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United States District Court  
District of New Jersey

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**UNITED STATES OF AMERICA** : **Hon. Steven C. Mannion**  
**v.** : **Magistrate No.: 16-6041 (SCM)**  
**JASON LI,** : **Criminal Complaint**  
**a/k/a "Jason Liu," "Li Liu," and**  
**"Fen Lee"**

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

SEE ATTACHMENT A

I further state that I am a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations ("HSI"), and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



David A. Ferrante, Special Agent  
U.S. Department of Homeland Security  
Homeland Security Investigations

Sworn to before me and subscribed in my presence,

March 30, 2016  
Date

Honorable Steven C. Mannion  
United States Magistrate Judge  
Name & Title of Judicial Officer

at Newark, New Jersey  
City and State



Signature of Judicial Officer

**ATTACHMENT A**

**COUNT ONE**  
**(Conspiracy to Commit Visa Fraud)**

From in or about May 2014 through in or about March 2016, in Union County, in the District of New Jersey, and elsewhere, defendant

**JASON LI,**  
**a/k/a "Jason Liu," "Li Liu," and "Fen Lee,"**

did knowingly and intentionally conspire and agree with others to commit an offense against the United States, that is, to utter, use, attempt to use, possess, obtain, accept, and receive non-immigrant visas, namely student visas and other documents proscribed by statute and regulation for entry into and as evidence of authorized stay in the United States, knowing that the student visas had been procured by means of false claims and statements and otherwise procured by fraud and unlawfully obtained, contrary to Title 18, United States Code, Section 1546(a).

In furtherance of the conspiracy and to effect its unlawful objects, the defendant committed and caused to be committed the following overt acts, among others, in the District of New Jersey and elsewhere, as set forth in Attachment B below.

In violation of Title 18, United States Code, Section 371.

**COUNT TWO**  
**(Conspiracy to Harbor Aliens for Profit)**

From in or about May 2014 through in or about March 2016, in Union County, in the District of New Jersey, and elsewhere, defendant

**JASON LI,**  
**a/k/a “Jason Liu,” “Li Liu,” and “Fen Lee,”**

did knowingly and intentionally conspire and agree with others, for the purpose of commercial advantage and private financial gain, to encourage and induce an alien to reside in the United States, knowing and in reckless disregard of the fact that such residence was and would be a violation of law, contrary to Title 8, United States Code, Section 1324(a)(1)(A)(iv).

In violation of Title 8, United States Code, Section 1324(a)(1)(A)(v)(I).

## ATTACHMENT B

I, David A. Ferrante, am a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations ("HSI"). I have personally participated in this investigation and am aware of the facts and circumstances contained herein based on my own investigation, as well as my review of documents, records, information and evidence provided to me by other law enforcement officers and relevant personnel. Since this Affidavit is submitted for the sole purpose of establishing probable cause to support the issuance of a complaint and arrest warrant, I have not necessarily included each and every fact known by the government concerning this investigation. Where statements of others are related herein, they are related in substance and in part. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the day alleged.

### The Defendant and Other Parties

1. At all times relevant to this Criminal Complaint:
  - a. Defendant JASON LI a/k/a "Jason Liu," "Li Liu," and "Fen Lee" (hereafter, "LI") was a naturalized United States citizen who was born in China. LI resided in Queens, New York, and was the owner and operator of Masswell Development Group, Inc., and Masswell Agency, Inc. (collectively, "Masswell"), each located in Flushing, New York. Masswell purported to provide international student consulting services.
  - b. A federal agent was acting in an undercover capacity (hereinafter "UC-1").
  - c. A federal agent was acting in an undercover capacity (hereinafter "UC-2").
  - d. Federal agents were acting in an undercover capacity and posing as the owners and/or operators of the University of Northern New Jersey (hereinafter the "School"). The School was physically located in Cranford, New Jersey. The School was part of a federal law enforcement undercover operation designed to identify individuals and entities engaged in immigration fraud. The School was not staffed with instructors /educators, had no curriculum, and no actual classes or educational activities were conducted at the School.
  - e. A co-conspirator not named as a defendant herein was a foreign citizen who fraudulently maintained student visa status through LI (hereinafter "CC-1").

f. A co-conspirator not named as a defendant herein was a foreign citizen who fraudulently maintained student visa status through LI (hereinafter "CC-2").

g. A co-conspirator not named as a defendant herein was a foreign citizen who fraudulently maintained student visa status through LI (hereinafter "CC-3").

h. A co-conspirator not named as a defendant herein was a foreign citizen who fraudulently maintained student visa status through LI (hereinafter "CC-4").

