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Clerk, U.S. District Court
Southern District of California



By: s/S. Dunbar
Deputy

FILED

2019 OCT 31 P 4:46

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2019 Grand Jury

CLERK OF COURT
SOUTHERN DISTRICT OF CALIFORNIA
SD

UNITED STATES OF AMERICA,

Plaintiff,

v.

ZHIWEI LOOP LIAO (1),
aka "Allen,"
ZHIMIN LIAO (2),
aka "Jimmy,"
ZHITING LIAO (3),
aka "Tim,"
XIAOMIN ZHONG (4),
aka "Ming,"
PHILLIP PAK (5),
aka "Teddy,"
DAO TRIEU LA (6),
aka "Selena," aka "Denise,"
MENGMENG ZHANG (7),
aka "Aria,"
TAM THI MINH NGUYEN (8),
aka "Kelly," aka "Actheart,"
DEEDEE ZHU (9),
aka "David," aka "Peter,"
DANNY TRAN CHAN (10),
aka "Stanley,"
CHARLEY HSU (11),
JIAYE JIANG (12),
aka "joejoe kong," aka "yipkong,"
HYO WEON YANG (13),
aka "Will,"
DMITRI PIGAROV (14),
aka "Dima,"

Defendants.

Case No. **19 CR 4407 BAS**

I N D I C T M E N T

Title 18, U.S.C., Sec. 1349 - Conspiracy To Commit Mail Fraud and Wire Fraud; Title 18, U.S.C., Sec. 1343 - Wire Fraud; Title 18, U.S.C., Sec. 1341 - Mail Fraud; Title 18, U.S.C., Sec. 2320 - Conspiracy To Traffic in Counterfeit Goods; Title 18, U.S.C., Sec. 1028A - Aggravated Identity Theft; Title 18, U.S.C., Secs. 1956(a)(2)(A), and 1956(h) - Conspiracy To Launder Money; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Secs. 981(a)(1)(C) and 982(a)(1), and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

1 The grand jury charges:

2 INTRODUCTORY ALLEGATIONS

3 At various times relevant to this indictment:

4 THE DEFENDANTS AND THEIR BUSINESSES

5 1. Defendant ZHIWEI LOOP LIAO, aka "Allen" (hereafter "ZHIWEI")
6 was married to defendant DAO TRIEU LA, aka "Selena," and "Denise,"
7 (hereafter "DAO"), and resided in San Diego, California. ZHIWEI was
8 brothers with ZHIMIN LIAO, aka "Jimmy" (hereafter "ZHIMIN"), and ZHITING
9 LIAO, aka "Tim" (hereafter "ZHITING"). ZHIWEI owned and controlled two
10 cell phone repair businesses: (1) Z-Tech Loop, LLC, and (2) Minutes
11 Repair, as well as a home remodeling business, Freedom Renovation, that
12 included space for Minutes Repair, and KZM Management Corporation. DAO
13 was listed as the chief executive officer of KZM Management Corporation.

14 2. Defendant ZHIMIN was married to defendant TAM THI MINH NGUYEN,
15 aka "Kelly" and "Actheart" (hereafter "TAM") and resided in San Diego,
16 California. ZHIMIN owned and controlled Mission Nails & Spa, which also
17 included a space for Minutes Repair. ZHIMIN was also listed as the
18 chief financial officer of Freedom Renovation.

19 3. Defendant ZHITING was married to MENGMENG ZHANG, aka "Aria"
20 (hereafter "MENGMENG") and resided in San Diego, California. ZHITING
21 owned and controlled Good MRO. ZHITING was also listed as the secretary
22 of Freedom Renovation.

23 4. Defendant XIAOMIN ZHONG, aka "Ming" (hereafter "XIAOMIN") was
24 married to a sister of the LIAO brothers and resided in China.

25 5. Defendants PHILLIP PAK, aka "Teddy" (hereafter "PHILLIP"),
26 CHARLEY HSU (hereafter "CHARLEY"), DEEDEE ZHU, aka "David," (hereafter
27 "DEEDEE"), HYO WEON YANG, aka "Will," (hereafter "HYO"), JIAYE JIANG,
28 aka "joejoekong" and "yipkong," (hereafter "JIAYE"), and DMITRI PIGAROV,

1 aka "Dima," (hereafter "DMITRI"), resided primarily in San Diego,
2 California.

