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 11 United States of America

12 UNITED STATES DISTRICT COURT
 13 FOR THE CENTRAL DISTRICT OF CALIFORNIA
 14 WESTERN DIVISION

15 UNITED STATES OF AMERICA,
 16 Plaintiff,
 17 v.
 18 \$335,650.22 IN CATHAY BANK FUNDS
 19 AND \$120,002.33 IN HSBC BANK
 20 FUNDS,
 21 Defendants.

No. 2:19-cv-07288
VERIFIED COMPLAINT FOR FORFEITURE
 18 U.S.C. §§ 981(a)(1)(A) and (C)
 and 984
 [F.B.I.]

22
 23 Plaintiff United States of America brings this claim against defendants
 24 \$335,650.22 in Cathay Bank Funds and \$120,002.33 in HSBC Bank Funds (collectively
 25 referred to as the “defendant bank funds”), and alleges as follows:

26 **JURISDICTION AND VENUE**

27 1. The government brings this in rem civil forfeiture action pursuant to 18
 28 U.S.C. §§ 981(a)(1)(A) and (C) and 984.

1 known as an Informal Value Transfer System (“IVTS”)¹. An IVTS provides security,
2 anonymity, and versatility to users, and is attractive to criminals due to its cost
3 effectiveness, efficiency, reliability, lack of bureaucracy, lack of paper trail and ability to
4 avoid scrutiny from taxing authorities and law enforcement.

5 9. Beginning no later than May 9, 2017, and continuing to at least November
6 1, 2017, Ji’s HSBC Account, Ji’s Cathay Account, and other accounts held in the names
7 of Dianwei Wang (“Wang”), Zhili Song (“Song”) and their associated businesses,
8 including Oneworld Financial Holding Group (“Oneworld”) (collectively, the “Subject
9 Accounts”), received funds from numerous third-parties, which funds were traceable to
10 victims of romance scams and other social engineering schemes perpetrated against U.S.
11 and foreign victims, or were retransmitted by money mules involved in the scams.

12 *Romance Scams*

13 10. A romance scam, also known as “confidence scam,” occurs when a person
14 deceives a victim into believing they have a trust relationship—whether familial,
15 friendly, or romantic—and leverages the relationship to persuade the victim to send
16 money, provide personal and financial information, or purchase items of value for the
17 violator. Violators often use online dating sites to pose as U.S. citizens located in a
18 foreign country, U.S. military members deployed overseas, or U.S. business owners
19

20 ¹ According to a Financial Crimes Enforcement Network (“FinCEN”) Advisory
21 (Issue 33, March 2003), an “informal value transfer system” refers to any system,
22 mechanism, or network of people that receives money for the purpose of making the
23 funds or an equivalent value payable to a third party in another geographic location,
24 whether or not in the same form. The transfers generally take place outside of the
25 conventional banking system through non-bank financial institutions or other business
26 entities whose primary business activity may not be the transmission of money. The
27 IVTS transactions occasionally interconnect with formal banking systems (for example,
28 through the use of bank accounts held by the IVTS operator). Contemporary IVTS
operations often involve the use of traditional financial institutions to complete the
process. Depending on the ethnic group, IVTS are called by a variety of names
including, for example, “hawala” (Middle East); “fei ch’ien” (China); and “Black Market
Peso Exchange” (Latin America).

1 seeking assistance with lucrative investments. In some cases, the victim is persuaded to
2 launder money on behalf of the violator.

3 11. Victims of romance scams often do not recognize that they are being
4 defrauded for many months or more, and sometimes never recognize that they have been
5 defrauded, because they are, or believe they are, in love with the person making the false
6 romantic overtures or promises to them. Therefore, it is not uncommon to observe
7 multiple wires and transfers being sent to the same beneficiary or multiple beneficiaries
8 over a period of time. Some victims of romance scams are not completely truthful with,
9 or seek to impede law enforcement officers who question them about the money they
10 have transferred, in part to protect their purported romantic partner or friend. Some
11 victims of romance scams become “mules” by agreeing to receive and retransfer funds
12 that are the proceeds of other frauds at the instruction of their supposed romantic partner.

13 *BEC Scams*

14 12. A business email compromise (BEC) scam, also known as “CEO Fraud,” is
15 a sophisticated fraud scheme that targets businesses and organizations by inducing
16 employees with access to the targeted organization’s payment systems to make wire
17 transfers to bank accounts falsely represented to be those of a trusted business party,
18 except the account is actually controlled by the fraudsters.