### Overview of Investigation

2. Beginning in or about September 2013, federal agents from HSI, using the School, commenced an undercover operation to investigate criminal activities associated with the Student and Exchange Visitor Program ("SEVP"), including, but not limited to, student visa fraud and the harboring of aliens for profit. A brief summary of the SEVP is described in Paragraph 4, below.

3. During the course of the investigation, HSI agents identified numerous individuals and organizations that used the SEVP as an instrument to engage in criminal conduct. Specifically, as described more fully below, the investigation revealed that defendant LI enabled numerous foreign individuals to fraudulently maintain non-immigrant status and obtain employment authorization to remain in the United States on the false pretense that these aliens were participating in full courses of study at an academic institution.<sup>1</sup> In truth and in fact, LI, with full knowledge that the aliens would not attend any actual courses, earn actual credits, or make academic progress toward an actual degree in a particular field of study, fraudulently maintained student visa status in exchange for kickbacks, or "commissions." LI collected "tuition" fees directly from his purported foreign students, and then deducted his commission from those payments before transferring the tuition fees to the School. Additionally, LI facilitated the creation of false student records, including transcripts, for some of the foreign students for the purpose of deceiving immigration authorities.

### Summary of Relevant Immigration Policies and Procedures

4. From my training and experience as a Special Agent with HSI, and from speaking with individuals and officials with knowledge of the SEVP with the Department of Homeland Security, I have learned about the requirements that

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1. Your Affiant is aware that this type of SEVP-related fraud is commonly referred to as a "pay to stay" scheme.

foreign citizens must comply with under United States immigration law, including the following:

a. The United States requires individuals from most foreign countries to obtain a visa prior to entry into the United States. As they apply to this investigation, non-immigrant visas are required for foreign citizens who intend to enter the United States on a temporary basis, such as for tourism, medical treatment, business, temporary work, or study.<sup>2</sup>

b. A foreign citizen who wishes to enter and remain in the United States on a temporary basis to pursue a course of study at a college, university, seminary, conservatory, academic high school, or other academic institution, or for English language training (commonly referred to as "ESL"<sup>3</sup>), must first obtain an F-1 non-immigrant visa, also known as a student visa ("F-1 visa").

c. An F-1 visa is only valid for a temporary period, called the "duration of status," which status lasts as long as the foreign citizen is enrolled as a full-time student in an approved educational program and making normal progress toward completion of the course of study.<sup>4</sup> Pursuant to 8 C.F.R. § 214.2(f)(6), a full course of study for a foreign citizen studying a language or other non-vocational training program under an F-1 visa (an "F-1 student") requires

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2. Under 8 U.S.C. § 1101 (a)(15)(F)(i), an F-1 student (*i.e.*, a non-immigrant alien admitted to the United States on a temporary basis to pursue a course of study) is defined as follows: "an alien having a residence in a foreign country which he has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who seeks to enter the United States temporarily and solely for the purpose of pursuing such a course of study consistent with section 1184(l) of this title at an established college, university, seminary, conservatory, academic high school, elementary school, or other academic institution or in an accredited language training program in the United States, particularly designated by him and approved by the Attorney General after consultation with the Secretary of Education. . . ."

3. One area of study available to F-1 students includes English language training, or ESL, courses. In order to pursue ESL studies, an F-1 student must enroll in an SEVP-certified English language training program. ESL students are not eligible for online or distance education, as all training must take place in a classroom (or computer lab) setting for a minimum of eighteen (18) hour per week. A foreign citizen who is granted an F-1 visa to participate in an ESL program may not obtain work authorization.