3 TRADEMARKS AND COUNTERFEIT MARKS

4 6. A "trademark" was a word, phrase (such as a logo), symbol or
5 design (such as an icon), or a combination thereof, which identifies and
6 distinguishes the source of the goods of one particular manufacturer
7 from those of other manufacturers. A trademark was often a valuable
8 asset, equated with the goodwill of a business organization, which can
9 influence consumers in purchasing decisions. A "word mark" and a "mark
10 drawing" are types of trademarks. Trademarks were registered for use
11 in connection with particular types of goods or services.

12 7. A counterfeit mark was: (a) a spurious mark used in connection
13 with trafficking in goods; (b) identical with, or substantially
14 indistinguishable from, a mark registered for those goods or services
15 on the principal register of the United States Patent and Trademark
16 Office and in use, whether or not defendants knew such mark was so
17 registered; and (c) the use of which was likely to cause confusion, to
18 cause mistake, or to deceive.

19 APPLE, INC.

20 8. Apple Incorporated ("Apple") was a multinational corporation
21 headquartered in Cupertino, California that designed, developed, and
22 sold consumer electronic devices, computer software, online services,
23 and personal computers, including personal cellular telephones with
24 extensive computing capabilities known as the Apple iPhone ("iPhone")
25 and a tablet computer known as the Apple iPad ("iPad").

26 9. Apple was the owner of numerous trademark registrations with
27 the United States Patent and Trademark Office for its famous trademarks,
28 including: (1) Registration No. 3,679,056 for the Apple Logo,

1 (2) Registration No. 3,928,818 for the "Apple" word mark,
2 (3) Registration No. 3,669,402 for the "iPhone" word mark, and
3 (4) Registration No. 4,537,934 for the "iPad" word mark. All of these
4 Apple trademarks were in full force and effect and were not abandoned
5 at all times relevant to this Indictment.

6 10. All genuine Apple iPhones had an International Mobile
7 Equipment Identity ("IMEI") number, and a serial number, that are both
8 unique numbers to each device. All genuine Apple iPads had a serial
9 number that is unique to each device, and iPads with cellular
10 connectivity also had an IMEI number that is unique to each device.
11 Removing or altering IMEI or serial numbers of Apple iPhones and iPads
12 interfered with Apple's ability to control the quality of its products
13 bearing the Apple Marks, and the experience of Apple customers whose
14 IMEI and serial numbers were improperly replicated. As a result, an
15 iPhone or iPad without an accurate IMEI or serial number was not an
16 authentic Apple device.

17 11. Apple provided a one-year warranty for new iPhones and iPads
18 that warrants against product defects and allowed customers to return a
19 non-functioning device to Apple or an authorized Apple reseller and
20 receive a replacement device. Apple also sold insurance protection
21 plans, such as AppleCare+, that extend beyond one year and similarly
22 allowed a customer to return a non-functioning iPhone or iPad and receive
23 a replacement in exchange. It was the general practice of Apple to
24 exchange broken iPhones and iPads, that were covered by an Apple
25 warranty, for new genuine iPhone or iPads for a nominal fee.

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1 PRIVATE AND COMMERCIAL INTERSTATE CARRIERS

2 12. FedEx, DHL, and UPS were multinational companies that provided
3 logistics and shipping services, and were private and commercial
4 interstate carriers.

5 COUNT 1

6 **Conspiracy To Commit Wire Fraud and Mail Fraud**
7 **[18 U.S.C. § 1349]**

8 13. The Introductory Allegations in paragraphs 1 to 12 are
9 re-alleged and incorporated.

10 14. Beginning on an date unknown to the Grand Jury, but no later
11 than October 2011, and continuing to a date unknown, but no earlier than
12 on about August 2019, within the Southern District of California, and
13 elsewhere, defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN, PHILLIP, DAO,
14 MENGMEG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and DMITRI, knowingly
15 and willfully conspired with each other, and other persons known and
16 unknown to the grand jury, to commit the following offenses:

17 a. **wire fraud**, in violation of Title 18, United States Code,
18 Section 1343; and

19 b. **mail fraud**, in violation of Title 18, United States Code,
20 Section 1341.

21 OBJECT OF THE CONSPIRACY

22 15. Defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN, PHILLIP, DAO,
23 MENGMEG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and DMITRI, along
24 with others known and unknown to the Grand Jury, with the intent to
25 defraud, knowingly participated in, devised, and intended to devise, a
26 material scheme and plan to defraud, and to obtain money and property
27 by materially false and fraudulent pretenses, representations and
28 promises by exchanging broken counterfeit iPhones and iPads at Apple

1 Stores throughout the United States and Canada for new genuine iPhones
2 and iPads that would subsequently be shipped to China, and other foreign
3 countries, where the fraudulently obtained Apple products would be sold
4 at a premium in order to unjustly enrich the defendants.

