

Approved: EL-2

ELINOR TARLOW/THANE REHN/DANIELLE SASSOON  
Assistant United States Attorneys

Before: HONORABLE JAMES L. COTT  
United States Magistrate Judge  
Southern District of New York

**18 MAG 8695**

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UNITED STATES OF AMERICA

- v. -

KWANG KYU KIM,  
a/k/a "Kevin,"  
HYUN KYUNG HAN,  
a/k/a "Jay Hee,"  
HONG NAE YI,  
a/k/a "Diane Yi,"  
BEIRNE LOWRY,  
a/k/a "Michael,"  
TIEN CHIH WANG, and  
ZHENGYI LU,  
a/k/a "Allen,"

Defendants.

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SOUTHERN DISTRICT OF NEW YORK, ss.:

JUSTIN ELLARD, being duly sworn, deposes and says that he is a Special Agent with the United States Attorney's Office for the Southern District of New York, and charges as follows:

**COUNT ONE**

**(Money Laundering Conspiracy)**

1. From at least in or about 2012 up to and including at least in or about 2018, in the Southern District of New York and elsewhere, KWANG KYU KIM, a/k/a "Kevin," HYUN KYUNG HAN, a/k/a "Jay Hee," HONG NAE YI, a/k/a "Diane Yi," BEIRNE LOWRY, a/k/a "Michael," TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen," the defendants, and others known and unknown, intentionally and knowingly did combine, conspire, confederate, and agree together and with each other to violate Title 18, United States Code, Sections 1956(a)(1)(A)(i).

2. It was a part and an object of the conspiracy that KWANG KYU KIM, a/k/a "Kevin," HYUN KYUNG HAN, a/k/a "Jay Hee," HONG NAE YI, a/k/a "Diane Yi," BEIRNE LOWRY, a/k/a "Michael," TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen," the defendants, and others known and unknown, knowing that the property involved in certain financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, prostitution offenses in violation of the law of the State in which they are committed and of the United States, traveling in interstate and in foreign commerce, and using and causing to be used mails and interstate facilities, in violation of Title 18, United States Code, Section 1952, with the intent to promote the carrying on of such specified unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i).

(Title 18, United States Code, Section 1956(h).)

**COUNT TWO**

**(Money Laundering)**

3. . From at least in or about 2012, up to and including at least in or about 2018, in the Southern District of New York and elsewhere, KWANG KYU KIM, a/k/a "Kevin," HYUN KYUNG HAN, a/k/a "Jay Hee," HONG NAE YI, a/k/a "Diane Yi," BEIRNE LOWRY, a/k/a "Michael," TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen," the defendants, knowing that the property involved in certain financial transactions represented the proceeds of some form of unlawful activity, willfully and knowingly would and did conduct and attempt to conduct such financial transactions which in fact involved the proceeds of specified unlawful activity, to wit, prostitution offenses in violation of the law of the State in which they are committed and of the United States, traveling in interstate and in foreign commerce, and using and causing to be used mails and interstate facilities, in violation of Title 18, United States Code, Section 1952, with the intent to promote the carrying on of such specified unlawful activity.

(Title 18, United States Code, Sections 1956(a)(1)(A)(i) and 2.)

The bases for my knowledge and the foregoing charge are, in part, as follows:

4. I am a Special Agent with the United States Attorney's Office for the Southern District of New York. This

Affidavit is based upon my personal participation in the investigation, my examination of reports and records, and my conversations with other law enforcement agents and other individuals. Because this Affidavit is being submitted for the limited purpose of demonstrating probable cause, it does not include all of the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

### Overview

5. Since in or about 2012, the United States Attorney's Office for the Southern District of New York ("USAO"), Diplomatic Security Service ("DSS"), United States Postal Inspection Service ("USPIS"), and United States Customs and Border Protection ("CBP" and, collectively, the "Investigating Agencies") have been investigating money laundering in connection with the financing of Korean brothels in the New York metropolitan area and the use of proceeds from those brothels to advertise their commercial sex services.

