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Release # 38-2008
www.queensda.org

FOR IMMEDIATE RELEASE
THURSDAY, MARCH 6, 2008

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QUEENS-BASED IDENTITY THEFT
AND COUNTERFEIT CREDIT CARD OPERATION DISMANTLED

*More Than Three Dozen Charged; Fake Credit Cards and Manufacturing Equipment Seized;
Shoppers Allegedly Sent On Nationwide Shopping Sprees With Counterfeit Credit Cards To Buy High-End
Goods That Were Later Fenced; Fake Cards and ID Allegedly Used to Purchase Tickets and Board Airplanes*

Queens District Attorney Richard A. Brown, joined by Police Commissioner Raymond W. Kelly, today announced that a forged credit card and identity theft ring based in Queens County and with roots in the Far East has been successfully dismantled following the indictment this week of thirty-eight individuals. The ring was allegedly responsible for stealing the personal credit information of scores of American consumers and costing these individuals, financial institutions and retail businesses more than \$1 million in losses over the past year.

District Attorney Brown said, "Many of the defendants charged today are accused of going on nationwide shopping sprees, purchasing tens of thousands of dollars worth of high-end electronics, handbags and jewelry with forged credit cards that contained the account information of unsuspecting consumers. Particularly disturbing is the fact that, in a number of cases, the defendants are charged with using bogus documents to purchase airline tickets and then using those documents as identification to board commercial aircraft. In the hands of terrorists such documents could have easily undermined the efforts of homeland security and other law enforcement officials intent on keeping our borders and citizens safe. Such a serious threat to public safety cannot go unchallenged. We will continue to work closely with our law enforcement colleagues to stamp out such fraud and help to maintain our nation's safety and security."

District Attorney Brown added, "This case provides another warning to the public that they must be diligent in the protection of their personal identifying information. Identity fraud and identity theft are two of the fastest growing crimes in the United States, afflicting millions of victims and costing billions of dollars in losses to consumers, businesses and financial institutions. Even after the culprits are caught and prosecuted, their victims are still faced with the difficult task of having to repair their credit ratings and financial reputations. In some cases, that process can take years."

Police Commissioner Kelly said, "This industrious New York-based ring utilized international and domestic resources to orchestrate their crimes from the Pacific Northwest to the Southeastern U.S., but the NYPD Organized Theft and Identity Theft Task Force worked harder, with a committed team of investigators and foreign-language translators who tirelessly pursued these suspects to stop their widespread use of innocent people's good credit. They and the members of the District Attorney's Economic Crimes Bureau are to be commended."

District Attorney Brown said that the principal defendants – twenty-six individuals – have been charged in a 174-count indictment charging 173 pattern acts with, among other crimes, Enterprise Corruption under New York State’s Organized Crime Control Act. They are accused of being members and associates of an organized criminal enterprise that operated in Queens County and elsewhere and that, between February 2007 and February 2008, systematically schemed to defraud scores of unsuspecting consumers and financial institutions – such as American Express, Visa, MasterCard and Discover Card.

According to the indictment, the defendants fraudulently obtained account holders’ checking and debit account numbers from a supplier in China which were then used to manufacture forged credit and identification cards. Once the counterfeit cards were created, according to the indictment, they were ultimately given to teams of “shoppers” who were sent out on shopping expeditions in New York, Texas, Arizona and other areas of the United States to purchase high-end electronics and other merchandise – such as flat-screen televisions, laptops, designer handbags, game consoles and jewelry – which either had been requested or could easily be fenced and re-sold, typically over the Internet.

In a variation on the scheme, it is alleged, two members of the enterprise, working in tandem with a dishonest merchant in Queens County, conducted a “bust out” scheme in which large amounts of merchandise were charged to credit card accounts without any merchandise actually ever being purchased, thus causing a monetary loss to financial institutions and/or the true cardholder. In turn, the merchant allegedly would then provide the enterprise members with a cash percentage of the total amount in merchandise charged.

District Attorney Brown said that the twenty-six defendants are also variously charged – along with eight others – in a second, 159-count identity theft indictment. A third, 13-count indictment charges five defendants (including a supplier named in the enterprise corruption indictment) with operating a separate and smaller identity theft and forged credit card operation.