4. Certain F-1 students (identified as "Border Crossing" students from Mexico or Canada who attend a school within 75 miles of a land border) may be admitted to the United States until a date certain, rather than for duration of status. *See*, 8 C.F.R. § 214.2(f)(18). None of the foreign individuals associated with this investigation were the recipient of a "Border Crossing" F-1 visa.

eighteen (18) clock hours of attendance per week, assuming the dominant portion of the course consists of classroom instruction. Significantly, when a foreign citizen stops pursuing a full course of study, the duration of status on his or her F-1 visa ends and the temporary period for which the individual was admitted to the United States expires.

d. To obtain an F-1 visa, a foreign citizen must first apply to study at a school within the United States that has been certified by the SEVP to enroll and train foreign students. If accepted, the school will provide the foreign citizen with a "Certificate of Eligibility for Nonimmigrant (F-1) Student Status - For Academic and Language Students," also known as a Form I-20 A ("Form I-20"). The Form I-20 is required for the foreign citizen to obtain an F-1 visa. By issuing a Form I-20 to a foreign citizen, an SEVP-approved school certifies that the individual: (1) meets all standards of admission for the school based on a review of the student's application, transcripts, proof of financial responsibility, and other records; and (2) has been accepted for, and would be required to pursue, a full course of study.

e. Once a foreign citizen receives a Form I-20, that individual may apply for an F-1 visa. The foreign citizen can then use the F-1 visa and Form I-20 to enter and remain in the United States for the period of time he or she is granted. After a foreign citizen completes his or her course of study, that individual is typically required to depart the United States within 60 days. Conversely, if the foreign student fails to maintain status (*e.g.*, stops attending school, drops below the full course of study without authorization, etc.), the foreign student must immediately depart the United States.

f. The Student and Exchange Visitor Information System ("SEVIS") is an internet based data system that provides users with access to current information on nonimmigrant foreign citizens, exchange aliens, and their dependents. Each Form I-20 that is issued by a school to a foreign citizen will contain a system-generated identification number. This number is referred to as the "SEVIS ID number." Generally, the SEVIS ID number remains the same as long as the foreign citizen maintains his or her valid, original nonimmigrant status. This number will typically remain the same regardless of any changes or updates made by the school to the foreign citizen's record.

g. Once in the United States, a foreign citizen is generally permitted to transfer from one SEVP-certified school to another, as long as that individual maintains valid F-1 student status and is pursuing a full course of study. To effect such a transfer while maintaining valid status, a foreign citizen must first obtain a school acceptance letter and a SEVIS transfer form from the SEVP-certified school to which the student intends to transfer. The foreign citizen may then transfer to that school, obtain a Form I-20, and remain in the

United States as long as he or she pursues a full course of study at the new SEVP-certified school.<sup>5</sup>

h. In addition to taking a full course of study at an accredited institution, a non-ESL, F-1 student may also seek practical training – which could include paid employment - that is directly related to the student’s major and is considered part of the student’s program of study. The two types of practical training available to non-ESL, F-1 students include curricular practical

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5. Every SEVP-approved school must have one Primary Designated School Official (“PDSO”) who, among other things, certifies under penalty of perjury on the Form I-20 that the foreign student’s application, transcripts, or other records of courses taken, and proof of financial responsibility - including proof that the student has the funds necessary to live and study in the United States without working illegally or suffering from poverty - were received by the school and the student met the qualifications for admission. The PDSO also certifies that the foreign student will be required to pursue a full course of study as defined by the regulations in 8 C.F.R. § 214.2(f)(6). The forgoing certification responsibilities of the PDSO may also be handled by a Designated School Official (“DSO”).

SEVP certified schools also are required to maintain up to date and accurate records in SEVIS regarding the foreign students attending the school and are required to input accurately when students have completed their studies so that their immigration status can be terminated. The PDSO (or DSO) is also required to maintain up to date and accurate records in the SEVIS database for status events of foreign students attending their school including, but not limited to: entry/exit data, changes of current United States address (residence), program extensions, employment notifications, changes in program of study, and completion of studies so the student’s immigration status can be timely terminated.

Additionally, if a foreign citizen admitted on an F-1 visa to attend an SEVP-certified school has not pursued a full course of study at the school, a PDSO (or DSO) is prohibited from transferring that foreign citizen to another school. Pursuant to 8 C.F.R. § 214.2(8)(i), an F-1 student who was not pursuing a full course of study at the school he or she was last authorized to attend is ineligible for school transfer and must apply for reinstatement, or, in the alternative, may depart the U.S. and return as an initial entry in a new F-1 nonimmigrant status. Once an SEVP-certified school terminates an F-1 student’s active status in SEVIS for “Unauthorized Drop Below Full Course of Study,” thereby flagging the F-1 student’s termination for review by the Department of Homeland Security, SEVP guidance allows the school to then transfer the F-1 student’s SEVIS records *in terminated status* to another school. The terminated F-1 student must then file an application for reinstatement of active status with the support of the school the student is transferring to, or depart the United States. Further, an F-1 student who has not been pursuing a full course of study at an SEVP-certified school cannot be transferred to another school unless and until his or her active status has been terminated in SEVIS.