19 *Illegal Money Transmitting and Money Service Businesses*

20 13. 31 C.F.R. § 1010.100(ff) defines a money services business (“MSB”) as a
21 “person, wherever located, doing business, whether or not on a regular basis or as an
22 organized or licensed business concern, wholly or in substantial part within the United
23 States, in one or more of the capacities listed in paragraphs (ff)(1) through (ff)(7) of this
24 section.” Pursuant to Section 1010.100(ff)(5), the definition of MSB includes persons
25 who provide “money transmission services,” further defined as “the acceptance of
26 currency, funds, or other value that substitutes for currency from one person and the
27 transmission of currency, funds, or other value that substitutes for currency to another
28 location or person by any means. ‘Any means’ includes, but is not limited to, . . . an

1 informal value transfer system”

2 14. Pursuant to 18 U.S.C. § 1960(b)(1)(A), an unlicensed money services
3 business is one that “is operated without an appropriate money transmitting license in a
4 State where such operation is punishable as a misdemeanor under State law, whether or
5 not the business operator knew that the operation was required to be licensed,” or fails to
6 comply with federal regulations requiring registration of such businesses.

7 15. The MSB registration requirement is found at 18 U.S.C. §§ 1960(a) and
8 (b)(1)(B), which make it a crime to conduct similar activities or own such a business
9 without registering with the FinCEN. Specifically, 31 C.F.R. § 1022.380(a) generally
10 requires each MSB (whether or not licensed as a money service business by any State) to
11 register with FinCEN.

12 16. In California, money transmitters are also required to be licensed. Cal. Fin.
13 Code § 2000, et seq. The Department of Business Oversight is the California state
14 agency responsible for issuing licenses for businesses who desire to operate as money
15 transmitting businesses in California. The California Department of Business Oversight
16 Directory of Money Transmitters records do not reflect Wang, Song, Ji or Oneworld as
17 licensed money transmitting businesses in the state of California. Similarly, FinCEN
18 MSB Registrant records do not reflect Wang, Song, Ji or Oneworld registered as a
19 money transmitting businesses, meaning they did not comply with federal regulations
20 regarding the registration of money transmitting businesses were not at any relevant time
21 registered with the Financial Crimes Enforcement Network, as required by 31 U.S.C. §
22 5330, and were not licensed in the state of California.

23 17. MSBs are not only required to be licensed and registered, but must comply
24 with Bank Secrecy Act anti-money laundering regulations, such as filing required Form
25 8300 Reports of Cash Payments Over \$10,000 Received in a Trade or Business, which
26 identifies persons involved in large currency transactions. In addition, MSBs must file
27 FinCEN Form 104 (CTR) for each deposit, withdrawal, exchange of currency, or other
28 payment or transfer, by, through, or to the MSB that involves more than \$10,000 in

1 currency. Multiple transactions must be treated as a single transaction if the MSB has
2 knowledge that (1) they are by or on behalf of the same person; and (2) they result in
3 more than \$10,000 in currency either having been received (Cash In) or disbursed (Cash
4 Out) during any one business day. MSBs who are not licensed or registered tend not to
5 adhere to such anti-money laundering laws and regulations.

6 **The Subject Accounts**

7 18. The investigation revealed that there exists no likely source for the funds
8 deposited into the Subject Accounts other than incoming wires or deposits of funds from
9 victims of romance and social engineering schemes, transfers of fraud proceeds from
10 money mules' accounts to a Subject Account, fraud proceeds being laundered through
11 money laundering methods and techniques, funds linked to illegal MSBs and/or
12 unreported transportation of currency or monetary instruments over \$10,000 into the
13 U.S. from outside the U.S., in violation of 31 U.S.C. § 5316.

14 **Tracing of Illegal Proceeds Deposited into Ji's HSBC Account**

15 19. On or about August 2, 2017, Ji's HSBC Account was opened by Ji in her
16 own name. On the same day, \$120,000 was transferred from an HSBC Account ending
17 in 2608, held in the name of Wang ("Wang's HSBC Account"), to Ji's HSBC Account.
18 No other deposit or withdrawal activity is reflected in records for Ji's HSBC Account.
19 In other words, Ji's HSBC Account was funded entirely by monies transferred from
20 Wang's HSBC Account.