5 MANNER AND MEANS

6 16. Members of the conspiracy used the following manner and means,
7 among others, to execute the fraudulent exchange scheme and accomplish
8 the object of the conspiracy:

9 a. ZHIWEI coordinated with XIAOMIN, and other
10 co-conspirators in China and other foreign countries, to ship
11 counterfeit Apple iPhones and iPads to co-conspirators in San Diego,
12 California. The counterfeit iPhones and iPads ordered by ZHIWEI were
13 made to appear as genuine Apple products through the inclusion of
14 identification numbers (IMEI and serial numbers) matching genuine
15 identification numbers on real iPhones and iPads that had been sold to
16 customers in the United States and Canada and were under warranty.

17 b. XIAOMIN and other co-conspirators in China shipped
18 packages containing counterfeit iPhones and iPads to ZHIWEI, which were
19 addressed to various co-conspirators and family members of
20 co-conspirators in San Diego, California. XIAOMIN also sent emails to
21 co-conspirators including ZHIWEI, ZHITING, and DAO, that included
22 spreadsheets and text documents reflecting identifying numbers (IMEI and
23 serial numbers) for the counterfeit iPhones and iPads which were shipped
24 to San Diego, California.

25 c. ZHIMIN, ZHITING, PHILLIP, DEEDEE, DANNY, CHARLEY, JIAYE,
26 HYO, DMITRI, and other co-conspirators, acted as "mules" at the direction
27 of ZHIWEI and traveled to Apple Stores throughout the United States and
28 Canada to exchange counterfeit iPhones and iPads for genuine iPhones and

1 iPads. Defendants intentionally damaged the counterfeit iPhones and
2 iPads and fraudulently represented the counterfeit devices to be genuine
3 Apple devices that were covered by an Apple warranty knowing that Apple
4 would exchange damaged devices under warranty for new genuine Apple
5 devices.

6 d. ZHIWEI, ZHIMIN, and other co-conspirators shipped
7 packages of counterfeit iPhones and iPads to PHILLIP, DEEDEE, DANNY,
8 CHARLEY, JIAYE, HYU, DMITRI, and other co-conspirators at hotels and
9 other locations throughout the United States and Canada.

10 e. After they successfully exchanged broken counterfeit
11 iPhones and iPads for new genuine iPhone and iPads, ZHIMIN, ZHITING,
12 PHILLIP, DEEDEE, DANNY, CHARLEY, JIAYE, HYU, DMITRI, and other
13 co-conspirators shipped the fraudulently obtained Apple products back
14 to ZHIWEI and other co-conspirators in San Diego, California.

15 f. ZHIWEI, DANNY, and DEEDEE shipped packages containing
16 fraudulently obtained iPhones and iPads to XIAOMIN, and other
17 co-conspirators in China, and other foreign countries.

18 g. XIAOMIN and other co-conspirators initiated wire
19 transfers at financial institutions in China, and other foreign
20 countries to send money to ZHIWEI and other co-conspirators in the United
21 States where the money was divided among co-conspirators, and used to
22 pay for airline, hotel, and other travel expenses, Apple exchange fees,
23 courier fees, and otherwise promote the counterfeit iPhone and iPad
24 exchange fraud scheme.

25 h. Over the course of the conspiracy, defendants ZHIWEI,
26 ZHIMIN, ZHITING, PHILLIP, DAO, MENGMEG, TAM, DEEDEE, DANNY, CHARLEY,
27 JIAYE, HYU, and DMITRI, and other co-conspirators, traveled to Apple
28 Stores in more than 40 states throughout the United States, as well as

1 Apple Stores in Canada, and attempted to exchange more than 10,000
2 counterfeit iPhones and numerous iPads for genuine iPhones and iPads.
3 Defendants, and other co-conspirators, fraudulently exchanged at least
4 9,550 counterfeit iPhones and numerous counterfeit iPads at Apple Stores
5 throughout the United States and Canada, and Apple conservatively
6 estimates that the total loss associated with the counterfeit iPhone and
7 iPad exchange fraud scheme exceeds \$6.1 million.

8 All in violation of Title 18, United States Code, Section 1349.

9
10 COUNTS 2 - 35

11 **WIRE FRAUD**

12 **[18 U.S.C. §§ 1343 and 2]**

13 17. The Introductory Allegations set forth in paragraphs 1 through
14 12, and the Object of the Conspiracy, and the Manner and Means set forth
15 in paragraphs 15 and 16 of Count 1, are re-alleged as if fully set forth
16 herein.

