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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION  
September 2018 Grand Jury

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
WEN RUI DENG,  
Defendant.

SA CR No. 19-17-JLS  
I N D I C T M E N T  
[18 U.S.C. § 371: Conspiracy; 18 U.S.C. § 1546(a): Visa Fraud; 18 U.S.C. § 1343: Wire Fraud; 18 U.S.C. § 1956(a)(2)(A): International Promotional Money Laundering; 18 U.S.C. § 1028A(a)(1): Aggravated Identity Theft; 18 U.S.C. § 2(a): Aiding and Abetting; 18 U.S.C. § 2(b): Causing an Act to Be Done]

The Grand Jury charges:

INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

1. A citizen of a foreign country who wished to enter the United States generally was required to first obtain a visa from the U.S. Government: either a nonimmigrant visa for temporary stay, or an immigrant visa for permanent residence. Visitor visas were nonimmigrant visas for persons who wanted to enter the United States

1 temporarily for business (visa category B-1), for tourism, for  
2 pleasure or visiting (category B-2), or for both purposes (B-1/B-2).

3       2. In order to apply for a tourist visa, an applicant was  
4 required to complete and submit a Nonimmigrant Visa Application and  
5 schedule an appointment for a visa interview. Generally, the visa  
6 interview would take place at a U.S. Embassy/Consulate in a foreign  
7 country.

8       3. Receiving a tourist visa from the U.S. Government was a  
9 privilege, not a right. In order to be granted a nonimmigrant visa  
10 to visit the United States, applicants were required to overcome the  
11 presumption in the U.S. Immigration and Nationality Act that all visa  
12 applicants are immigrants who intend to remain in the United States.

13       4. "Birth tourism" - also known as "maternity house" or  
14 "birthing house" - businesses were operations that housed pregnant  
15 foreign nationals in properties in the United States so that their  
16 children could be born in the United States and receive U.S.  
17 birthright citizenship. The operators helped the aliens fraudulently  
18 obtain visas to come to the United States, by filing visa  
19 applications that contained multiple false statements by  
20 misrepresenting the true intention of the visits.

21       5. Chinese birth tourism companies advertised the benefits of  
22 having children with birthright U.S. citizenship, such as to hedge  
23 against environmental, educational, and political problems in China.

24       6. In March 2015, federal law enforcement executed search  
25 warrants at approximately 35 suspected Chinese birth tourism  
26 locations throughout southern California, including in Orange, Los  
27 Angeles, and San Bernardino Counties.

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1           7.    These Introductory Allegations are alleged for all Counts  
2 in this Indictment as though set forth in their entirety.

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1 Kong, and Taiwan," and that it had "provided services to 8,000  
2 pregnant women (4,000 from China) since we established."

3 b. On its website, Star Baby Care would also promote the  
4 benefits of giving birth in the United States rather than in China,  
5 including identifying the United States as having the following  
6 advantages:

7 i. "free education from junior high school to public  
8 high school";

9 ii. "You can apply loans or grants which is only for  
10 the U.S. citizen";

11 iii. "You can receive your senior supplement benefits  
12 when you are living overseas"; and

13 iv. "To the parent, after the baby becomes an adult,  
14 he/she can petition the parents for a green card."

15 c. On its website, Star Baby Care would also instruct  
16 customers how to conceal their pregnancies from U.S. officials,  
17 including writing: "To make sure that you could enter into United  
18 States without any problems, please enter U.S. 2 to 3 months before  
19 the due date; wear loose and comfortable outfits which pass U.S.  
20 Immigration and Customs inspection." And: "In general, you should  
21 arrive in between 24-30 weeks ... U.S. might refuse entry due to the  
22 belly is too big; therefore the size of the belly is quite important  
23 to determine when you should arrive Los Angeles."

24 d. Defendant DENG would use agents in China to recruit  
25 pregnant Chinese nationals who wanted to come to the United States to  
26 give birth so their children would receive U.S. birthright  
27 citizenship.