6. Based on my participation in the investigation in this matter, I have learned about a network of Korean brothels in Manhattan that are independently owned, but which receive financing and advertising from common sources. The defendants charged in this Complaint, as set forth in detail below, are individuals who provided financing or advertising to facilitate and promote the commercial sex services of these brothels.

### Financing For the Brothels

7. As is set forth in greater detail below, based on my participation in this investigation, including my conversations with cooperating witnesses as well as my review of financial and phone records, I have learned that KWANG KYU KIM, a/k/a "Kevin," HYUN KYUNG HAN, a/k/a "Jay Hee," and HONG NAE YI, a/k/a "Diane Yi," the defendants, provided loans, which were required to be repaid with interest, to Korean owners and employees of brothels in Manhattan. In order to repay KIM, HAN, and YI, the individuals receiving the loans often joined a "Kye," which KIM or YI operated. Based on my participation in this investigation, I have learned that a "Kye" is a financial arrangement in which, each month, multiple parties pay a set amount of money into a fund and one of the members receives the lump sum in the fund, which they must pay back with interest.

8. As part of this investigation, law enforcement has been working with a cooperating witness ("CW-1").<sup>1</sup> CW-1 has stated, in substance and in part, that:

a. CW-1 owned brothels in Manhattan from at least in or about 2011 up to and including at least in or about 2017.

b. CW-1 identified "Jay Hee" as the owner of two brothels in Manhattan, which are located at particular addresses on 14th street and 39th street.

c. "Jay Hee" operates a money lending business with her husband, "Kevin." "Jay Hee" and "Kevin" provide members of the Korean community in and around the New York City area, including prostitutes and individuals who need financing for brothels, with loans that must be paid back with interest.

d. Beginning in or about 2015, CW-1 received more than \$100,000 in loans from "Kevin" and "Jay Hee," for which CW-1 was charged interest each month. CW-1 has not fully repaid these loans. CW-1 used at least some portion of these loans to finance a brothel and "Jay Hee" was aware of the purpose for which CW-1 used those loans.

e. "Jay Hee" has demanded that CW-1 work in the commercial sex industry to repay these loans. CW-1 has joined a "Kye" operated by "Kevin." "Kevin" and "Jay Hee" took the funds received by CW-1 from the "Kye" as repayment for CW-1's loans.

f. CW-1 viewed a set book containing photographs of target subjects in this investigation, which included a photograph of KWANG KYU KIM, a/k/a "Kevin," the defendant. CW-1 identified the individual in this photograph as "Kevin." As part of the same set book, CW-1 also viewed a photograph of HYUN KYUNG HAN, a/k/a "Jay Hee," the defendant, and identified the individual in this photograph as "Jay Hee."

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<sup>1</sup> CW-1 has pleaded guilty in this District to money laundering conspiracy and has been cooperating with the Government in the hopes of obtaining leniency at sentencing. To date, information provided by CW-1 has proven reliable, and has sometimes been corroborated by independent evidence.

9. As part of this investigation, law enforcement has interviewed another cooperating witness ("CW-2").<sup>2</sup> CW-2 has stated, in substance and in part, that:

a. CW-2 worked as a prostitute for approximately four to five years.

b. "Jay Hee" is the owner of two brothels in Manhattan, which are located at particular addresses on 14th street and 39th street. CW-2 worked for "Jay Hee" at one of these brothels for approximately seven to eight months.

c. "Kevin" and "Diane" provide loans to members of the Korean community in and around New York City, including prostitutes and individuals who need financing for brothels. "Diane" and "Kevin" also operate their own "Kye." Some of the individuals involved in the "Kye" use the money that they receive to finance brothels.