21 20. Ji admitted that she hired Song to facilitate illegal money transfers from her
22 family in China to her in the United States and that the funds deposited into Ji's HSBC
23 were the results of her arrangement with Song.

24 21. On or about November 29, 2017, the defendant \$120,002.33 in HSBC bank
25 funds was seized from Ji's HSBC Account pursuant to a federal seizure warrant.

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1 22. As described in greater detail below, the sources of the funds in Wang's
2 HSBC Account represent fraud proceeds.

3 Tracing of Illegal Proceeds Deposited into Wang's HSBC Account

4 23. On or about May 24, 2017, Wang's HSBC Account was opened by Wang
5 with a deposit of a \$45,000.00 official check drawn from a PNC Bank account. The
6 remitter of this \$45,000 check was "L.B.", whom the FBI later identified as a romance
7 scam victim.

8 24. Between June 27 and September 19, 2017, Wang's HSBC Account received
9 23 wire transfers totaling \$574,782.92, and was credited with two third-party cashier's
10 checks totaling \$121,000.

11 25. Below is a sampling of the fraud proceeds that were deposited into Wang's
12 HSBC Account, totaling \$465,613.60. The victims who have been interviewed have
13 related similar stories about having been lured into an online relationship with a person
14 whom they had never met, and then induced to wire funds to Wang's HSBC Account by
15 their online "friend." The additional wires of funds into Wang's HSBC Account are also
16 from victims of similar romance scams or social engineering schemes such as BEC
17 scams.

18 Funds from G.H.

19 26. G.H. was a holder of two Army Aviation Center Federal Credit Union
20 ("AACFCU") accounts: one was held solely in the name of G.H. ("G.H. Account"); and
21 a second held jointly in the names of G.H. and her mother, H.F. ("H.F. Account").

22 27. Between May 24 and June 28, 2017, G.H. initiated seven outgoing wire
23 transfers totaling \$276,000, to multiple third-party beneficiaries, including two transfers
24 to Wang's HSBC Account, from the G.H. and H.F. Accounts.

25 28. As part of a romance scam, G.H. ordered a wire transfer in the amount of
26 \$46,000 on June 27, 2017, and another in the amount of \$59,500 on June 28, 2017 that
27 were both deposited into Wang's HSBC account. G.H. explained to an employee of
28 AACFCU that she was romantically involved with a man who worked for the United

1 States Government and was currently stationed in Dubai. The “boyfriend” told her he
2 needed to transport equipment from the U.S. to Dubai, and that "Dianwei Wang" was the
3 company acting as an intermediary. When the AACFCU employee tried to intervene,
4 telling G.H. that "Dianwei Wang" sounded like a person's name and not a company and
5 that she believed G.H. was being scammed, G.H. insisted that "Dianwei Wang" was a
6 company and stated that her boyfriend would not lie to her. G.H. explained that her
7 boyfriend could not send money straight from the U.S. to Dubai and that was why she
8 needed to send the money through "Dianwei Wang." G.H. admitted to the bank
9 employee that she had never met her boyfriend face to face, but communicated with him
10 via email and text messages. G.H. said her boyfriend promised to pay her back when he
11 returned to California.

12 29. When AACFCU refused G.H.'s requests for additional outgoing wire
13 transfers on June 30, 2017, G.H. made a \$70,000 cash withdrawal from the H.F.
14 Account, and left the branch with the cash. Between July 7, 2017 and November 27,
15 2017, G.H. made approximately ten additional cash withdrawals from the G.H. and H.F.
16 Accounts. During one of these transactions, G.H. told an AACFCU employee that she
17 had opened an account at Regions Bank (“Regions”) to make the requested wire
18 transfers.

19 30. On June 30, 2017, G.H. opened a Regions account in the name of G.H.’s
20 business ("G.H. Business Account"). Between July 3 and 25, 2017, G.H. ordered four
21 outgoing wire transfers, totaling \$221,000, from the G.H. Business Account to multiple
22 third-party beneficiaries, including one transfer to Wang’s HSBC Account on July 3,
23 2017, in the amount of \$42,500.

24 Funds from D.G.

25 31. On August 17, 2017, there was a wire transfer in the amount of \$75,000
26 from a Frost Bank account held in the name of D.G. (“D.G. Account”) to Wang’s HSBC
27 Account. The following is a partial summary of the interview of D.G.:

28 32. D.G. stated she met a person identified as Brad Rosbergs (“Rosbergs”)

1 earlier in the year through email after her profile was posted to an online dating service
2 website that catered to people over 50 years old.