28 e. Defendant DENG and Coconspirator-1 would communicate

1 by email with their agents and birth tourism customers in China.

2 f. Defendant DENG and Coconspirator-1 would provide birth  
3 tourism services to all types of customers from China, including  
4 Chinese government employees and officials, such as from Chinese  
5 Central Television, the Chinese Local Taxation Bureau, and the Bank  
6 of China.

7 g. Defendant DENG and Coconspirator-1, together with  
8 others known and unknown to the Grand Jury, including their agents in  
9 China, would instruct the birth tourism customers to apply for their  
10 visa to come to the United States early in their pregnancy so they  
11 would be able to conceal their pregnancy from U.S. officials.

12 h. Defendant DENG and Coconspirator-1, together with  
13 others known and unknown to the Grand Jury, including their agents in  
14 China, would cause to be filed visa applications for their Chinese  
15 customers with the U.S. Department of State, which contained false  
16 statements.

17 i. Star Baby Care customers' visa applications would  
18 contain false statements as to the purpose of the visits, the length  
19 of stay in the United States, and the locations of their stay in the  
20 United States. Generally, defendant DENG's customers' visa  
21 applications would falsely state that the purpose of the trip to the  
22 United States was for tourism, the length of the stay was eight to 14  
23 days, and the customers would be staying in places outside Los  
24 Angeles, when in truth and in fact, those customers were coming to  
25 the United States to give birth, the length of their stay was three  
26 months, and they would be staying in Rowland Heights and Irvine,  
27 California.

28 j. Defendant DENG and Coconspirator-1, together with

1 others known and unknown to the Grand Jury, including Star Baby  
2 Care's employees and agents in China, would coach their Chinese  
3 customers how to pass the U.S. Consulate interview in China,  
4 including by telling the customers to falsely say they were going to  
5 stay in the United States for only two weeks.

6 k. Defendant DENG and Coconspirator-1, together with  
7 others known and unknown to the Grand Jury, including Star Baby  
8 Care's agents in China, would coach their Chinese birth tourism  
9 customers how to pass the U.S. Customs inspection at the port of  
10 entry by concealing their pregnancies.

11 l. Defendant DENG and others known and unknown to the  
12 Grand Jury would lease more than 20 apartments in Los Angeles and  
13 approximately 10 locations in Irvine, including apartments and  
14 houses, to house Star Baby Care's pregnant Chinese customers.

15 m. To lease those apartments, defendant DENG and  
16 Coconspirator-3 would defraud the property owners by leasing the  
17 apartments in the names of people who were not going to be the actual  
18 occupants, as well as concealing from the property owners that  
19 defendant DENG was running a business of housing multiple foreign  
20 nationals on a short-term basis, and that she was operating an  
21 illegal international birth tourism scheme.

22 n. Defendant DENG would house her Chinese birth tourism  
23 customers at locations in Orange and Los Angeles Counties, even  
24 though they knew that their customers' visas had been procured by  
25 fraud.

26 o. Defendant DENG and others known and unknown to the  
27 Grand Jury, would generally charge about \$25,000 for each birth  
28 tourism customer.

1           p. To deposit payments from her Chinese birth tourism  
2 customers, defendant DENG opened and used many different bank  
3 accounts, both in the United States, Hong Kong, and China, including  
4 bank accounts opened in the name of defendant DENG's son,  
5 Coconspirator-3, and nominees C.H.L. and J.R.L., who were foreign  
6 nationals.

7           q. To receive payments from her Chinese birth tourism  
8 customers, defendant DENG would cause international transfers of  
9 funds from China to the United States, which in 2013 and 2014 totaled  
10 millions of dollars.

11           r. Defendant DENG, Coconspirator-1, Coconspirator-2, and  
12 others known and unknown to the Grand Jury would collect thousands of  
13 dollars in cash from their birth tourism customers after they arrived  
14 in the United States, which was in addition to funds that the  
15 customers had already paid in China for Star Baby Care's birth  
16 tourism services.