d. Several individuals in the commercial sex business, who have received loans from "Kevin," continue to make loan repayments to him. "Kevin" often drives to the brothel locations in order to provide or receive repayment for loans. "Jay Hee," who is married to "Kevin," also collects loan repayments on behalf of "Kevin." According to CW-2, "Kevin" has tracked down Korean sex workers who fled to Korea in order to escape their debts in New York, and CW-2 has heard "Kevin" threaten a sex worker that he would come to her brothel and kill her if she did not make a payment.

e. "Jay Hee" has informed CW-2 that CW-1 has an outstanding loan and that "Jay Hee" is the guarantor for that loan. "Jay Hee" asked CW-2 about CW-1's whereabouts and provided CW-2 with a photograph of CW-1.

f. CW-2 has received more than one hundred thousand dollars in loans from "Diane," which CW-2 has used at least in part to finance brothels. "Diane" has required that the loans must be repaid with interest and has demanded that CW-2 continue working in the commercial sex industry to repay "Diane." "Diane" has threatened that if CW-2 does not repay her loans, "Diane" will track down CW-2's family members to demand repayment

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<sup>2</sup> CW-2 has pleaded guilty in this District to money laundering conspiracy and has been cooperating with the Government in the hopes of obtaining leniency at sentencing. To date, information provided by CW-2 has proven reliable, and has sometimes been corroborated by independent evidence.

and that "Diane" will ask "Kevin" for help in seeking repayment. CW-2 joined a "Kye" operated by "Diane" to make repayments on these loans.

g. CW-2 viewed a set book provided by law enforcement containing photographs of target subjects in this investigation. Based on CW-2's review of that set book, CW-2 identified a photograph of KWANG KYU KIM, a/k/a "Kevin," the defendant, as "Kevin." CW-2 identified a photograph of HYUN KYUNG HAN, a/k/a "Jay Hee," the defendant, as "Jay Hee." CW-2 identified a photograph of HONG NAE YI, a/k/a "Diane Yi," the defendant, as "Diane."

10. In or about February 2018, CW-2 consensually recorded a conversation with HONG NAE YI, a/k/a "Diane Yi," the defendant. The conversation took place in Korean, and I have had the conversation interpreted for me by a Korean interpreter. Based on my review of that conversation, I have learned the following, in substance and part:

a. CW-2 and YI discussed that "Jay Hee" was selling a "store" in Manhattan which, based on my participation in this investigation and conversations with CW-2, I believe to be a reference to a particular brothel in Manhattan.

b. YI further stated that she intended to connect "Jay Hee" with an individual who is a potential buyer of the "store" in Manhattan and that the potential buyer should call "Diane" if the potential buyer is interested.

11. As part of this investigation, I and other agents with the Investigating Agencies have had multiple meetings with another cooperating witness ("CW-3").<sup>3</sup> CW-3 stated, in sum and substance, that:

a. CW-3 has owned and operated a brothel in the New York City area since at least in or about 2011.

b. Several individuals involved in the brothel industry in the New York City area, including CW-1, have received loans from "Kevin" to finance brothels that "Kevin" requires be

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<sup>3</sup> CW-3 has pleaded guilty in this District to money laundering conspiracy and Travel Act conspiracy and has provided information to law enforcement in the hopes of obtaining leniency at sentencing. To date, information provided by CW-2 has proven reliable, and has sometimes been corroborated by independent evidence.

repaid with interest. "Kevin" collects his loan repayments at brothels in or around the New York City area, and CW-3 has observed "Kevin" receiving such payments from an individual. CW-3 is aware that "Kevin" travels to brothels to receive loan repayments and interest payments, and therefore believes Kevin is aware that his loans are used to finance the commercial sex industry.

c. CW-3 viewed a set book provided by law enforcement containing photographs of target subjects in this investigation. Based on CW-3's review of that set book, CW-3 identified a photograph of KWANG KYU KIM, a/k/a "Kevin," the defendant, as "Kevin."

12. Based on my review of toll records, I have learned, in substance and in part, that from at least in or about January 2015 up to and including at least in or about January 2018, there were approximately 240 contacts between a phone believed to be used by HONG NAE YI, a/k/a "Diane Yi," the defendant, and a phone believed to be used by KWANG KYU KIM, a/k/a "Kevin," the defendant.