training ("CPT") and optional practical training ("OPT"). If approved by the PDSO (or DSO), an F-1 student may obtain a new Form I-20 indicating that he or she has been approved for either CPT or OPT. Generally, therefore, as long as an F-1 student has been properly enrolled at an SEVP certified school, has taken classes and earned credits, and has made academic progress toward graduation, that F-1 student may have the opportunity to work full or part-time CPT or OPT, in addition to taking classes.<sup>6</sup>

#### Defendant LI's Criminal Activities

5. Beginning in or about May 2014, LI contacted the School to offer his services as a recruiting agent for purported foreign students. Over the course of the next several weeks, and in response to LI's inquiries, HSI undercover officers and LI engaged in several consensually recorded telephone conversations, audio and video taped in-person meetings, and e-mail correspondence to negotiate the terms of LI's proffered recruiting services.

6. For example, on or about May 14, 2014, LI contacted the School by telephone and engaged in a consensually recorded conversation with UC-1. During this call, LI explained that he was the owner of a New York-based agency that assisted international transfer students with SEVP and immigration related matters, including efforts to obtain CPT work authorization. LI asked UC-1 how quickly the School could grant CPT authorization to international transfer students, as LI represented a number of Chinese clients whose current CPT authorization was due to expire. In response, UC-1 indicated that the School's enrollment was currently full, and that no classes were available. Despite that response, LI continued to negotiate with UC-1 and ultimately discussed a scenario whereby the School would accept "tuition" payments from LI's transfer students in exchange for full-time CPT authorization, without requiring LI's students to attend any actual classes or make any progress toward a legitimate

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6. Practical training may be authorized to an F-1 student who has been lawfully enrolled on a full time basis, in a SEVP-certified institution, for one full academic year. CPT is more specifically defined as an alternative work/study, internship, cooperative education, or any other type of required internship or practicum that is offered by sponsoring employers through cooperative agreements with a given SEVP-certified institution. An F-1 student may be authorized by the PDSO (or DSO) to participate in a CPT program that is an integral part of an established curriculum. A student may begin CPT only after receiving his or her Form I-20 with the PDSO (or DSO) endorsement. A student may be authorized 12 months of practical training, and becomes eligible for another 12 months of practical training when he or she changes to a higher educational level. Exceptions to the one academic year requirement prior to obtaining CPT approval are provided for students enrolled in graduate studies that require immediate participation in curricular practical training. See, 8 C.F.R. § 214.2 (10).

course of study. As part of these discussions, UC-1 specifically informed LI that "I don't want somebody coming here [the School] thinking they're going to be sitting in a classroom learning something." LI acknowledged the illicit nature of the proposed agreement by responding, in part, that ". . . the most important thing is I-20 and CPT . . . for the clients [the transfer students], attendance is not so important." UC-1 replied, in part, "[y]eah, we don't care about that. There's going to be no attendance, no school, no teacher, no anything. We can work with you." Additionally, LI and UC-1 agreed that LI would receive a commission for each transfer student he recruited and/or referred to the School.

7. The following day, LI contacted the School by telephone and engaged in a consensually recorded conversation with UC-2. During this call, LI further discussed the terms of the proposed recruiting arrangement he had previously negotiated with UC-1. As part of this conversation, UC-2 stated "[s]o just to make sure that they [LI's foreign students] realize you know, the tuition payment is just for CPT; they can't attend class if they want to. There's no online class, there's no classroom for them to go to . . . [t]his is just a way, I'm sure [UC-1] told you, that we kind of, because we're a new school, were just kind of making money to get it going. So, this way we can help international students; they have a need to stay in the country and work, and we have a need to make money." LI responded, "Okay, got it." LI and UC-2 then discussed a plan to falsely create the appearance that the School's CPT program was legitimate, and that LI's foreign students were actually pursuing courses of study. Specifically, UC-2 stated:

[W]e can also provide students with transcripts at the end of their . . . semester, or the end of their year, or the end of their two years. Whatever they need, we issue transcripts. They're fifty (50) dollars, so we can show that students have attended classes even though they haven't . . . [a]nd then I'll actually also send out an attendance sheet to you, and then you'll have the students, like half way through the semester, you'll have the student sign for the whole year, showing that they've attended class . . . [a]nd obviously they haven't, but they're just signing saying they have.