17 18. Beginning on a date unknown to the Grand Jury, but no later
18 than October 2011, and continuing to an unknown date, but no earlier
19 than on or about August 2019, defendants ZHIWEI, ZHIMIN, ZHITING,
20 XIAOMIN, PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE,
21 HYO, and DMITRI, within the Southern District of California, and
22 elsewhere, knowingly and with intent to defraud, devised, executed and
23 attempted to execute a scheme and plan to defraud, and to obtain money
24 and property by means of materially false and fraudulent pretenses,
25 representations, and promises.

26 19. For the purpose of executing, and attempting to execute, their
27 counterfeit iPhone and iPad exchange fraud scheme, on or about the dates
28 set forth in the following table, within the Southern District of
California, and elsewhere, defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN,

1 PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and
 2 DMITRI, knowingly and with intent to defraud, transmitted and caused the
 3 transmission of the following writings, signs, signals, and pictures,
 4 by means of wire communication in interstate and foreign commerce:

Count	Date	Wire Communication
2	11/30/2014	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included two spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
3	12/07/2014	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included two spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
4	12/18/2014	XIAOMIN wire transferred \$48,148 from an account in China to ZHIWEI's Bank of America account ending -6419 in San Diego, California.
5	12/19/2014	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included two spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
6	01/13/2015	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included one attached spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
7	01/16/2015	XIAOMIN sent a text message from China, using the WhatsApp application, to ZHIWEI in San Diego, California, stating that he (XIAOMIN) sent four packages containing counterfeit iPhones to four different co-conspirators at four different residential addresses.

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Count	Date	Wire Communication
8	01/19/2015	ZHIWEI forwarded an email from San Diego, California to ZHITING, that had been sent to ZHIWEI by XIAOMIN in China, and included a spreadsheet and a text document listing the IMEI and serial numbers of counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
9	01/22/2015	XIAOMIN sent a text message from China, using the WhatsApp application, to ZHIWEI in San Diego, California, indicating that 200 counterfeit iPhones have been transported and there were "100 more in Hong Kong."
10	01/24/2015	ZHIWEI sent a text message from San Diego, California to XIAOMIN in China asking whether the counterfeit iPhones that XIAOMIN was sending to co-conspirators in the United States would be covered by the regular Apple warranty, or the AppleCare+ extended warranty.
11	01/24/2015	ZHITING sent a text message from Florida to DANNY in San Diego, California requesting that DANNY make 120 email accounts, under both male and female names, to allow ZHITING and DEEDEE to make appointments to exchange counterfeit iPhones at Apple stores.
12	02/02/2015	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included two spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
13	02/03/2015	ZHIWEI forwarded an email from San Diego, California to ZHITING in Michigan, PHILLIP and HYO in Texas, CHARLEY in California, and another co-conspirator, that had been sent to ZHIWEI by XIAOMIN in China, and included two spreadsheets listing the IMEI and serial numbers of counterfeit iPhones that were shipped to co-conspirators in San Diego, California.

Count	Date	Wire Communication
14	03/23/2015	ZHIWEI forwarded an email from San Diego, California to ZHITING in Texas, that had been sent to ZHIWEI by XIAOMIN in China, and included a spreadsheet listing the IMEI and serial numbers of counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
15	04/07/2015	ZHIWEI sent a text message from San Diego, California to CHARLEY in Illinois for the purpose of obtaining the address of CHARLEY's hotel in Illinois so that ZHIWEI could ship a package of counterfeit iPhones to CHARLEY.
16	06/12/2015	CHARLEY sent a text message from Georgia to ZHIWEI in San Diego, California that included an address in Georgia where ZHIWEI could ship a package of counterfeit iPhones to CHARLEY.
17	06/15/2015	PHILLIP sent a text message from San Diego, California to CHARLEY in Virginia regarding a "batch" of counterfeit iPhones to be shipped to CHARLEY on June 16, 2015.
18	07/09/2015	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included a spreadsheet titled "Codes Compilation" in Chinese and listing the IMEI and serial numbers for 1,507 counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
19	07/11/2015	HYO sent a text message from Kansas to CHARLEY in San Diego, California with a "list of good [Apple] stores from South to North," and a list of Apple stores to avoid when attempting to exchange counterfeit iPhones, along with the number of counterfeit iPhones that HYO had successfully exchanged at Apple Stores throughout California.
20	09/10/2015	ZHIWEI, in San Diego, California, forwarded an email to ZHIMIN and CHARLEY, who were both on the east coast of the United States, that had been sent to