17           s. Defendant DENG would have approximately 10 employees  
18 in the United States to help her run her birth tourism scheme.

19           t. During a federal undercover investigation of Star Baby  
20 Care, Coconspirator-1 would tell an undercover agent who pretended to  
21 have a Chinese national relative who wanted to come to the United  
22 States to give birth, that during the U.S. Customs checkpoint, "if  
23 the immigration officer asked her, she should not say she is  
24 pregnant," "she should state that she has relatives who she would  
25 like to visit in the United States," and "she should not say she is  
26 pregnant," but rather should say she is in Los Angeles to visit.

27           u. Defendant DENG, Coconspirator-1, and Coconspirator-2  
28 would prepare visa extension applications for defendant DENG's



1 customers who needed extensions, and would submit those documents to  
2 U.S. immigration.

3 v. From in or around 2012 to March 2015, defendant DENG  
4 and Star Baby Care would have several hundred Chinese birth tourism  
5 customers who gave birth in the United States, whose children thus  
6 received birthright U.S. citizenship.

7 w. Defendant DENG's and Star Baby Care's birth tourism  
8 customers from China would fail to pay all the costs of giving birth  
9 in the United States, including hospital, doctor, and other bills,  
10 which would be referred to collection.

11 C. OVERT ACTS

12 10. In furtherance of the conspiracy, and to accomplish its  
13 objects, on or about the following dates, defendant DENG,  
14 Coconspirator-1, Coconspirator-2, Coconspirator-3, and others known  
15 and unknown to the Grand Jury, committed various overt acts within  
16 the Central District of California, and elsewhere, including, but not  
17 limited to, the following:

18 Overt Act No. 1: In or around August 2013, one of defendant  
19 DENG's customers, Chinese national S.T.T., who gave birth at a  
20 Monterey Park, California, hospital paid only \$4,650 of a \$49,002  
21 hospital bill, by obtaining the indigent/cash pay rate.

22 Overt Act No. 2: On or about November 18, 2013, Star Baby Care  
23 customer S.W., a Chinese national, filed a visa application to come  
24 to the United States, which listed that she had graduated from the  
25 "North China Institute of Aerospace Industry" in Langfang, Hebei,  
26 China, and which contained false statements.

27 Overt Act No. 3: On or about January 23, 2014, Star Baby Care  
28 customer J.L., a Chinese national, filed a visa application to come

1 to the United States, which listed her current job as with China  
2 Central Television, in Haidian, Beijing, China, and which contained  
3 false statements.

4 Overt Act No. 4: On or about March 27, 2014, Star Baby Care  
5 customer F.W., a Chinese national, filed a visa application to come  
6 to the United States, which listed her current job as "Government" at  
7 the Xiangyang Branch in Heilongjiang Hegang Local Tax Bureau, in  
8 Hegang, Heilongjiang, China, and which contained false statements.

9 Overt Act No. 5: On or about May 21, 2014, Star Baby Care  
10 customer J.X., a Chinese national, filed a visa application to come  
11 to the United States, which omitted that she had worked for the  
12 Chinese government for 14 years, and which contained false  
13 statements.

14 Overt Act No. 6: On or about May 23, 2014, Star Baby Care  
15 customer Y.G., a Chinese national, filed a visa application to come  
16 to the United States, which listed her former job as the finance  
17 manager with Bank of China, in Shenzhen, Guangdong Province, China,  
18 and which contained false statements.

19 Overt Act No. 7: On or about July 21, 2014, defendant DENG and  
20 Coconspirator-2 used the name and forged the signature of Y.W. to  
21 lease an apartment to be used in defendant DENG's birth tourism  
22 scheme.

23 Overt Act No. 8: On or about August 25, 2014, Star Baby Care  
24 customer N.C., a Chinese national, filed a visa application to come  
25 to the United States, which listed her current job as with China  
26 Telecom, in Nanjing, Jiangsu, China, and which contained false  
27 statements.

