

STATE OF INDIANA )  
 ) SS:  
COUNTY OF LAKE )

SUPERIOR COURT OF LAKE COUNTY  
CRIMINAL DIVISION  
CROWN POINT, INDIANA

STATE OF INDIANA )  
 )  
 V. )  
 )  
WUJIAO LIU )

CAUSE NUMBER. 45

**PROBABLE CAUSE AFFIDAVIT**

Affiant swears or affirms that he/she believes and has good cause to believe that:

I, Detective Jordan Billups of the Winfield Police Department, investigated a human trafficking, prostitution, and state tax case ranging from January 1, 2019 until November 1, 2023 and that occurred in Lake County, Indiana.

On January 2, 2023, I began an investigation into Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana. This investigation began due to multiple complaints to the Winfield Police Department that Jade Massage parlor was providing sexual services to its customers in exchange for money. Chief Ball of the Winfield Police Department advised the complaints received were anonymous tips. I believe Chief Ball to be truthful and credible because he spoke of facts within his knowledge. He also advised of a tip from Randy, the building inspector for the Town of Winfield who he believes to be truthful and credible because he spoke of facts within his knowledge. Chief Ball advised that the building inspector advised that a bag of condoms was located in the draining system at the building where Jade Massage parlor is located. Chief Ball further advised that the building inspector advised that the registered owners of Jade Massage parlor are Wujiao Liu and Guan Yu, who are married and operate the business together.

I contacted Detective Benjamin Moyars of the Battle Ground, Indiana Police Department. I believe Detective Moyars to be truthful and credible because he spoke of facts within his knowledge. I contacted him because he is the Co-Chair of the Indiana Protection for Abused and Trafficked Humans Law Enforcement Task Force, and was aware that he has previously conducted massage parlor investigations. Detective Moyars agreed to assist me with this investigation and serve as the undercover officer for the investigation to determine if prostitution was occurring at Jade Massage parlor. Detective Moyars is also fluent in Mandarin and served as a translator during several subsequent interviews during the investigation. Detective Moyars advised that his expertise is in human trafficking investigations, prostitution investigations, and investigations involving Chinese nationals. He advised that he has served as an expert witness for Chinese business culture. He further advised he is familiar with Chinese culture, and lived in Beijing for over four years where he worked as a trade consultant. He advised that he has been an officer in America since 2018.

On March 3, 2023, Detective Moyars assisted me in an undercover operation at Jade Massage parlor. I also had occasion to review his report as it related to this undercover operation, which I believe to be truthful and credible because it was prepared in the ordinary course of business and referred to facts within his knowledge. Detective Moyars reported he was provided \$100 in U.S. currency to function as buy money for sexual services. Detective Moyars advised he was then transported by Corporal Stroup of the Winfield Police Department to Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana. Detective Moyars reported he entered the business and that upon stepping inside, an Asian female appeared and greeted him. He reported the inner area of the business that he could see was very dimly lit. Detective Moyars reported that the female asked him what he wanted. Detective Moyars reported he told her that he would like a 30-minute massage. Detective Moyars reported that the female told him the price was \$45. Detective Moyars reported he gave her three \$20 bills of buy money, and she provided him with \$15 in change. He reported that the female then escorted him to a nearby massage room.

Detective Moyars reported he entered the massage room, removed his clothing, and laid face down on the only massage table in the room. He reported the female entered the room. Detective Moyars reported the female began rubbing his back and arms for a brief time, before switching to rubbing his buttocks. Detective Moyars reported that her hands frequently rubbed the area between his buttocks, and she would make a slight moaning sound as she did so. Detective Moyars reported that the female asked Detective Moyars if he liked it, and that Detective Moyars told her yes. Detective Moyars reported he asked the Asian female what her name was, and she told him it was "Kim." Detective Moyars reported that "Kim" told him that she was from China, and that it appeared "Kim" could only speak limited English. Detective Moyars reported he asked "Kim" if today was busy, and she told him "so busy." Detective Moyars reported that after "Kim" massaged his back, she used a towel to wipe off the oil and told Detective Moyars to turn over, which he did. Detective Moyars reported that after he turned over onto his back as directed, she left his genitals uncovered. Detective Moyars

reported that "Kim" touched his penis and asked him if he liked it. Detective Moyars reported he then asked "Kim" "how much," and she stated "up to you." Detective Moyars reported he told her it was up to "Kim," and she said "\$60." Detective Moyars reported he countered with \$40, to which "Kim" agreed. Detective Moyars reported that "Kim" then began fondling his penis similar to masturbation, but that he did not ejaculate. Detective Moyars reported he asked "Kim" how much to use her mouth, and that "Kim" said \$100 while pointing at her mouth. Detective Moyars reported he asked how much full sex would cost, and "Kim" said, "first bring money." Detective Moyars reported he then told her that it was okay to stop for today, and assured her he would still give her the \$40 tip. Detective Moyars reported he told "Kim" that next time he would like "four hands," and that he knew that the term "four hands" referred to receiving service from two girls at the same time. Detective Moyars reported that "Kim" stated that there is another girl that can do this with her. Detective Moyars reported he asked "Kim" if he should call ahead if he wanted "four hands," and "Kim" said yes. Detective Moyars reported that he asked "Kim" how much money he should bring, and she said \$45 for each girl for the massage, and \$40 for each girl for "this" while pointing at his penis with her hand. Detective Moyars reported he then stood up and retrieved \$40 in the form of two \$20 bills of buy money out of his pants pocket and gave it to "Kim." Detective Moyars reported that while doing so, he also gave "Kim" the \$15 in change she provided to him earlier when he paid for the massage fee. Detective Moyars reported he then exited the business.