3 33. D.G. and Rosbergs only communicated online and by telephone, and never
4 met in person. Rosbergs claimed to have been part of a construction/design firm in San
5 Francisco, and shared pictures with D.G. Rosbergs told D.G. he had been awarded a
6 contract to build a high-end beachfront resort/condo complex in Cape Town, South
7 Africa, and that when he had arrived in Cape Town, his telephone and computer had
8 been stolen from his carry-on baggage. He asked D.G. to purchase him replacements.
9 D.G. did so and had the new computer and telephone shipped to Rosbergs in South
10 Africa. Subsequently, Rosbergs informed D.G. that the construction project was
11 proceeding, and he had relocated to Manchester, England to administer the contract.

12 34. Some time later, Rosbergs asked D.G. to wire him money to “help him get
13 home,” and D.G. sent wire transfers to him. During the interview, D.G. could not
14 specifically recall what instructions she had received from Rosbergs or when she
15 received them, but bank records reflect that on or about August 17, 2017, a \$75,000 wire
16 transfer was sent from D.G.’s account at Frost Bank to Wang’s HSBC Account.

17 Funds from Company #1

18 35. On or about August 25, 2017, a wire transfer totaling \$49,873 was received
19 into a JP Morgan Chase (“JPMC”) account held in the name of H.W. (“H.W. Account”).
20 The wire transfer was sent from an Australia and New Zealand Banking Group
21 (“ANZBG”) account held in the name of Company #1. On or about August 28, 2017, a
22 wire transfer in the amount of \$46,000 was sent from the H.W. Account to the Wang
23 HSBC Account, depleting substantially all of funds wired from ANZBG to the H.W.
24 Account. Shortly after the August 28 wire, JPMC received an indemnity letter from
25 ANZBG, requesting that the funds be returned, as the wire was sent to the H.W. Account
26 as a result of fraud perpetrated on Company #1.

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1 Funds from L.B.

2 36. A PNC Bank account was held jointly in the names of L.B. and R.B. (“L.B.
3 Account”). L.B.’s husband R.B. had recently passed away.

4 37. L.B. fell victim to a romance scam and sent approximately \$145,000 in
5 cashier’s checks made payable to Wang. \$45,000 of that money was deposited into
6 Wang’s HSBC Account.

7 38. L.B. met a man who identified himself as Clive Martin (“Martin”) on the
8 internet. Martin told L.B. he was on an oil rig 400 miles from Serbia and had received a
9 \$4,500,000 settlement that he had deposited into a bank in her name. Martin instructed
10 L.B. to send \$45,000 to a bank representative, “Dianwei Wang,” to pay the wire transfer
11 fee for the \$4,500,000.

12 39. On or about May 19, 2017, L.B. withdrew \$45,000 from the L.B. Account
13 to purchase a cashier’s check made payable to “Dianwei Wang,” and mailed the check to
14 an address in Monterey Park, CA 91754. Bank records reflect that the check was
15 subsequently deposited into Wang’s HSBC Account.

16 Funds from R.S.

17 40. On or about June 14, 2017, an official check in the amount of \$76,000
18 drawn from Capital One Bank with the remitter listed as R.S. was deposited into HSBC
19 2608. The Capital One Bank account that the check was drawn from was jointly held in
20 the names of R.S. and S.S. (“R.S. Account”).

21 41. R.S.’s husband S.S. had passed away in May 2017. The funds in the R.S.
22 Account were proceeds of S.S.’s life insurance settlement.

23 42. R.S. was identified as a romance scam victim. R.S. was contacted online by
24 individuals who identified themselves as Morgan Smith and Cass Brandon (“Brandon”).
25 R.S. and Brandon had been developing a relationship when R.S. was contacted by a
26 person identified as Brandon’s friend, Antoinette Davis (“Davis”). Davis told R.S. that
27 Brandon had been in a car accident and asked R.S. to send money—purportedly to pay
28 for Brandon’s medical care.

1 43. On or about June 13, 2017, R.S. in an effort to assist Brandon, withdrew
2 \$76,000 from the R.S. Account to purchase a cashier's check made payable to "Dianwei
3 Wang," and this check was subsequently deposited into Wang's HSBC Account.