28 Overt Act No. 9: In or around September 2014, defendant DENG,

1 Coconspirator-1, and Coconspirator-2 helped Star Baby Care customer  
2 H.W. file an application to extend her visa, which application  
3 contained false statements.

4 Overt Act No. 10: On or about October 22, 2014, Star Baby Care  
5 customer X.L., a Chinese national, filed a visa application to come  
6 to the United States, which listed her current job as "Personal  
7 Account Manager" with China Minsheng Banking Corporation Ltd., in  
8 Chengdu, Sichuan, China, and which contained false statements.

9 Overt Act No. 11: On or about October 29, 2014, P.S. leased an  
10 apartment in Irvine, California, in his mother L.L.'s name for  
11 defendant DENG to use in her birth tourism scheme, which lease  
12 contained false information, and for which defendant DENG paid \$1,000  
13 to P.S.

14 Overt Act No. 12: On or about October 30, 2014, Chinese  
15 national Z.W., who was the husband of a Star Baby Care birth tourism  
16 customer, filed a visa application to come to the United States,  
17 which listed his current job as "Government" and "Vice Section Chief"  
18 of the Local Taxation Bureau of Huizhou, Guangdong, China, and which  
19 contained false statements.

20 Overt Act No. 13: On or about November 21, 2014, defendant  
21 DENG's son, Coconspirator-3, who is a physician, leased a house in  
22 Irvine, California, in his name for defendant DENG to use in her  
23 birth tourism scheme, which lease contained false information.

24 Overt Act No. 14: On or about January 1, 2015, defendant DENG  
25 and Coconspirator-1 used the name and signature of Chinese national  
26 Y.W. to rent an apartment in Y.W.'s name for defendant DENG's birth  
27 tourism scheme.

28 Overt Act No. 15: On or about March 3, 2015, defendant DENG,

1 Coconspirator-1, and Coconspirator-2 possessed business records of  
2 defendant DENG's birth tourism scheme, including a sheet that stated  
3 that defendant DENG was using 31 apartments in Rowland Heights,  
4 California, with monthly lease payments totaling \$56,185.

5 Overt Act No. 16: On an unknown date after March 3, 2015,  
6 defendant DENG told one of her employees that the federal search  
7 warrants that were executed on March 3, 2015, at a dozen of the  
8 apartments defendant DENG was renting were "no big deal."

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COUNT TWO .

[18 U.S.C. §§ 1546(a), 2]

11. On or about September 26, 2014, in Los Angeles County, within the Central District of California, and elsewhere, defendant WEN RUI DENG ("DENG"), together with others known and unknown to the Grand Jury, each aiding and abetting the others, aided and abetted and caused H.W., a Chinese national, to knowingly subscribe as true, under penalty of perjury, under Title 28, United States Code, Section 1746, a false statement with respect to a material fact in an application, affidavit, and other document required by the immigration laws and regulations prescribed thereunder, in that in an Application to Extend/Change Nonimmigrant Status, Chinese national H.W. falsely stated that she had become sick so she had to stay in the United States to give birth, and that Chinese national H.W. had not done anything that violated the terms of her nonimmigrant status, which statements defendant DENG and Chinese national H.W. knew to be false, in that Chinese national H.W. in fact had always intended to give birth in the United States, and had violated the terms of her nonimmigrant status.

COUNTS THREE THROUGH FOURTEEN

[18 U.S.C. §§ 1343, 2]

A. SCHEME TO DEFRAUD

12. Beginning on a date unknown to the Grand Jury, but no later than in or around January 2012, and continuing until in or around March 2015, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant WEN RUI DENG ("DENG"), together with others known and unknown to the Grand Jury, each aiding and abetting the others, knowingly and with intent to defraud, executed a scheme to obtain moneys, funds, assets, and other property owned by and in the custody and control of the Irvine Company, Arnel Management Company, and others (collectively, "the property owners") by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

B. THE MANNER AND MEANS OF THE FRAUDULENT SCHEME

13. The fraudulent scheme operated, in substance, in the following manner:

a. The Grand Jury realleges Section B of Count One of this Indictment as though set forth in its entirety here.

b. Defendant DENG and others known and unknown to the Grand Jury would lease apartments from the property owners to house her Chinese birth tourism customers.

c. To lease those properties, defendant DENG and others known and unknown to the Grand Jury would make false representations and promises to, and conceal material facts from, the property owners.