LI acknowledged this process, stating, "Okay, sure." Additionally, LI inquired how quickly the School could issue fake Bachelors level degrees to his transfer students, as well as the School's fee for that illicit service. Finally, UC-2 and LI agreed that LI would receive a twenty (20) percent commission for all foreign students whose false enrollment he facilitated with the School.

8. Following his discussion with UC-2, LI sent an e-mail correspondence to the School dated on or about May 15, 2014 that further confirmed his desire to recruit and refer foreign transfer students for profit. In this correspondence, LI claimed to have worked as recruiter for the past eight (8) years, and to have placed “over five hundred of Chinese students to ESL programs, boarding schools, and colleges” during that time. LI further stated that he was looking for the “right school to work on CPT program, ESL program and Bachelor program in the NJ area.” On or about May 16, 2014, LI contacted the School by telephone and engaged in a consensually recorded conversation with UC-2. During this call, LI inquired whether the School could offer a similarly illicit arrangement for his ESL students. Specifically, LI stated, “I have one quick question. Right now, I have about forty ESL students [who] want to transfer to you [the School] . . . [a]nd I was wondering, ESL student come to your school, attendance is required or not?” UC-2 responded, initially, that “[y]es, they just have to sign an attendance sheet.” LI then asked, “[b]ut . . . can we do to the ESL students the same as the CPT students? Like the no . . . no attendance required?” UC-2 replied, in part, that “yeah, for our deal, we would not require, I mean we would not require [attendance] as a school; it is required [by SEVIS and the law] obviously, but we would just have them [the ESL students] sign the attendance sheet . . . we’ll just have it look like they’re going to class so that we can have an attendance sheet signed, but they won’t be attending class.” LI then stated, “[o]h sure, okay, I understand . . . that means attendance sheet is required but you don’t need to show up, right?” UC-2 responded, “[r]ight . . . we just needed to have an attendance sheet in case SEVIS asks for it but other than that, you know, they [the ESL students] won’t be attending class.” LI acknowledged his understanding of this illicit arrangement, stating, “Sure, okay, got it.”

9. Based on the foregoing discussions, LI began to facilitate the enrollment of dozens of foreign students at the School despite knowing that the individuals he referred were not bona fide students and had no intention of attending classes or earning credits at the School.<sup>7</sup> In exchange for receiving a Form I-20 from the School and being reported in SEVIS as a legitimate foreign student, LI’s recruits made “tuition” payments to the School that corresponded to the length of time that the purported foreign students were enrolled. For each foreign student referred by LI and subsequently “enrolled” at the School (for both CPT and ESL programs), LI took a percentage of the foreign student’s tuition payments as commission for his recruiting services. Once LI referred an alien to the School, LI routinely followed up with School personnel via telephone and e-mail to track the status of the issuance of relevant immigration documents,

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7. From in or about May 2014 through in or about March 2016, LI recruited and referred approximately 135 foreign individuals to the School, and he collected thousands of dollars in commission fees as a result of his illicit activities.

including Forms I-20 and CPT documentation, for his recruits. The Forms I-20 that LI caused the School to issue to LI's recruits were falsely made and procured by fraud. LI knew the Forms I-20 were fraudulent because his recruits would not be attending any classes at the School and would not be making any academic progress toward a legitimate degree in an established curriculum; indeed, the Forms I-20 were procured by LI solely to fraudulently maintain his foreign recruits' immigration and work status in the United States.