Count	Date	Wire Communication
		ZHIWEI by XIAOMIN in China, and included a spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that had been shipped to co-conspirators in San Diego, California.
21	09/12/2015	CHARLEY sent a text message from North Carolina to ZHIWEI in San Diego, California indicating that the counterfeit iPhones he had received from ZHIWEI "look so fake."
22	10/24/2015	ZHIWEI, in San Diego, California, forwarded an email to ZHIMIN and JIAYE, who were both in Texas, that had been sent to ZHIWEI by XIAOMIN in China, and included a spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that had been shipped to co-conspirators in San Diego, California.
23	10/28/2015	ZHIWEI, in San Diego, California, forwarded an email to PHILLIP and CHARLEY, who were both passengers on a flight from San Diego to Texas that departed two hours prior, that had been sent to ZHIWEI by XIAOMIN in China, and included a spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that had been shipped to co-conspirators in San Diego, California.
24	10/31/2015	XIAOMIN sent an email from China to ZHIWEI in San Diego, California that included a spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
25	11/07/2015	CHARLEY sent a text message from Florida to DEEDEE in San Diego, California with a photograph of a FedEx receipt for the shipment of a package of fraudulently obtained iPhones to be sent to Z-Tech Loop in San Diego, California. In the text message string, CHARLEY indicated that 85 counterfeit iPhones were successfully exchanged, and six counterfeit iPhones had been rejected for exchange.

Count	Date	Wire Communication
26	11/12/2015	DEEDEE sent a text message from San Diego, California to DANNY in China asking DANNY when he was going to be back in San Diego because ZHIWEI asked DEEDEE to give "some phones" to DANNY.
27	11/17/2015	CHARLEY sent a text message from Texas to ZHIWEI in San Diego, California with a photograph of a FedEx receipt for the shipment of a package of fraudulently obtained iPhones to be sent to Z-Tech Loop in San Diego, California, and photographs of handwritten notes indicating that CHARLEY and PHILLIP had successfully exchanged 81 counterfeit iPhones and 17 counterfeit iPhones had been rejected for exchange by the Apple Stores.
28	11/19/2015	DANNY sent text message from Illinois using the WhatsApp application, to DEEDEE in San Diego, California, indicating that DANNY had enough counterfeit iPhones for his trip, and he had successfully exchanged 26 counterfeit iPhones at Apple Stores at that point in the trip.
29	03/30/2016	XIAOMIN sent an email from China to DAO in San Diego, California that included a spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
30	04/01/2016	XIAOMIN sent an email from China to DAO in San Diego, California that included seven attached spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
31	04/11/2016	XIAOMIN sent an email from China to DAO in San Diego, California with four spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.

Count	Date	Wire Communication
32	04/11/2016	XIAOMIN sent an email from China to DAO in San Diego, California with one spreadsheet listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
33	04/16/2016	XIAOMIN sent an email from China to DAO in San Diego, California with a text document listing the IMEI and serial numbers for counterfeit iPhones that had shipped to co-conspirators in San Diego, California.
34	04/22/2016	XIAOMIN sent an email from China to DAO in San Diego, California with an attached text document listing the IMEI and serial numbers of counterfeit iPhones that were shipped to co-conspirators in San Diego, California.
35	04/29/2016	XIAOMIN sent an email from China to DAO in San Diego, California that included seven attached spreadsheets listing the IMEI and serial numbers for counterfeit iPhones that were shipped to co-conspirators in San Diego, California.

All in violation of Title 18, United States Code, Sections 1343 and 2, and Pinkerton v. United States, 328 U.S. 640 (1946).

COUNTS 36 - 72

**MAIL FRAUD
[18 U.S.C. §§ 1341 and 2]**

20. The Introductory Allegations set forth in paragraphs 1 through 12, and the Object of the Conspiracy, and the Manner and Means set forth in paragraphs 15 and 16 of Count 1, are re-alleged as if fully set forth herein.

21. Beginning on a date unknown to the Grand Jury, but no later than October 2011, and continuing to an unknown date, but no earlier than on or about August 2019, defendants ZHIWEI, ZHIMIN, ZHITING,

1 XIAOMIN, PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE,
 2 HYO, and DMITRI within the Southern District of California, and
 3 elsewhere, knowingly and with intent to defraud, devised, executed and
 4 attempted to execute, a scheme and plan to defraud, and to obtain money
 5 and property by means of materially false and fraudulent pretenses,
 6 representations, and promises.