1 d. Defendant DENG would pay the rent and other expenses  
2 for those properties by using proceeds from her fraudulent birth  
3 tourism scheme.

4 e. Defendant DENG would make wire transfers for some of  
5 those expenditures; including by interstate wire communications.

6 C. USE OF THE WIRES

7 14. On or about the dates set forth below, in Orange and Los  
8 Angeles Counties, within the Central District of California, and  
9 elsewhere, defendant DENG and others known and unknown to the Grand  
10 Jury, for the purpose of executing the above-described scheme to  
11 defraud, transmitted and caused the transmission of the following  
12 items by means of wire communication in interstate and foreign  
13 commerce:

COUNT	DATE	ITEM WIRED
THREE	02/03/2014	\$43.10 payment to Southern California Edison from Star Baby Care's Chase checking account ending in 8467 for the electricity bill for Unit 752 at Pheasant Ridge in Rowland Heights, California
FOUR	05/05/2014	\$3.41 payment to Southern California Edison from Star Baby Care's Chase checking account ending in 8467 for the electricity bill for Unit 752 at Pheasant Ridge in Rowland Heights, California
FIVE	06/06/2014	\$52.08 payment to Southern California Edison from Star Baby Care's Chase checking account ending in 8467 for the electricity bill for Unit 752 at Pheasant Ridge in Rowland Heights, California
SIX	02/02/2015	Transfer of \$2,670 from nominee C.H.L.'s Bank of America checking account ending in 6066 to nominee P.S.'s Bank of America account ending in 5179
SEVEN	02/03/2015	Payment of \$2,670 from nominee P.S.'s Bank of America account ending in 5179 to make lease payment for apartment in Irvine, California
EIGHT	02/03/2015	Payment of \$2,475 from nominee J.R.L.'s Bank of America account ending in 0811 to make lease payment for apartment in Irvine, California

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COUNT	DATE	ITEM WIRED
NINE	02/05/2015	\$95.95 payment to Southern California Edison from Star Baby Care's Chase checking account ending in 8467 for the electricity bill for Unit 815 at Pheasant Ridge in Rowland Heights, California
TEN	02/11/2015	\$190.24 payment to Southern California Edison from nominee J.R.L.'s Bank of America account ending in 0811 for the electricity bill for a house in Irvine, California
ELEVEN	03/02/2015	Transfer of \$2,670 from nominee D.G.'s Bank of America checking account ending in 6066 to nominee P.S.'s Bank of America account ending in 5179
TWELVE	03/03/2015	Payment of \$2,670 from nominee P.S.'s Bank of America account ending in 5179 to make lease payment for apartment in Irvine, California
THIRTEEN	03/03/2015	Payment of \$2,475 from nominee J.R.L.'s Bank of America account ending in 0811 to make lease payment for apartment in Irvine, California
FOURTEEN	03/03/2015	\$89.65 payment to Southern California Edison from nominee J.R.L.'s Bank of America account ending in 0811 for the electricity bill for a house in Irvine, California



COUNTS FIFTEEN THROUGH TWENTY-THREE

[18 U.S.C. §§ 1956(a)(2)(A), 2]