13. Based on my review of publicly available information on the internet, subscriber information for certain telephone numbers, and records obtained from Backpage.com, a third-party website that advertised commercial sex services until it was seized by United States authorities in or about April 2018 in connection with an ongoing criminal investigation, I have learned the following in substance and in part:

a. An entity named "Aloha Spa" and an entity named "Nikko's Hotties" are both located at the same address on 14th street in Manhattan. I have reviewed online advertisements for Nikko's Hotties, which contain sexually suggestive photographs and coded language for sexual services. At least some of these advertisements include a particular phone number ending in 4441. This phone number is subscribed in the name of HYUN KYUNG HAN, a/k/a "Jay Hee," the defendant.

b. An entity named "Narita Spa" and an entity named "Vanessa's Spa" are both located at a particular address on 39th street in Manhattan. I have reviewed online advertisements for "Vanessa's Spa," which contain sexually suggestive photographs and coded language for sexual services. At least some of these advertisements include a particular phone number ending in 8811. This phone number is subscribed in the name of HYUN KYUNG HAN, a/k/a "Jay Hee," the defendant.

14. Based on my review of bank and other business records, which I have obtained in this investigation, I have learned the following, in substance and in part:

a. In or about February 2011, an entity named "Kai Business Aid, Inc." was incorporated in New York State. The following month, in or about March 2011, HAN filed a change of address request with the New York Department of State for "Kai Business Aid, Inc." In or about February 2017, KIM was listed as the company's chief executive officer in business records submitted to the New York Department of State.

b. In or about August 2009, a business named "Aloha Spa, Inc.," located at a particular address on West 14th Street in Manhattan, was incorporated in New York State. Beginning at least in or about January 2010, an American Express credit card was registered for Aloha Spa Inc. in the name of "Hyun Han." In or about August 2017, HAN was listed as the company's chief executive officer on business records submitted to the New York Department of State.

c. In or about May 2012, a business named "Narita Bodywork Inc." was incorporated in New York State. In or about June 2012, the mailing address associated with "Narita Bodywork Inc." was changed to a particular address on West 39th Street in Manhattan. Beginning at least in or about March 2013, an American Express credit card was registered for Narita Bodywork Inc. in the name of "Hyun Han." In or about May 2016, HAN was listed as the company's chief executive officer in business records submitted to the New York Department of State.

d. From at least in or about February 2014 to at least in or about January 2016, approximately \$117,000 was transferred between bank accounts in the name of KIM, "Kai Business Aid," and "Aloha Spa."

e. From at least in or about April 2013 to at least in or about December 2015, approximately \$87,600 was transferred between bank accounts in the name of KIM, Kai Business Aid, and Narita Spa, Inc.

f. From at least in or about June 2013 to at least in or about February 2018, approximately \$59,000 was transferred between bank accounts in the name of HAN, Narita Spa, Inc., and Aloha Spa, Inc.

g. From at least in or about January 2018 to at least in or about March 2018, "Diane Yi" transferred approximately



\$15,000 "Jay Hee," approximately \$9,000 to Narita Bodywork, Inc. and approximately \$8,500 to Aloha Spa, Inc.

h. From at least in or about July 2013 to at least in or about April 2018, approximately \$600,000 in cash was deposited into four different bank accounts in the name of "Diane Yi."

i. From at least in or about July 2013 to at least in or about May 2018, more than \$600,000 in cash was deposited into two bank accounts in the name of HYUN KYUNG HAN, a/k/a "Jay Hee," the defendant, a bank account in the name of Narita Bodywork, Inc. and a bank account in the name of Aloha Spa, Inc.

j. From at least in or about January 2013 to at least in or about October 2015, more than \$775,000 in cash was deposited into two bank accounts in the name of KWANG KYU KIM, a/k/a "Kevin," the defendant.

k. In or about August 2016, CW-2 issued multiple checks totaling several thousands of dollars to "Diane Yi." One of these checks, which is signed by CW-2, lists the commercial sex business owned by CW-2 as the payor. Based on statements made by CW-2, I have learned that these funds were a loan repayment to "Diane" consisting of proceeds from commercial sex services.