7 22. For the purpose of executing, and attempting to execute, the
 8 counterfeit iPhone and iPad exchange fraud scheme, on or about the dates
 9 set forth in the following table, within the Southern District, of
 10 California, and elsewhere, defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN,
 11 PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and
 12 DMITRI, knowingly and with intent to defraud, deposited and caused to
 13 be deposited, and received therefrom, packages that were sent and
 14 delivered by private and commercial interstate carrier:

Count	Date	Shipment
36	11/20/2014	ZHIWEI sent a package containing fraudulently obtained iPhones via FedEx from San Diego, California to Hong Kong.
37	11/29/2014	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
38	12/06/2014	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
39	12/10/2014	ZHIWEI sent four packages containing fraudulently obtained iPhones via FedEx from San Diego, California to Hong Kong.
40	01/17/2015	DANNY received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DANNY's residence in San Diego, California.

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Count	Date	Shipment
41	01/17/2015	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
42	01/17/2015	DEEDEE received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DEEDEE's residence in San Diego, California.
43	01/17/2015	DAO received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DAO's mother's residence in San Diego, California.
44	01/26/2015	ZHITING sent a package containing fraudulently obtained iPhones via FedEx from Tennessee to ZHIWEI in San Diego, California.
45	01/27/2015	DANNY received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DANNY's residence in San Diego, California.
46	01/27/2015	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
47	01/27/2015	DAO received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DAO's mother's residence in San Diego, California.
48	02/02/2015	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
49	02/02/2015	DAO received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DAO's mother's residence in San Diego, California.

Count	Date	Shipment
50	02/12/2015	ZHIWEI sent one package containing fraudulently obtained iPhones via FedEx from San Diego, California to Hong Kong.
51	02/27/2015	PHILLIP sent a package containing counterfeit iPhones via FedEx from San Diego, California to HYO at a hotel in Georgia.
52	03/16/2015	TAM received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to TAM's residence in San Diego, California.
53	03/16/2015	DAO received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DAO's mother's residence in San Diego, California.
54	03/16/2015	MENGMENG received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to MENGMENG's residence in San Diego, California.
55	04/07/2015	ZHIWEI sent a package containing counterfeit iPhones via FedEx from San Diego, California to CHARLEY at a hotel in Illinois.
56	05/19/2015	HYO sent a package containing fraudulently obtained iPhones via FedEx from Texas to ZHIWEI in San Diego, California.
57	06/05/2015	ZHITING sent a package containing fraudulently obtained iPhones and one counterfeit iPhone via FedEx from Texas to ZHIWEI in San Diego, California.
58	06/05/2015	ZHIWEI sent one package containing fraudulently obtained iPhones via FedEx from San Diego, California to Company 1 in Hong Kong.

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Count	Date	Shipment
59	06/09/2015	HYO sent a package containing fraudulently obtained iPhones and one counterfeit iPhone via FedEx from Utah to ZHIWEI in San Diego, California.
60	06/12/2015	CHARLEY sent a package containing fraudulently obtained iPhones and one counterfeit iPhone that had been rejected by an Apple Store via FedEx from Texas to ZHIWEI in San Diego, California.
61	06/19/2015	CHARLEY sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Texas to ZHIWEI in San Diego, California.
62	06/29/2015	PHILLIP sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Maryland to ZHIWEI in San Diego, California.
63	07/17/2015	ZHIMIN sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Florida to ZHIWEI in San Diego, California.
64	07/20/2015	JIAYE received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to JIAYE's residence in San Diego, California.
65	07/21/2015	JIAYE received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to JIAYE's residence in San Diego, California.
66	07/21/2015	DEEDEE received a package containing counterfeit iPhones that had been sent from Hong Kong via DHL to DEEDEE's residence in San Diego, California.

Count	Date	Shipment
67	07/24/2015	PHILLIP sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Illinois to ZHIWEI in San Diego, California.
68	07/27/2015	ZHIMIN sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Maryland to ZHIWEI in San Diego, California.
69	09/15/2015	ZHIMIN sent a package containing fraudulently obtained iPhones via FedEx from Florida to ZHIWEI in San Diego, California.
70	11/07/2015	CHARLEY sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Florida to DEEDEE in San Diego, California.
71	11/21/2015	CHARLEY sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Texas to ZHIWEI in San Diego, California.
72	11/22/2015	CHARLEY sent a package containing fraudulently obtained iPhones and counterfeit iPhones that had been rejected by Apple Stores via FedEx from Ohio to ZHIWEI in San Diego, California.

All in violation of Title 18, United States Code, Sections 1341 and 2, and Pinkerton v. United States, 328 U.S. 640 (1946).