15. On or about the dates below, in Orange and Los Angeles Counties, within the Central District of California, and elsewhere, defendant WEN RUI DENG ("DENG"), together with others known and unknown to the Grand Jury, each aiding and abetting the others, knowingly transported, transmitted, and transferred, and willfully caused the transportation, transmission, and transfer of, and knowingly aided, abetted, counseled, commanded, induced, and procured another person to transport, transmit, and transfer, the funds listed below to a place inside the United States from and through a place outside the United States with the intent to promote the carrying on of specified unlawful activity, specifically, immigration fraud, in violation of Title 18, United States Code, Section 1546(a), and wire fraud, in violation of Title 18, United States Code, Section 1343:

COUNT	DATE	INTERNATIONAL FUNDS TRANSFER
FIFTEEN	05/02/2014	Wire transfer of \$15,934 from China Merchants Bank Co. Ltd., Hong Kong, to Star Baby Care's Chase checking account ending in 8467
SIXTEEN	10/29/2014	Wire transfer of \$38,985 from Industrial and Commercial Bank of China, People's Republic of China ("PRC"), to Star Baby Care's Chase checking account ending in 8467
SEVENTEEN	11/03/2014	Wire transfer of \$19,985 from Industrial and Commercial Bank of China, PRC, to Star Baby Care's Chase checking account ending in 8467
EIGHTEEN	12/18/2014	Wire transfer of \$39,980 from Industrial and Commercial Bank of China, PRC, to Star Baby Care's Chase checking account ending in 8467
NINETEEN	12/19/2014	Wire transfer of \$39,980 from Industrial and Commercial Bank of China, PRC, to Star Baby Care's Chase checking account ending in 8467
TWENTY	01/28/2015	Wire transfer of \$49,985 from China Construction Bank, PRC, to nominee

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COUNT	DATE	INTERNATIONAL FUNDS TRANSFER
		C.H.L.'s Bank of America checking account ending in 8583
TWENTY-ONE	02/05/2015	Wire transfer of \$48,445 from China Construction Bank, PRC, to nominee J.R.L.'s Bank of America checking account ending in 0811
TWENTY-TWO	03/02/2015	Wire transfer of \$49,873 from China Construction Bank, PRC, to nominee J.R.L.'s Bank of America checking account ending in 0811
TWENTY-THREE	03/02/2015	Wire transfer of \$49,765 from China Construction Bank, PRC, to nominee D.G.'s Bank of America checking account ending in 6066

COUNTS TWENTY-FOUR THROUGH TWENTY-SIX

[18 U.S.C. §§ 1028A(a)(1), 2(a)]

16. On or about the dates below, in Orange and Los Angeles Counties, within the Central District of California, defendant WEN RUI DENG ("DENG"), together with others known and unknown to the Grand Jury, each aiding and abetting the others, knowingly transferred, possessed, and used, without lawful authority, means of identification that defendant DENG knew belonged to another person, namely, the names of the individuals listed below, during and in relation to the offense of Wire Fraud, a felony violation of Title

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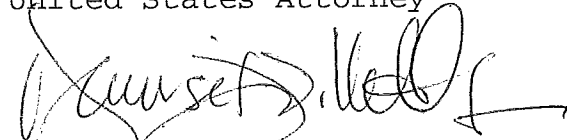
1 18, United States Code, Section 1343, as charged in the following  
2 Counts of this Indictment:

COUNT	DATE	IDENTITY	PREDICATE OFFENSE
TWENTY-FOUR	07/02/2014	Y.W.	COUNT THREE
TWENTY-FIVE	10/29/2014	L.L.	COUNT SEVEN
TWENTY-SIX	01/01/2015	Y.W.	COUNT FIVE

6 A TRUE BILL

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8 151  
Foreperson

9 NICOLA T. HANNA  
10 United States Attorney

11 

12 LAWRENCE S. MIDDLETON  
13 Assistant United States Attorney  
Chief, Criminal Division

14 DENNISE D. WILLETT  
15 Assistant United States Attorney  
Chief, Santa Ana Branch Office

16 DANIEL H. AHN  
17 Assistant United States Attorney  
Deputy Chief, Santa Ana Branch  
Office

18 CHARLES E. PELL  
19 Assistant United States Attorney  
20 Santa Ana Branch Office