4 Funds from J.S.

5 44. On or about September 5, 2017, Wang's HSBC Account received an
6 incoming wire of \$20,000 from a Bank of America ("BofA") account held jointly in the
7 names of J.S. and T.S. ("J.S. Account").

8 45. On or about September 8, 2017, Wang's HSBC Account received an
9 incoming wire of \$10,000 from the J.S. Account.

10 46. J.S. stated she met a person identified as Tarun Gupta ("Gupta") six months
11 earlier through "shaadi.com," an online wedding service website.

12 47. J.S.'s husband, T.S., passed away in 2015. The money J.S. sent to HSBC
13 Account 2608 was part of a life insurance payout after T.S.'s death.

14 48. J.S. and Gupta only communicated online and by telephone, and never met
15 in person. Gupta, who claimed to have been an engineer stationed in Dubai, shared his
16 life history and pictures with J.S.

17 49. Gupta asked J.S. to lend him \$20,000 to purchase oil as an investment,
18 assuring J.S. that he would pay her back later. Gupta instructed J.S. to wire the money to
19 an account belonging to an agent, "Dianwei Wang." On or about September 4, 2017,
20 J.S. requested a wire transfer in the amount of \$20,000 from the J.S. Account to Wang's
21 HSBC Account. Bank records reflect the \$20,000 was wired into Wang's HSBC
22 Account.

23 50. Gupta subsequently asked J.S. to lend him an additional \$10,000 to
24 transport the oil he had purchased, and instructed her to wire the money to HSBC
25 Account 2608. Gupta said the account belonged to his agent "Dianwei Wang." On or
26 about September 7, 2017, J.S. requested a wire transfer in the amount of \$10,000 from
27 the J.S. Account to the Wang HSBC Account. Bank records reflect the \$10,000 was
28 subsequently wired into the Wang HSBC Account.

1 Funds from S.A.

2 51. On or about September 25, 2017, HSBC received a wire recall request from
3 Barclays Bank (“Barclays”) to reverse a \$45,613.60 wire sent to the Wang HSBC
4 Account from a Barclays account belonging to S.A. The recall message indicated the
5 wire transfer was sent due to fraud. HSBC called Wang and requested his authorization
6 to send the funds back to Barclays. Wang refused to grant the authorization, so
7 Barclays’s request to recall the wire was denied.

8 *Tracing of Illegal Proceeds to Ji’s Cathay Account*

9 52. On or about May 22, 2017, Ji’s Cathay Account was opened with a deposit
10 of \$555. There was no further substantial activity in the account until July 25, 2017,
11 when an incoming wire in the amount of \$60,000 was deposited into the account from
12 romance scam victim D.T.’s Countryside Bank account. The details of this \$60,000 wire
13 are described below.

14 53. Between July 25 and September 26, 2017, Ji’s Cathay Account received
15 five wire transfers totaling \$214,000, and two cash deposits totaling \$120,000, for a total
16 of \$334,000.

17 54. Ji admitted that she hired Song to facilitate illegal money transfers from her
18 family in China to her in the United States, and that the funds deposited into this account
19 were the results of her arrangement with Song.

20 55. On or about April 5, 2018, the defendant \$335,650.22 in Cathay bank funds
21 were seized from Ji’s Cathay Bank pursuant to federal seizure warrant.

22 56. On or about July 26, 2017 and August 3, 2017, Ji’s Cathay Account
23 received incoming wires from Song’s Oneworld Account in the amounts of \$40,000 and
24 \$60,000, respectively.

25 57. Below is a sampling of fraudulent proceeds deposited into Ji’s Cathay
26 Account. The victims and money mules have related similar stories about having been
27 lured into online relationships with persons whom they had never met, and then induced
28 to wire funds to Ji’s Cathay Account by their online “friends.”

1 Tracing of Illegal Proceeds Deposited into Song's Oneworld Account

2 58. On or about June 1, 2017, an account was opened at Comerica Bank in the
3 name of Oneworld Financial Holding Group ("Oneworld Account") with a \$1,000 cash
4 deposit. The authorized signatory was Song, who opened the Oneworld Account in
5 person at the Comerica branch located at 13200 Crossroads Pkwy North, La Puente, CA,
6 in Los Angeles County. At the time of account opening, Song produced an Illinois
7 driver's license.

8 59. Between June 2 and August 7, 2017, the Oneworld Account received 19
9 wire transfers totaling approximately \$900,000.