COUNT 73

**Conspiracy to Traffic in Counterfeit Goods
[18 U.S.C. § 2320]**

23. The Introductory Allegations set forth in paragraphs 1 through 12, the Object of the Conspiracy, the Manner and Means set forth in

1 paragraphs 15 and 16 of Count 1, and the Wire and Mail Fraud Counts,
2 Counts 2 through 62, are re-alleged as if fully set forth herein.

3 24. Beginning on a date unknown to the Grand Jury, but no later
4 than October 2011, and continuing to an unknown date, but no earlier
5 than on or about August 2019, within the Southern District of California,
6 and elsewhere, defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN, PHILLIP,
7 DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and DMITRI, did
8 intentionally conspire and agree with one another, and with other persons
9 known and unknown to the Grand Jury, to traffic in counterfeit goods,
10 to wit: by making, importing, possessing with intent to transfer, and
11 by transporting, transferring, and exchanging counterfeit iPhones and
12 iPads for new genuine iPhones, and iPads, for the purposes of commercial
13 advantage and private financial gain, and thereby knowingly used
14 counterfeit marks, that is, U.S. Trademark Registration No. 3,679,056
15 for the Apple Logo, U.S. Trademark Registration No. 3,928,818 for the
16 "Apple" word mark, U.S. Trademark Registration No. 3,669,402 for the
17 "iPhone" word mark, and U.S. Trademark Registration No. 4,537,934 for
18 the "iPad" word mark, on and in connection with such goods, each
19 counterfeit mark being identical with and substantially
20 indistinguishable from a mark registered for those devices on the
21 principal register in the United States Patent and Trademark office, and
22 the use thereof was likely to deceive and cause confusion and mistake,
23 all in violation of Title 18, United States Code, Sections 2320(a), (b)
24 and (f)(1).

COUNT 74

Aggravated Identity Theft
[18 U.S.C. §§ 1028A and 2]

25. The Introductory Allegations set forth in paragraphs 1 through 12, the Object of the Conspiracy, the Manner and Means set forth in paragraphs 15 and 16 of Count 1, and the Wire and Mail Fraud Counts, Counts 2 through 62, are re-alleged as if fully set forth herein.

26. On or about December 18, 2014, within the Southern District of California, defendant DANNY TRAN CHAN, aka "Stanley," knowingly and without lawful authority, transferred, possessed, and used a means of identification of another person, that is, telecommunication identifying information, to wit, the IMEI number ending -1649 of an iPhone owned and used by N. R., during and in relation to the felony offense of conspiracy to commit mail fraud and wire fraud, in violation of Title 18, United States Code, Section 1349; all in violation of Title 18, United States Code, Sections 1028A(a)(1) and 2.

COUNT 75

Aggravated Identity Theft
[18 U.S.C. §§ 1028A and 2]

27. The Introductory Allegations set forth in paragraphs 1 through 12, the Object of the Conspiracy, the Manner and Means set forth in paragraphs 15 and 16 of Count 1, and the Wire and Mail Fraud Counts, Counts 2 through 62, are re-alleged as if fully set forth herein.

28. On or about December 21, 2014, within the Southern District of California, defendant PHILLIP PAK, aka "Teddy," knowingly and without lawful authority transferred, possessed, and used a means of identification of another person, that is, telecommunication identifying information, to wit, the IMEI number ending -9155 of an iPhone owned and used by C.P., during and in relation to the felony offense of

1 conspiracy to commit mail fraud and wire fraud, in violation of Title 18,
2 United States Code, Section 1349; all in violation of Title 18, United
3 States Code, Sections 1028A(a) (1) and 2.

4 Count 76

5 **Conspiracy To Launder Money -- International Promotion**
6 **[18 U.S.C. §§ 1956(a) (2) (A) and 1956(h)]**

7 29. Beginning on a date unknown to the Grand Jury, but no later
8 than October 2011, and continuing to an unknown date, but no earlier
9 than on or about August 2019, within the Southern District of California
10 and elsewhere, defendants ZHIWEI and XIAOMIN did knowingly combine,
11 conspire, and agree with each other, and with other persons known and
12 unknown to the grand jury, to commit a money laundering offense against
13 the United States, that is, to transmit and transfer a monetary
14 instrument and funds from or through a place outside the United States
15 to a place in the United States, with the intent to promote the carrying
16 on of specified unlawful activity, that is, wire fraud, mail fraud, and
17 conspiracy to traffic in counterfeit goods, in violation of Title 18,
18 United States Code, Section 1956(a) (2) (A).