#### Online Advertising For The Brothels

15. Based on my participation in this investigation, I have learned about several brothels in Manhattan which promote their commercial sex services using common advertisers. As described more fully below, I have learned that BEIRNE LOWRY, a/k/a "Michael," TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen," the defendants, provided or assisted in providing advertising services to brothels located in Manhattan. Among other things, LOWRY, WANG, and LU created and operated websites for individual brothels which advertised those brothels' commercial sex services. LOWRY also registered, maintained, and promoted a website, 1hourgirlfriend.com, that aggregated information and advertising for brothels in the New York metropolitan area. WANG and LU coordinated the posting of online reviews for commercial sex services on third-party websites and purchased bitcoins, which they used to buy Backpage.com credits. WANG and LU then sold those Backpage.com credits on a website that they had created, BP311.com, to individuals who could use the credits to purchase advertisements for commercial sex services on Backpage.com.

BEIRNE LOWRY, a/k/a "Michael"

16. Based on my conversations with CW-2, I have learned the following, in substance and in part:

a. In or about January 2016, CW-2 paid "Michael" several thousands of dollars in cash for taking photographs of prostitutes who worked at CW-2's brothel, developing a website that advertised commercial sex services, and writing reviews for those services on a third-party website.

b. According to CW-2, "Michael" creates websites for other brothels and he visits the brothels in person to both take photographs of the prostitutes as well as pick up cash payments for his advertising services.

c. CW-2 provided a particular phone number ending in 4085, ("Phone-1") as a phone number associated with "Michael."

d. CW-2 viewed a set book containing photographs of target subjects in this investigation, including a photograph of BEIRNE LOWRY, a/k/a "Michael," the defendant. CW-2 identified the individual in this photograph as "Michael."

17. Based on my review of records obtained from a website host provider, I have learned the following, in substance and in part:

a. In or about 2012, an individual registered the websites "KissKissPop.com" and "AsianCreamTeam.com." Based on my review of these websites, I have determined that they contain sexually suggestive photographs and use coded terms for sexual services. The individual who registered the websites provided a particular phone number ending in 2430 ("Phone-2") and a particular address on West 36th Street in Manhattan ("Address-1") as contact information. Based on my review of publicly available information, I have learned that a business that uses the names Go 11 Spa, Spa 11 West, and Asian Cream Team is located at Address-1.

b. In or about 2015, an individual registered the website "ShakeShakeGirls.com." Based on my review of this website, I have determined that it contains sexually suggestive photographs and uses coded terms for sexual services. CW-1 has stated to law enforcement officials, in substance and in part, that "ShakeShakeGirls" is a brothel in Manhattan. The individual who registered this website provided Phone-2 and a particular email address ("Email Address-1") as contact information. Based on records obtained from Google pursuant to a subpoena, I have learned

that Phone-1 was provided as contact information when Email Address-1 was created.

c. In or about 2016, an individual registered the websites "1hourgirlfriend.com" and "gfeallstars.com." Based on my review of these websites, I have determined that they contain sexually explicit photographs and use coded terms for sexual activities. In particular, "1hourgirlfriend.com" appears to be a forum for advertising sex businesses. The website provides a list of brothels, including "GFE Allstars," "Kiss Kiss Pop," "56 Rub," and "Asian Cream Team," as well as their locations and phone numbers. The website, which is still in operation, directs the viewer to "click the buttons" for each brothel's "current info, website, and best girls to see." The individual who registered these websites provided Phone-2 and Email Address-1 as contact information.