10. In addition to Forms I-20, LI also used the School to obtain other false and fraudulent documents for his clients, including fake academic transcripts and diplomas. For example, on or about May 27, 2014, LI sent an e-mail correspondence to UC-2 to request the purchase of a fake diploma and transcript for one of LI's foreign students ("CC-1"). LI provided UC-2 with a color photocopy of CC-1's foreign passport and indicated that CC-1 wanted to "graduate" from the School with a Master's degree in computer science in May or June 2014. On or about May 29, 2014, LI contacted UC-1 by telephone and engaged in a consensually recorded conversation. During this call, LI told UC-1 that he had a "special case" and that CC-1 needed a Master's degree in short order. LI also told UC-1 that he had previously sent all of CC-1's information to UC-2 and wanted to meet with UC-1 and UC-2 to finalize the details of the illicit transaction in person, rather than over the phone. LI stated, "I send the information to [UC-2] already, so, okay, we don't need too much over phone, you know what I mean, right?" Subsequently, on or about June 4, 2014, LI met with UC-1 and UC-2 at a location in New York and engaged in a consensually video-taped and audio-recorded meeting. The matters discussed at this meeting included, among others, LI's ongoing recruiting services for the School, payment for those fraudulent services, and LI's purchase of the false diploma and transcript for CC-1. During this meeting, LI stated "[a]nd for our girl [CC-1] . . . she just need the diploma and a transcript, you remember that?" In response, UC-2 reiterated that the cost for the two false documents was \$2,500. LI then paid UC-2 the sum of \$1,250 in receipt for the fake diploma and agreed to pay the balance of the fee upon his receipt and review of the fake transcript. The next day, LI telephoned the School and engaged in a consensually recorded conversation with UC-2. During this call, LI asked UC-2 to e-mail him a draft copy of the transcript so that he and CC-1 could review it to ensure it was suitable for CC-1's purposes. Specifically, UC-2 stated, "Oh sure, I'll e-mail it to you to make sure that she [CC-1] likes what I put on it and the classes and everything. I'll make sure I include any classes she wants and everything. It's computer science, right?" LI responded, "yeah, yeah, perfect." UC-2 then prepared a fake, draft transcript for CC-1, complete with a list of courses, grades, and credits purportedly earned by CC-1 for attendance at the School from "Fall 2012" through "Spring 2014." Upon his receipt of the fake transcript, LI sent UC-2 an e-mail correspondence dated on or about June 9, 2014. LI told UC-2 that the fake transcript "looks good," and directed UC-2 to e-mail him a final

copy. Additionally, LI asked UC-2 if CC-1 had contacted the School to discuss the transaction, and UC-2 responded in the affirmative that CC-1 did, in fact, send an e-mail to UC-2 to confirm the details of the false documents. LI subsequently paid the School the \$1250 balance for its services.

11. By e-mail correspondence dated on or about June 25, 2014, LI contacted UC-2 to request another false document on behalf of one of his foreign students ("CC-2"). In this communication, LI stated, "CC-2 is a new student of mine. He went to DMV to renew his driver license yesterday. The DMV said that he must have a letter from [the School] which states he is a full-time student, then he can renew his license. I have attached a sample DMV letter, could you print it out with the school letter-head and bring to me tomorrow." The e-mail attachment sent by LI to UC-2 comprised of a letter drafted by LI to the DMV that was intended to deceive the DMV about CC-2's status as a legitimate ESL foreign student at the School. Specifically, LI's letter stated, "This is to confirm that [CC-2] is a fulltime student attending the ESL Program in our school since 06/02/2014 to 12/01/2014. [CC-2] is an excellent student and attends all his classes. He shows good skills and is eager to learn." In truth and in fact, CC-2 never attended a single class at the School, was not a legitimate student in an ESL program, and falsely obtained a Form I-20 through LI's illicit recruiting services. The following day, on June 26, 2014, LI arranged to meet with UC-2 at a fast-food restaurant in Manhattan, New York. During this recorded meeting, LI provided UC-2 with \$7,400, representing "tuition" payments for several of LI's ESL clients. UC-2 provided LI with a handwritten receipt for each client, as well as a signed copy of the false DMV containing the School's letterhead, as requested by LI for CC-2 the previous day.<sup>8</sup>

12. As previously discussed, LI consistently endeavored to create the false impression that his recruits were legitimate foreign students. Those efforts included the creation of fake transcripts, diplomas, attendance sheets, and other documents referenced above, which were intended to deceive immigration

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8. LI continued to purchase dozens of fake DMV-related letters, false diplomas, and bogus transcripts throughout the entirety of his dealings with the School. In fact, in many instances, LI himself created the false documents and simply paid the School for the final product. For example, on or about February 10, 2015, LI sent an e-mail correspondence to UC-1 to request a fake transcript for one of his clients ("CC-3"). UC-1 responded, in part, that "[w]hat I can do is send you signed transcript paper and the template and you can print them on your own. I don't care what you put on the transcripts, just send me a copy so I can put it in the [School's] system so if anyone [e.g., SEVIS] checks, it all looks legit." LI responded, "[t]his works for us, please send/email me the signed paper and template quickly." Subsequently, by e-mail dated February 27, 2015, LI provided UC-1 a final copy of the false transcript so that UC-1 could update the School's records for CC-3.