10 Funds from J.K.

11 60. On or about July 11, 2017, the Oneworld Account received an incoming
12 wire of \$32,200 from a Union Bank account ("J.K. Account"), held jointly in the names
13 of J.K. and her son. J.K. resides in West Los Angeles, California.

14 61. J.K. stated that she fell victim to a romance scam and has sent multiple wire
15 transfers, totaling over \$153,900, to multiple individuals.

16 62. In June 2017, J.K. met a person who identified himself as David Edwardo
17 Hicks ("Hicks") on Match.com, a dating website. Hicks provided J.K. with his private
18 email address and J.K. and Hicks started communicating through email. J.K. stated that
19 Hicks was "romantic but possessive" in his emails to her, and even referred to J.K. as his
20 fiancé. Hicks told J.K. that he was a colonel in the U.S. Army stationed in Afghanistan.
21 Hicks first asked J.K. to send him \$4,710 to purchase a satellite phone. J.K. ordered a
22 bank wire transfer for \$4,710 from J.K.'s account at Chase Bank to a Bank of Texas
23 account, on Hicks' instructions.

24 63. Hicks then asked J.K. to pay for his leave from military duties so he could
25 visit J.K. in person, by transferring \$32,200 into the Oneworld Account. Hicks stated
26 that Oneworld was a diplomatic agency, and Hicks would be granted leave upon transfer
27 of the funds.

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1 64. On or about July 11, 2017, J.K. went to a Union Bank branch located in
2 Marina Del Rey, California, and authorized a wire transfer of \$32,200 from the J.K.
3 Account to the Oneworld Account, for the benefit of Oneworld. After J.K. wired the
4 money, Hicks advised that he would not be able to take the flight to the U.S. due to a
5 paperwork delay.

6 65. Hicks subsequently made two additional wire requests of J.K. in connection
7 with Hicks' purported leave request. As instructed, J.K. sent two additional wires, in the
8 respective amounts of \$67,100 and \$54,600, from the J.K. Account to a Bank of America
9 account ending in 1458. After J.K. sent the wires, Hicks advised that his travel was
10 delayed again.

11 Funds from Victim D.T.

12 66. On or about July 13, 2017, the Oneworld Account received an incoming
13 wire in the amount of \$7,400 from a Countryside Bank ("Countryside") account held in
14 the name of D.T. ("D.T. Account"). On or about July 20, 2017, the Oneworld Account
15 received another incoming wire, in the amount of \$50,000, from the D.T. Account.

16 67. D.T. was a victim of an online romance scam. D.T. met her "boyfriend" on
17 the internet, never in person. D.T. told a FirstBank of Nebraska ("FirstBank")
18 investigator that her online boyfriend was working on a pipeline in South Africa.
19 FirstBank reported that D.T. was initiating suspicious wire transfers to multiple third-
20 party beneficiaries, including a Bank of America account ending in 7795 ("BofA
21 Account 7795").

22 68. On or about July 12, D.T. took out an \$8,000 loan from Countryside and, on
23 the following day, requested that a wire transfer in the amount of \$7,400 be sent to the
24 Oneworld Account from the D.T. Account. On or about July 20, 2017, D.T. requested a
25 wire transfer of \$50,000 be sent to BofA Account 7795. When the wire request was
26 rejected due to incorrect wire information, D.T. provided Countryside with revised
27 information for another attempt at wiring the \$50,000. This second attempt was
28 successful, and the money was wired to the Oneworld Account from the D.T. Account.

1 69. On or about July 25, 2017, at her online boyfriend's request, D.T. requested
2 a wire transfer in the amount of \$60,000 be sent to Ji's Cathay Account. Bank records
3 reflect that the \$60,000 was successfully wired into Ji's Cathay Account from the D.T.
4 Account.

5 Funds from H.S.

6 70. On or about August 2, 2018, \$34,000 was wire transferred from a Bank of
7 America Account held in the name of H.S. ("H.S. Account") to Ji's Cathay Account.
8 When investigators interviewed H.S. about the wire transfer, H.S. advised that H.S.
9 wired the money as a favor for a friend. H.S. refused to provide the name of the friend
10 who had asked for the favor, but admitted that he/she did not know who Ji was.