18. Based on location information associated with Phone-1 from on about December 1, 2017 through on or about February 1, 2018, which was obtained pursuant to a judicially-authorized search warrant, I have learned the following, in substance and in part:

a. The cellphone user displayed a pattern of disconnecting the phone from the cellular network during most overnight hours and weekends. Based on my training and experience, this pattern is indicative of an attempt to evade phone surveillance by law enforcement.

b. Phone-1 engaged in more than 800 phone communications, including calls, voicemails, and text messages. Approximately 380 of these communications were with entities that have been identified as commercial sex businesses, based on information provided by cooperating witnesses as well my review of advertisements for these businesses which contain sexually suggestive photographs and coded language for sexual services. More than 300 of the contacts were with phone numbers associated with entities listed on the www.1hourgirlfriend.com website.

c. Based on publicly available information, I have learned, in substance and in part, that BEIRNE LOWRY, a/k/a "Michael," the defendant, is employed at a particular address on West 27th street ("Address-2"). Based on my review of location information for Phone-1, I have determined, in substance and in part, that this is the same location where Phone-1 was frequently located during the day.

d. Based on law enforcement and commercial databases, I have learned, in substance and in part, that LOWRY resides at a particular address on East 31st Street ("Address-3"). Based on my review of location information for Phone-1, I have determined, in substance and in part, that Phone-1 was frequently located in the vicinity of Address-3 during evening hours when Phone-1 was turned on.

19. Based on surveillance conducted of BEIRNE LOWRY, a/k/a "Michael," the defendant, on or about February 21, 2018, I have learned the following, in substance and in part:

a. At approximately 8:25 p.m., law enforcement officials observed an individual who matched the descriptions provided by CW-2 as well as law enforcement photographs of BEIRNE LOWRY, a/k/a "Michael," the defendant.

b. LOWRY entered a building at a particular address on 47th street in Manhattan, which is an address listed online as the location of "GFE Allstars." Based on my review of online advertisements for GFE Allstars, which include sexually suggestive photographs, I believe that GFE Allstars is a brothel.

c. Law enforcement officials then observed LOWRY enter a building at Address-1, an address associated with another business which uses the names Go 11 Spa, Spa 11 West, and Asian Cream Team. Based on my review of online advertisements for this business, which include sexually suggestive photographs, I believe that it is a brothel.

d. LOWRY later entered a residential apartment building at Address-3.

20. Based on surveillance conducted of BEIRNE LOWRY, a/k/a "Michael," the defendant, on or about March 6, 2018, I have learned the following, in substance and in part:

a. Law enforcement officials observed LOWRY depart from the building located at Address-3, walk several blocks, and then enter the building located at Address-2.

b. Several hours later, after LOWRY exited from the building at Address-2, law enforcement officials observed LOWRY make two phone calls at approximately 6:31 p.m. and 7:29 p.m. Based on my review of phone records obtained in connection with Phone-1, I have learned, in substance and in part that, at approximately 6:31 p.m. and 7:29 p.m., Phone-1 called a phone number that has been listed in advertisements for a commercial sex

business named "56 Rub" (the "56 Rub Phone Number"), which is located at a particular address on 56th Street and 6th Avenue in Manhattan ("Address-4").

c. After completing these phone calls, LOWRY took the subway uptown and entered a building located at Address-4, which has signs advertising a "spa" and the 56 Rub Phone Number.

d. At approximately 9:07 p.m., after LOWRY exited this building, law enforcement officials called Phone-1 and observed LOWRY answering his cellphone.

e. At approximately 9:10 p.m., Phone-1 placed a call to a phone number, which based on my review of online advertisements, I believe to be associated with a brothel named Kiss Kiss Pop and which is located at a particular address on West 43rd Street ("Address-5"). Law enforcement officials then observed LOWRY walk to and enter a building located at Address-5.