The District Attorney said that the investigation – dubbed “House of Cards” – leading to this week’s indictments and arrests began in December 2006 when police officers assigned to the Police Department’s Identity Theft Squad commenced a joint investigation with the District Attorney’s Economic Crimes Bureau into an identity theft ring operating in the Flushing, Queens, area. The investigation involved physical surveillance, intelligence gathering and court-authorized electronic eavesdropping on dozens of different telephones in which thousands of conversations were intercepted – many of which required translation from Chinese (both Cantonese and Mandarin dialects) to English.

The indictment charges that Kwok Chow was the “boss” of the criminal enterprise and received the necessary raw material – lists of credit card account numbers and various blank credit cards – from stateside suppliers who obtained the material from an unknown individual in China. The un-embossed cards contained the coloring and artwork depicted on a genuine credit card – and included such security features as a holographic image – but didn’t bear any visible account numbers or the requisite account information loaded on the magnetic strip. Once he received the items from overseas, Chow then allegedly supplied the cards and account numbers to his Queens-based “production crew.”

The production crew is alleged to have consisted of “writers,” “embossers” and “makers of identification cards.” According to the indictment, a writer is responsible for putting the written four security numbers on the front of a credit card, as well as the seven security numbers on the back, an embosser stamps the raised twelve digit account number across the front of the forged credit card and loads the account information onto the magnetic strip, along with the purported card holder’s name and, finally,

the fraudulent identification card supplier is in charge of making a forged governmental identification – such as a New York State driver’s license – to match the name that is on the forged credit card.

According to the charges, once the forged credit cards and governmental identifications were completed, the items were distributed to the criminal enterprise’s “shopping crews,” which consisted of a “crew manager,” “crew leader” and “shoppers.” The crew manager, who acted as a go-between to the boss and the crew leaders, allegedly supplied the forged items to the leaders who, in turn, supplied the fraudulent items to the shoppers and oversaw their planned shopping expeditions – for example, directing them to purchase requested electronic merchandise in a specific store – throughout New York and the United States. At times, it is alleged, the shoppers shipped out-of-state purchases back to New York via Federal Express and used the forged identification and credit cards to board planes at one of New York City’s two main airports

Once the shopping was done, according to the charges, the purchased merchandise was then re-sold, sometimes through an Internet “fence.” It is alleged, for example, that two of the defendants – Dali Zhu and John Zhu – maintained a website entitled “Eastrades.com” where the merchandise purchased by the various shopping crews was then offered for re-sale to the public.

Finally, it is alleged that the defendant Chow utilized a personal assistant, Sha Sha Zhang, to aid him in conducting his business. For example, Zhang allegedly checked the validity of credit cards over the telephone using a merchant verification phone number, picked up and received pieces of forged documents that were to be further manufactured by the production crew and relayed orders from Chow to the production crews.

District Attorney Brown noted that, as part of the investigation, court-authorized search warrants were executed earlier this week at a dozen locations – eleven in Queens and one in Brooklyn – and resulted in the recovery of forged credit cards, computers, scanners, printers, templates, card readers and machines used to stamp credit card account information onto cards.

The District Attorney added that, in executing the search warrants, three additional individuals were arrested and charged with criminal possession of forgery devices – William Wong, 25, of 209-27 46th Avenue; Li Zeng, 31, of 136-18 62nd Road, and Sze Yam, 27, of 25-35 Bayside Lane, all of Queens. The defendants who face up to seven years in prison if convicted, are presently awaiting arraignment in Queens Criminal Court.

In the case of Wong, he was allegedly discovered in a basement apartment at 209-25 46th Avenue in Queens, with a credit card coding machine, metal plates, a credit card embossing machine, rolls of gold and silver foil, 95 counterfeit credit cards and a shopping bag containing a black Jennings 9mm pistol, a loaded magazine and twelve loose 9 mm rounds. In addition to the possession of forgery devices charges, he is charged with second-degree criminal possession of a weapon and faces up to 15 years in prison, if convicted.

Thirty-one of the indicted defendants were arraigned yesterday before Queens Supreme Court Justice Richard L. Buchter.