authorities about the validity of the foreign recruits' F-1 student status. Additionally, LI made other suggestions to UC-1 and UC-2 that were intended to thwart potential scrutiny of the School – and of LI's illicit dealings – by other law enforcement officials. For example, during a recorded in-person meeting with UC-2 on or about June 26, 2014, LI recommended that the school open a new bank account so that LI could make cash deposits of his purported foreign students' tuition payments to the School. LI indicated that his access to the bank account would alleviate the necessity of frequent in-person meetings between LI and School officials, and would help expedite future illicit transactions between LI and the School. Thereafter, by e-mail correspondence dated on or about July 3, 2014, UC-2 provided LI with the necessary details of the new account, including the account number, routing number, and the name and address of the account holder. Later that day, LI sent an e-mail correspondence to UC-2 to confirm the details of a pending deposit. LI told UC-2 that he intended to deposit a total of \$14,500 in the account, which payment represented "tuition" payments for a number of LI's purported foreign students. Notably, however, LI advised UC-2 that he would make the \$14,500 deposit over a number of days, rather than all at once. LI stated, "[b]ased on bank policy, I will deposit full payment in two days . . . [i]s that okay?" UC-2 replied, "I understand depositing two amounts to avoid the report the bank makes with cash deposits." Over the next few days, LI made deposits in the amounts of \$500.00, \$7,000.00, and \$7,000.00, respectively. Based, in part, on a review of additional cash deposits made by LI to the School's account in this investigation, Your Affiant has concluded that LI's method of depositing cash in increments of less than \$10,000 daily was designed to evade detection by banking officials of his illicit financial transactions with the School.<sup>9</sup>

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9. The Currency and Foreign Transactions Reporting Act, also known as the Bank Secrecy Act (the "BSA," codified at Title 31, United States Code, Sections 5311 *et seq.*, and the regulations issued thereunder), was enacted by Congress in 1970 as a tool to help detect and prevent against money laundering, income tax evasion, and other financial crimes. The BSA specifies certain reporting and recordkeeping requirements that apply to most types of financial institutions, including banks, savings and loans companies, credit unions, and money services businesses ("MSBs"). Among the BSA's provisions is the requirement to report currency (cash or coin) transactions over \$10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that aggregate to more than \$10,000 in a single day. These rules apply to the deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institutions, which involves a transaction in currency, bank checks, cashier's checks, money orders, and traveler's checks of more than \$10,000. These transactions are reported on Currency Transaction Reports ("CTRs") and are filed by the financial institution.

Federal law makes it a crime to intentionally structure financial transactions to avoid the bank's obligation to make and file a CTR. Specifically, under Title 31, United

13. Additionally, LI advised UC-1 about illegal activities at other purported educational institutions that could have an impact on LI's dealings with the School. On at least one occasion, LI discussed a recent federal takedown of four "pay to stay" visa mills in Los Angeles, California, and LI expressed his concern that the School might encounter similar criminal exposure as a result of the ongoing illegal transactions conducted by and between LI and the School.<sup>10</sup> Specifically, on or about March 25, 2015, LI contacted UC-1 by telephone and engaged in a consensually recorded conversation. During this call, the following conversation ensued:

LI: Yeah. So I heard some news in California. So do you know that like two weeks ago there are four schools in Los Angeles, they had some problems. Do you know, do you know. . . . ?

UC-1: Yeah, uh; I heard, I heard something about it but I don't, . . . what did you hear? I didn't . . . I just heard that there was a problem with some schools, but I didn't really know what happened. What, what did you hear?

LI: All right. So there are four schools, language schools, university or something like that . . . and **they say, pay to stay, no attendance at all**. And, the government, rush into the school and shut down the four schools. I think it happened March 13th or March 12th . . . . (emphasis added).

UC-1: Uh hum; Oh, okay.

LI: Because I got this news from the Youtube and, and the TV news, something like that. **So once I gather this information, I'm a little worried about us. Do you think**

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States Code, Section 5324, an individual who conducts financial transactions in a manner and for the purpose of evading the CTR reporting requirements of financial institutions commits a federal crime.