21. Based on surveillance conducted of BEIRNE LOWRY, a/k/a "Michael," the defendant, on or about September 6, 2018, I have learned, in substance and in part, that law enforcement officials observed LOWRY place dozens of stickers containing the text "1Hgirl.com" and "OneHourGirlfriend.com" on light posts, parking meters, and other structures as he walked north on Third Avenue from 10th street to 31st street in Manhattan.

**TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen"**

22. Based on my review of subscriber information as well as bank and other financial records, I have learned the following, in substance and in part:

a. In or about April 2005, TIEN CHIH WANG, the defendant, filed business documents incorporating a business named "Ingenuity Solution."

b. In or about June 2013, incorporation documents for "Ultra Sign Corp" were filed which listed a business address at a particular address on 169th Street in Flushing, New York (the "169th Street Address"). Based on publicly available data, I have learned that the 169th Street Address is associated with TIEN CHIH WANG, the defendant.

c. From at least in or about December 2017 to at least in or about April 2018, ZHENGYI LU, a/k/a "Allen," the defendant, deposited more than \$10,000 in checks made payable from Ultra Sign Corp. into a bank account.

d. From at least in or about 2015 to at least in or about 2018, bank accounts that were opened in the name of TIEN CHIH WANG, the defendant, Ultra Sign. Corp., and Ingenuity Solutions LLC made payments to Backpage.com or its affiliated companies for more than \$60,000. These payments included at least \$30,000 in checks to an entity named "Posting Solutions." The address listed for Ingenuity Solutions on these checks is the 169th Street Address and at least two of these checks listed a particular email address ("Email Address-2"). Based on my training and experience with this investigation, I have learned that Posting Solutions is an entity that receives payments for advertisements posted on Backpage.com.

23. Based on my review of subscriber information and a judicially-authorized search warrant for Email Address-2, I have learned, in substance and in part, that:

a. The subscriber for Email Address-2 is "Tien Wang."

b. The user of Email Address-2 sent emails which were signed "Tien Wang" and provided cellphone numbers ending in 5108 ("Phone-3") and 7168 ("Phone-4") as his contact information. Based on my review of subscriber information for Phone-3 and Phone-4, I have learned that "Tien Wang" is listed as the subscriber and the 169th Street Address is provided as an address associated with both phones.

c. Email Address-2 sent emails instructing individuals about the content for reviews of commercial sex services at brothels, including brothels in Manhattan. On or about February 22, 2016, for example, "Tien Wang" provided an individual with physical descriptions of two women at "Pearl Rainbow Spa" and informed the individual that he would send payment for the reviews shortly. Based on my participation in this investigation, I have learned that Pearl Rainbow Spa is a brothel located in Manhattan.

d. Email Address-2 and another email address, ("Email Address-3") received and sent emails which included attachments of advertisements for commercial sex services, including for brothels in Manhattan. At least some of these email attachments correspond with advertisements that were posted on Backpage.com. Based on my review of subscriber information for Email Address-3, I have learned that the subscriber is "Allen Lu." The recovery email-address for Email Address-3 is Email Address-2 and the phone number listed is Phone-4.

e. On or about September 21, 2015, Email Address-2 received an email in which an individual provided a physical description of himself, noted that he had references on "TER," which I understand to be a reference to a website that sex business customers use to review their experiences at brothels, and asked "who is available today." The email was sent to Email Address-2 in response to an ad that had been posted on Backpage.com for "Asian Cream Team GIRLS!" On the same day, "Tien" responded to this potential customer and asked him to call Phone-3 to discuss the "Spa and the Ads."

f. On or about January 30, 2016, "Tien Wang" sent an email using Email Address-2 in which he signed his name and stated that he was "running a software firm and posting online classified Ads for escorts or massage parlors across United States."

24. Based on my review of call records associated with Phone-3 and Phone-4, I have learned, in substance and in part, that, from in or about August 2017 up to and including in or about February 2018:

a. Phone-3 had at least 50 contacts with phone numbers associated with advertisements which, based on my experience in this investigation, appear to advertise commercial sex services.

b. Phone-4 had at least 294 contacts with phone numbers associated with advertisements which, based on my experience in this investigation, appear to advertise commercial sex services.