19 All in violation of Title 18, United States Code, Section 1956(h).

20 FORFEITURE ALLEGATIONS

21 30. The allegations contained in Counts 1 through 73 of this
22 Indictment are hereby realleged and incorporated by reference for the
23 purpose of alleging forfeiture pursuant to Title 18, United States Code,
24 Section 981(a) (1) (C), and Title 28, United States Code, Section 2461(c).

25 31. Upon conviction of one or more of the offenses set forth in
26 Counts 1 through 73, defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN,
27 PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYO, and
28 DMITRI, shall forfeit to the United States of America, pursuant to

1 Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United
2 States Code, Section 2461(c), any property, real or personal, which
3 constitutes or is derived from proceeds traceable to the offenses.

4 The real property subject to forfeiture shall include, but are not
5 limited to the following five parcels of land, together with all
6 buildings, appurtenances, improvements, fixtures, attachments, and
7 easements, located at (1) 8747 Longwood Street, San Diego, California;
8 (2) 8007 New Salem Street, San Diego, California; (3) 8422 Menkar Road,
9 San Diego, California; (4) 9005 Ticket Street, San Diego, California,
10 and (5) 412 San Alberto Way, San Diego, California, more particularly
11 described as:

12 a. 8747 Longwood Street, San Diego, California

13 APN: 311-102-21-00, titled in the name of ZHIMIN LIAO, and further
14 described as:

15 LOT 1016 OF THE MIRA MESA VERDE UNIT NO. 10 SUBDIVISION IN THE CITY
16 OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING
17 TO MAP THEREOF NO. 6571, FILED IN THE OFFICE OF COUNTY RECORDER,
JANUARY 13, 1970.

18 b. 8007 New Salem Street, San Diego, California

19 APN: 311-291-06-00, titled in the name of MENGMENG ZHANG, a married
20 woman as her sole and separate property and further described as:

21 LOT 3952 OF MESA VERDE UNIT NO. 18, IN THE CITY OF SAN DIEGO, COUNTY
22 OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO.
23 7160, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO
COUNTY, DECEMBER 31, 1971.

24 c. 8422 Menkar Road, San Diego, California

25 APN: 309-271-01-00, titled in the name of ZHIMIN LIAO, a single
26 man, and further described as:

1 LOT 39, AS SHOWN ON THAT CERTAIN MAP ENTITLED MIRA MESA NORTH UNIT
2 ONE, WHICH MAP WAS FILED IN THE OFFICE OF THE RECORDER OF THE COUNTY
3 OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP NO. 7938, FILED
ON MAY 20, 1974.

4 d. 9005 Ticket Street, San Diego, California

5 APN: 318-483-08-00, titled in the names of ZHIWEI LIAO and DAO T.
6 LA, husband and wife, and further described as:

7 LOT 60 OF MESA WOOD, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO,
8 STATE OF CALIFORNIA, ACCORDING TO THE MAP THEREOF NO. 8678, FILED
9 IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, SEPTEMBER
23, 1977.

10 e. 412 San Alberto Way, San Diego, California

11 APN: 548-281-01-00, titled in the name of Manh Nhu Nguyen, as
12 Trustee of the M & T Nguyen Family Trust, and further described
13 as:

14 LOT 147 OF EUCLID MANOR, IN THE CITY OF SAN DIEGO, COUNTY OF SAN
15 DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 2752,
16 FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY,
FEBRUARY 9, 1951.

17 32. Upon conviction of the offense set forth in Count 76 of this
18 Indictment, defendants ZHIWEI and XIAOMIN shall forfeit to the United
19 States of America, pursuant to Title 18, United States Code, Section
20 982(a)(1), any property, real and personal, involved in the offense and
21 any property traceable to such property.

22 33. If any of the above described forfeitable property, as a result
23 of any act or omission of defendants ZHIWEI, ZHIMIN, ZHITING, XIAOMIN,
24 PHILLIP, DAO, MENGMENG, TAM, DEEDEE, DANNY, CHARLEY, JIAYE, HYU, and
25 DMITRI:

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- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third person;
- c. has been placed beyond the jurisdiction of the Court;
- d. has been substantially diminished in value;
- e. or has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), and Title 18, United States Code 982(b), to seek forfeiture of any other property of said defendants up to the value of the above forfeitable property.

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1), and Title 28, United States Code, Section 2461(c).

DATED: October 31, 2019.

A TRUE BILL:



Foreperson

ROBERT S. BREWER, JR.
United States Attorney

By:



TIMOTHY F. SALEL
Assistant U.S. Attorney