The investigation was conducted by Detective Enrico Morriello of the New York City Police Department’s Identity Theft Squad under the supervision of SDS (Retired) Robert Delaney and Lieutenant Ruperto Aguilar and the command of Deputy Inspector Gregory T. Antonsen, of the Organized Theft and

Identity Theft Task Force, and the overall supervision of Deputy Chief Jeremiah Quinlan, commander of the Special Investigations Division, and Chief George F. Brown of the Detectives Bureau.

Assistant District Attorneys Joseph G. D'Arrigo, David Chen and Purvi Patel, of the Economic and Environmental Crimes Bureau, is prosecuting the case under the supervision of Gregory C. Pavlides, Bureau Chief, and Christina Hanophy, Deputy Bureau Chief, and the overall supervision of Executive Assistant District Attorney for Investigations Peter A. Crusco and Deputy Executive Assistant District Attorney Linda M. Cantoni.

District Attorney Brown expressed his appreciation to the New York State Department of Motor Vehicles for their assistance and cooperation during the investigation, and to Sergeant Stephen Scalza and Detective Joel Diaz, of the NYPD Asset Forfeiture Unit.

It should be noted that an indictment is merely an accusation and that a defendant is presumed innocent until proven guilty.

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Note to Editors: Press release e-version posted at www.queensda.org.

ADDENDUM

I. ENTERPRISE CORRUPTION INDICTMENT (26 DEFENDANTS)	
The defendants are all charged with enterprise corruption and are variously charged with second-degree criminal possession of a forged instrument, fourth-degree grand larceny, fourth- and third-degree attempted grand larceny and petit larceny. If convicted, they each face up to 25 years in prison.	
* denotes defendant is presently being sought.	
NAME/ADDRESS	ALLEGED ROLE IN ENTERPRISE
Kwok Chow (a/k/a Tony), 36, of 132-45 41 st Avenue in Flushing, Queens, and 1574A West 8 th Street in Brooklyn.	Boss
Sha Sha Zhang (a/k/a Kelly), 28, of 132-45 41 st Avenue in Flushing, Queens.	Personal Assistant/Girlfriend to Boss
Yuan Chang Chiou (a/k/a Xiao Zhou), 41, of 137-10 Laburnum Avenue in Flushing, Queens, and 11501 Basswood Court in Laurel, Maryland.	Supplier
Jacky Liang (a/k/a Little Liang), 34, of 56-07A Utopia Parkway, Fresh Meadows, Queens, and 970 55 th Street in Brooklyn.	Supplier
Kenny J. Lee (a/k/a Bald Kid), 22, of 208 West 105 th Street in Manhattan.	Production Crew/Delivery
* Kenny Lee, 35, of 209-27 46 th Avenue in Bayside, 227-14 56 th Avenue in Queens, and 208 West 105 th Street in Manhattan.	Production Crew/Writer (Also involved in "Bust-Out" Scheme)
Ti Wang (a/k/a Ah Ti), 22, of 227-14 56 th Avenue in Bayside, Queens.	Production Crew/Writer
Deng Shu Hui (a/k/a Ahi Fai), 35, of 138 Eldridge Street in Manhattan.	Production Crew/Embossing
Bo Hou (a/k/a Mei Don), 36, of 76-66 174 th Street in Flushing, Queens.	Production Crew/Embossing
Ying Kit Lau (a/k/a Kit), 30, address unknown.	Production Crew/ Identification Card Maker