10. On or about March 9, 2015, federal authorities arrested three Los Angeles, California area residents responsible for operating a network of four schools on char helping hundreds of foreign nationals remain in the United States as foreign students, even though they never attended classes. The three defendants allegedly ran a "pay-to-stay" scheme through the schools, identified as: (i) Prodee University/Neo-America Language School; (ii) Walter Jay M.D. Institute, an Educational Center (WJMD); (iii) the American College of Forensic Studies (ACFS); and (iv) Likie Fashion and Technology College.

***we, you think we have no problem with this?*** (emphasis added).

UC-1: No, we don't have any problems at all and I haven't heard anything. You know, normally if there is an issue I hear about it. But yeah, there's no issues. I don't have any problems.

LI: Okay, that's good.

UC-1: Do you wanna maybe have your clients, I can send you like a . . . what I can do is we can make up an attendance form and I could send it to you and you can either have someone sign it or just sign it for all your clients. What do you think? So that makes it look like they were going to school . . . .

LI: Oh, . . . we talk about that later.

Thereafter, by e-mail correspondence dated on or about April 15, 2015, UC-1 sent LI blank attendance forms for LI's purported foreign students. LI subsequently returned completed forms to UC-1 that included the name and signature of LI's foreign students, as well as the course name and dates of fake classes the foreign students had allegedly attended at the School.

14. In addition to Forms I-20, LI used the School to obtain other false and fraudulent documents for his clients that were intended to deceive U.S. immigration officials and to unlawfully obtain visa documents. For example, by e-mail dated on or about October 19, 2015, LI contacted UC-1 to discuss documents he wanted to obtain for one of LI's School recruits ("CC-4"). Specifically, LI informed UC-1 that an H1-B visa<sup>11</sup> application had been filed on

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11. An H-1B visa permits an alien to work in the United States subject to certain requirements. Generally, the program allows businesses in the United States to employ foreign workers with specialized or technical expertise in a particular field such as accounting, engineering, or computer science. Before hiring a foreign worker under the Program, the employer must first obtain approval from the United States Department of Labor ("DOL") and U.S. Citizenship and Immigration Services ("USCIS") to hire a specific individual. This approval is obtained, in part, by filing a "Petition for a Nonimmigrant Worker, Form I-129," (commonly referred to as an H1-B visa), and paying certain fees. In this petition, the employer is required to truthfully provide biographical information regarding the specific foreign worker to be employed, including job title, the specific type of position for which the worker is hired, work location, pay rate, dates of intended employment, and whether the position is full-time. The petition is signed under penalty of perjury, and the employer must certify that the information submitted



CC-4's behalf, and that U.S. immigration officials had requested additional information for CC-4's file (this request is commonly referred to as a "request for evidence," or "RFE").<sup>12</sup> LI further explained that he needed UC-1's assistance in compiling several of the RFE reply documents, which documents included the following, among others: (i) an official School transcript; (ii) a receipt evidencing purported fees paid by CC-4 for School tuition; and (iii) a letter from the School to USCIS purporting to document CC-4's School enrollment, major course of study, and CPT work authorization. These false documents were requested by LI to trick USCIS into believing that CC-4 was lawfully enrolled in the School and had lawful status in an effort to induce USCIS to convert CC-4's F-1 status into an H1-B status (which H1-B status can later be changed into lawful permanent resident status). To expedite the process, LI sent draft versions of each of the aforementioned documents to UC-1 for his review and signature. Subsequently, by e-mail dated on or about October 25, 2015, UC-1 sent LI copies of the signed RFE documents, and further advised LI that the original signed documents had been mailed to LI's attention at his office. After receiving the signed false documents from UC-1, LI facilitated USCIS's receipt of the fraudulent RFE documents. Significantly, law enforcement agents' review of official records maintained by USCIS has confirmed that the false School documents obtained by LI for CC-4 were, in fact, submitted to U.S. immigration authorities in support of CC-4's H1-B application.

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is true and correct. Ultimately, if USCIS approves this petition (and assuming the foreign worker is already lawfully in the U.S.), then the foreign worker's immigration status can be adjusted without the worker having to leave the country.

12. The USCIS periodically issues a request for evidence ("RFE") in connection with its review of various immigration petitions. As it applies to the instant investigation, documents typically provided by a petitioner in response to a RFE include, among others, proof of enrollment and payment of tuition, student identification cards, student transcripts and attendance records, proof of CPT work authorization and cooperative employer-student agreements, diplomas, and other education-related materials.