25. Based on my review of records obtained from Backpage.com and subscriber information for internet protocol ("IP") addresses, I have learned the following, in sum and part:

a. From in or about April 2016 to in or about December 2017, advertisements for commercial sex services associated with more than fifteen businesses located in the New York metropolitan area were posted on Backpage.com using the same two IP addresses.

b. IP address-1 was registered in the name of "Zhengyi Lu" and lists a particular address on Parsons Blvd in Flushing, New York ("Parsons Address"). Based on my review of public databases, I have learned that the Parsons Address is associated with ZHENGYI LU, the defendant.

c. IP address-2 was registered in the name of "Richard Lu" and also provided the subscriber address as the Parsons Address.

26. Based on my participation in this investigation, including my review of records from a website host provider, bank records, emails obtained pursuant to a judicially authorized search warrant, and publicly available information, I have learned the following concerning a website named BP311.com:

a. On or about January 19, 2016, Ingenuity Solutions LLC registered "BP311.com" with a website host provider.

b. The website "BP311.com" states that individuals can purchase Backpage.com credits on BP311.com by using credit cards or gift cards. Based on my training and experience as well as my participation in this investigation, I have learned that Backpage.com does not directly accept payments for advertisements with the use of credit cards or gift cards and that, instead, Backpage.com credits can be used to post advertisements for commercial sex activities.

c. Email Address-2 includes emails in which "Tien Wang" refers to BP311.com as his website. Email Address-2 also received numerous emails that were automatically forwarded from an email account that was listed on BP311.com. These emails included, among other things, discussions by "Tien Wang" with users of BP311.com who wanted to purchase or had purchased Backpage.com credits from BP311.com by using credit card or gift cards.

d. Email Address-2 includes correspondence between "Tien Wang" and credit card processing companies. "Tien Wang" included in these emails references to BP311.com as providing Backpage.com credits in return for credit card payments. In one email, "Tien Wang" notes that his volume of credit card purchases is approximately \$500 to \$1,000 each day. Email Address-2 also includes emails sent by "Tien Wang," in which he states that his website purchases bitcoins, which he sends to Backpage.com to purchase advertisements.

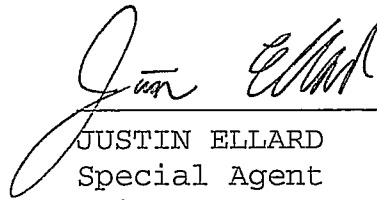
e. Based on bank records, I have learned, in substance and in part, that from in or about 2015 up to and including at least in or about 2018, TIEN WANG, the defendant, purchased approximately \$149,000 in bitcoins.

f. On or about September 8, 2015, Email Address-2 received an email from a particular Hotmail email address, which included a resume listing that Hotmail email address and the name



"Allen Lu (Zhengyi Lu)". From at least in or about February 2017 to at least in or about April 2017, Email Address-2 sent approximately fifty emails to the Hotmail email address, which included account receipts for purchases of gift cards.

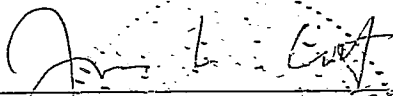
WHEREFORE, the deponent respectfully requests that warrants be issued for the arrests of KWANG KYU KIM, a/k/a "Kevin," HYUN KYUNG HAN, a/k/a "Jay Hee," HONG NAE YI, a/k/a "Diane Yi," BEIRNE LOWRY, a/k/a "Michael," TIEN CHIH WANG, and ZHENGYI LU, a/k/a "Allen," the defendants, and that they be arrested, and imprisoned or bailed, as the case may be.



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JUSTIN ELLARD  
Special Agent  
United States Attorney's Office

Sworn to before me this  
10<sup>th</sup> day of October, 2018



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HONORABLE JAMES L. GOTT  
United States Magistrate Judge  
Southern District of New York