I. ENTERPRISE CORRUPTION INDICTMENT (continued) (* denotes defendant is presently being sought.)	
NAME/ADDRESS	ALLEGED ROLE IN ENTERPRISE
Dali Zhu (a/k/a Wah Yee), 32, of 1030 62 nd Street, 1117 Bay Ridge Avenue and 1637 West 4 th Street, all in Brooklyn.	Crew Manager/Fence
John Zhu, 30, of 1117 Bay Ridge Avenue in Brooklyn.	Assistant to Crew Manager/Fence
Hong An Wu (a/k/a An), 45, of 743 68 th Street in Brooklyn.	Crew Manager
Zhou Xue Shen (a/k/a Will), 24, of 149-24 Beech Avenue in Flushing, Queens.	Crew Leader
Hui Min Sun (a/k/a Susan), 49, of 38-22 147 th Street in Flushing, Queens.	Crew Leader
Bin Da Jing (a/k/a Woo Soo, Benson), 42, of 46-66 162 nd Street and 41-31 150 th Street, both in Flushing, Queens.	Crew Leader
* Chen Young Zhen (a/k/a Quo Zhang), 49, of 3 Pike Street in Manhattan.	Crew Leader
Xin Qiang Zhao (a/k/a Ben), 34, of 4609 7 th Avenue in Brooklyn.	Crew Leader
Eddie Yang, 29, of 742 62 nd Street and 742 67 th Street, both in Brooklyn.	Crew Leader
* Suk Won Chang (a/k/a Suk), 33, of 49-15 Skillman Avenue in Woodside, Queens.	Shopper
Athena Leung (a/k/a American Born Chinese Girl, Tina), 26, of 6575 Pike Street in Manhattan.	Shopper
Yu Zhen Hu (a/k/a Qing Qing), 47, of 46-66 162 nd Street in Flushing, Queens.	Shopper
Quan Min, 43, of 38-22 147 th Street in Flushing, Queens.	Shopper
Huck Ng (a/k/a Raymond), 51, of 134-25 Franklin Avenue in Flushing, Queens.	Shopper
Zhwn Hau Piao (a/k/a Princess), of 1651 65 th Street in Brooklyn.	Shopper
Leoberto Romero (a/k/a Yan), 26, of 52-06 Roosevelt Avenue in Woodside, Queens, and 33 North Grove Street in Valley Stream, Long Island.	Involved in "Bust-Out" Scheme

II. IDENTITY THEFT INDICTMENT (34 DEFENDANTS)	
<p>(26 of the individuals are named in enterprise corruption indictment. Below is information on the additional 8 defendants)</p> <p>The defendants are variously charged with first-degree identity theft, third- and fourth-degree grand larceny, fourth-degree attempted grand larceny, second-degree criminal possession of a forged instrument, fourth-degree criminal possession of stolen property and petit larceny. If convicted, they each face up to seven years in prison.</p>	
NAME/ADDRESS	ALLEGED ROLE
Jerry Yuan, 37, of 32-22 73 rd Street in Jackson Heights, Queens.	Fence
* Yuan Gong, 36, of 132-27A 41 st Avenue in Queens.	Fence

II. IDENTITY THEFT INDICTMENT (continued) (* denotes that defendant is presently being sought)	
NAME/ADDRESS	ALLEGED ROLE
Qui Wen Jing, 38, of 2305 62 nd Street in Brooklyn.	Crew Leader
* Sang Hyung Yu (a/k/a 14), 54, of 143-37 38 th Avenue in Flushing, Queens.	Shopper
Li Dai Yun (a/k/a Quo Zhang), 45, of 3 Pike Street in Manhattan.	Shopper
* Chung Bo Chong (a/k/a Quo Zhang), 54, of 1738 Lexington Avenue in Manhattan.	Shopper
Jie Yan (a/k/a Shirley), 36, of 147-27 Jasmin Avenue in Flushing, Queens.	Shopper
Christine Daly (a/k/a Lucy), 23, address unknown.	Shopper

III. YUAN CHANG CHIOU OPERATION INDICTMENT (5 DEFENDANTS)	
(One of the individuals is named in enterprise corruption indictment. Below is information on the additional 4 defendants)	
The defendants are variously charged with second-degree forgery, second-degree criminal possession of a forged instrument, third-degree grand larceny, third-degree attempted grand larceny, fifth-degree conspiracy first-degree identity theft and third-degree criminal possession of a forged instrument. If convicted, they each face up to seven years in prison.	
NAME/ADDRESS	ALLEGED ROLE
** Yuan Chang Chiou (a/k/a Xiao Zhou)	Boss
Bing Yang (a/k/a Yue), 40, of 136-18 62 nd Road in Queens.	Production Crew/Embosseser
Tong Fen Lu (a/k/a Lu), 31, of 140-19 Beach Avenue in Queens.	Crew leader
Kuan Chun Han, 41, of 149-11 Reeves Avenue in Queens.	Shopper
* Tehchung Chen (a/k/a Peter), 60, of 136-18 62 nd Road in Queens.	Shopper
* defendant presently being sought ** named in enterprise corruption indictment	