11 Statements Made by Accountholder Xue Ji

12 71. On December 13, 2017, FBI agents interviewed Ji and her husband Zhaoqi
13 Xin ("Xin"). On or about April 5, 2018, Ji provided a sworn affidavit regarding the
14 defendant bank funds seized from Ji's HSBC Account. Below is a summary of Ji's
15 statements.

16 72. Ji reported that she is a Chinese citizen attending a Southern California
17 university and is unemployed. Ji reported that she is married to another Chinese citizen
18 (Xin) who is also a student.

19 73. Ji admitted that she hired Song to facilitate money transfers from her family
20 in China to her in the United States, by means other than legal international bank
21 transfers, in order to circumvent the Chinese regulations that limits Chinese citizens to
22 exporting from China a maximum total annual quota equivalent to USD \$50,000 per
23 person each year. Song instructed Ji to have her family in China transfer funds into
24 Song's Hong Kong based banks accounts, after which Song would arrange for the
25 money to get to Ji in the U.S. with the expectation that Ji would receive the approximate
26 equivalent funds in the U.S., minus a fee.

27 74. Ji admitted that she opened both Ji's HSBC Account and Ji's Cathay
28 Account, and that the funds deposited into the accounts were the results of her

1 arrangement with Song.

2 75. Agents showed Ji a list of transactions in Ji's Cathay Account totaling
3 \$214,000 in incoming wire transfers and cash deposits, including the July 25, 2017
4 \$60,000 wire transfer from victim D.T. Ji indicated that all the deposits and wires into
5 Ji's Cathay Account constituted funds her parents in China were attempting to send to Ji
6 for the purpose of purchasing a house in the United States. Ji stated she did not know
7 the individual remitters who wired money to her accounts, or the reason why they were
8 wiring the funds to her accounts.

9 76. Ji and Xin were asked about the two \$60,000 deposits of U.S. currency into
10 Ji's Cathay Account on September 25 and 26, 2017. Xin explained that the money had
11 come from their families. Ji and Xen brought the money into the U.S. when they
12 returned from a trip to China, dividing it amongst at least eight individuals. The
13 \$120,000 in cash was then deposited into Ji's Cathay Account in two \$60,000 deposits.
14 This method of bringing large amounts of currency into the United States is a common
15 method used to illegally bring currency into the country, as individuals are required to
16 report when they are importing more than \$10,000 in cash or monetary instruments.

17 FIRST CLAIM FOR RELIEF

18 77. Based on the above, plaintiff United States of America alleges that the
19 defendant bank funds constitute or are derived from proceeds traceable to violations of
20 18 U.S.C. §§ 1341 (mail fraud), and/or 1343 (wire fraud), which are specified unlawful
21 activities as defined in 18 U.S.C. §§ 1956(c)(7)(A) and 1961(1)(B). The defendant bank
22 funds are therefore subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(C). To the
23 extent that the defendant bank funds are not the actual monies directly traceable to the
24 illegal activity identified herein, plaintiff alleges that the defendant bank funds are
25 identical property found in the same account or place as the property involved in the
26 specified offense, rendering the defendant bank funds subject to forfeiture pursuant to 18
27 U.S.C. § 984.

28 //

1 (d) for such other and further relief as this Court may deem just and proper,
2 together with the costs and disbursements of this action.

3 Dated: August 22, 2019

NICOLA T. HANNA
United States Attorney
BRANDON D. FOX
Assistant United States Attorney
Chief, Criminal Division
STEVEN R. WELK
Assistant United States Attorney
Chief, Asset Forfeiture Section

8 */s/ Katharine Schonbachler*

9 KATHARINE SCHONBACHLER
Assistant United States Attorney

10
11 Attorneys for Plaintiff
United States of America

1 VERIFICATION

2 I, Lance Kim, hereby declare that:

3 1. I am a Special Agent with the Federal Bureau of Investigation and am the
4 case agent for the forfeiture matter entitled United States of America v. \$335,650.22 in
5 Cathay Bank Funds and \$120,002.33 in HSBC Bank Funds.

6 2. I have read the above Verified Complaint for Forfeiture and know its
7 contents. It is based upon my own personal knowledge and reports provided to me by
8 other law enforcement agents.

9 3. Everything contained in the Complaint is true and correct, to the best of my
10 knowledge and belief.

11 I declare under penalty of perjury that the foregoing is true and correct.

12 Executed August 22nd, 2019 in Los Angeles, California.

13 
14 _____
15 Lance Kim