhao, the house contractor, the number he used to contact P. SHEN was 415-481-9998 ("P. SHEN's Phone"). According to TMOBILE call detail records, P. SHEN's Phone was in contact with Y. Zhao's phone number several times on July 18, 2018, the same day that Y. Zhao stated that P. SHEN had arranged to have the Corona House re-carpeted. On or about November 26, 2018, I conducted a law enforcement database search for P. SHEN's Phone at cellular telephone number 415-481-9998. That search returned to P. SHEN's name.

48. A subsequent FBI Cellular Analysis Team ("CAST") analysis for location data received from providers found that both DAVID's Phone and P. SHEN's Phone were pinging off cell towers at the approximate times and locations of the July 4, 2018 and July 14, 2018 meetings between LIAO and "DAVID."

49. An FBI CAST analysis also found that both DAVID's Phone and P. SHEN's Phone were pinging off cell towers near 140 W. Valley Blvd., San Gabriel, California on July 16, 2018 at approximately 8:00 p.m., which was the place and approximate time of LIAO's kidnapping.

50. At approximately 10:04 p.m. on July 16, 2018, DAVID's Phone pinged off a cell tower in Baldwin Park, California, and then stopped pinging completely. Baldwin Park, California, is located in between the kidnapping site and the Corona House.

51. An FBI CAST analysis also found that P. SHEN's Phone were pinging off of cell towers near the Corona House on July 16, 2018 at approximately 10:00 p.m.

52. According to Call Detail Records provided by TMOBILE, P. SHEN's phone was de-activated at approximately 3:45 p.m. on July 24, 2018 near 7421 Garvey Ave, Rosemead, California. At approximately 4:02 p.m. that day, near the same address, the number 626-420-8582 was activated. P. SHEN's Phone and the 626-420-8582 number also shared the same IMSI and IMEI numbers. As previously noted, the 626-420-8582 was listed as the subscriber phone number for user "kingnine1115," or "DAMON" in the WeChat messages related to the kidnapping with G. YANG in the days before and after the kidnapping.

V. CONCLUSION

53. Based on the foregoing, there is probable cause to believe that P. SHEN committed violations of 18 U.S.C. §§ 1951 (Hobbs Act Extortion); 1201(a)(1), (c) (Kidnapping and Conspiracy to Kidnap); 1203 (Hostage Taking and Conspiracy to Commit Hostage Taking); 371, 875(a), (b), (c) (Conspiracy to Commit Interstate Communications with Intent to Extort); 371 (Conspiracy); and 2(a), (b) (Aiding and Abetting and Causing an Act to Be Done).

[Signature]
CARA SAMMARTINO,
Special Agent, FBI

Subscribed to and sworn before me
this 30th day of November, 2018.

Patrick J. Walsh
UNITED STATES MAGISTRATE JUDGE