Detective Moyars was able to conduct another undercover operation at Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana on April 13, 2023. Detective Moyars reported that he was provided with \$180 dollars in buy money by the Winfield Police Department. On this occasion, I transported Detective Moyars to Jade Massage parlor in an unmarked police vehicle and observed him enter the business. Detective Moyars reported that he was greeted by "Kim" from the March 3, 2023 undercover operation. Detective Moyars reported that "Kim" asked him what he wanted, and that he requested a 30 minute massage. Detective Moyars reported that "Kim" was "flirty" when she greeted him and that she hugged him before escorting him to a massage room. Detective Moyars reported that "Kim" stated the price for the massage was \$45 dollars and that he gave her \$60 in buy money, receiving \$15 in change from her. Detective Moyars reported that he removed his clothing and laid on the massage table. Detective Moyars reported that "Kim" conducted the massage in the same manner as the March 3 operation and that Kim frequently rubbed his buttocks and asked if he liked it. Detective Moyars reported that he told her "yes" in an attempt to indicate that he would be interested in being propositioned for illegal sexual services. Detective Moyars reported that "Kim" used a towel to wipe oil off from the massage and told him to turn over, which he did. Detective Moyars reported that "Kim" touched his penis and asked "you want?" while making an up and down motion with her hand as if she was mimicking masturbation. Detective Moyars reported that he told her "yes" and asked "Kim" if "four hands" was available. Detective Moyars reported that "Kim" said yes, left the room, and then returned shortly thereafter with another Asian female. Detective Moyars reported that he became aware the other female's name was "Sophie." Detective Moyars reported that "Sophie" appeared to not speak English, and that "Kim" would sometimes translate Detective Moyars's words into Mandarin for "Sophie." Detective Moyars reported that "Kim" stood next to the massage table on Detective Moyars's right side, and "Sophie" stood on the left side. Detective Moyars reported that he asked "Kim" how much and moved his hand up and down as if to mimic masturbation. Detective Moyars reported that "Kim" said "up to you," to which he said that it was up to her, and that "Kim" said it would be \$60. Detective Moyars reported that he countered with \$40 and "Kim" agreed. Detective Moyars reported that "Kim" then clarified it would be \$40 for each girl and an additional \$45 massage fee for "Sophie." Detective Moyars reported that he agreed to the terms and that "Kim" and "Sophie" then began rubbing oil on Detective Moyars's body. Detective Moyars reported that "Kim" and "Sophie" began fondling his penis with their hands using an up and down motion similar to masturbation. Detective Moyars reported he then told "Kim" that they could stop, that he had to tell "Kim" to stop several times, and that "Kim" translated this to "Sophie." Detective Moyars reported he then stood up and retrieved \$125 of the buy money and gave it to "Kim" as the agreed upon tip for the sexual services from both females. Detective Moyars reported he then got dressed and exited the business.

Detective Moyars reported that he was able to conduct another undercover operation at Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana, on June 22, 2023. He reported that he was provided \$120 in buy money by the Winfield Police Department. I dropped him off at Jade Massage parlor. Detective Moyars reported that he was again greeted by "Kim." Detective Moyars reported he told "Kim" he would like a 30 minute massage, and "Kim" stated the price was \$45, which he provided to "Kim." Detective Moyars reported Kim was "flirty," hugged him, and took him to the massage room. Detective Moyars reported that in the massage room, he removed his clothing and laid on the massage table. Detective Moyars reported that "Kim" began massaging him, and stated to him that she wanted him to climax on this occasion. Detective Moyars reported that during the massage, "Kim" stated that she was not the "boss" of the business and that she gets to retire from the business in ten years. Detective Moyars reported that "Kim" told him to turn over, and that she then touched his penis and stated "Okay?" while making an up and down motion similar to masturbation. Detective Moyars reported that he asked "Kim" if \$60 was okay. Detective Moyars reported that "Kim" stated "okay." Detective Moyars reported that "Kim" began fondling his penis in a manner that was masturbation. Detective Moyars reported that he told "Kim" that she could stop, which "Kim" did. Detective Moyars reported that he retrieved \$60 from the buy money and gave it to "Kim" before leaving the business.

Detective Moyars reported that he was able to conduct another undercover operation, also on June 22, 2023, but this time at Relax Massage parlor at 1451 Summit Street in Crown Point, Lake County, Indiana. I know through this investigation (explained below) that Relax Massage parlor is owned and operated by the same individuals who own Jade Massage parlor, Wujiao Liu and Guan Yu. Detective Moyars reported that he was provided \$120 in buy money from the

Winfield Police Department. I transported Detective Moyars to Relax Massage in Crown Point in an undercover vehicle. Detective Moyars reported that he entered Relax Massage and was greeted by an Asian female that gave him a hug and stated "hi honey." Detective Moyars reported that the female identified herself as "Anna." Detective Moyars reported that "Anna" asked what he wanted, and he stated that he wanted a 30-minute massage. Detective Moyars reported that "Anna" stated the price was \$45, which he provided her from the buy money. Detective Moyars reported that "Anna" escorted him to a nearby massage room. Detective Moyars reported that once in the room, he removed his clothing and laid down on the massage table. Detective Moyars reported that "Anna" began massaging him and that at one point, she pressed her groin area into the top of his head. Detective Moyars reported that based on his training and experience in similar undercover roles, that he knew this action to be associated with massage parlor workers to convey to a customer that sexual services are available. Detective Moyars reported that "Anna" asked him if he liked this. Detective Moyars reported that while "Anna" was massaging him, "Anna" stated that she was from Wisconsin and was new to this location. Detective Moyars reported that her English appeared limited and that she often gave one-word answers. Detective Moyars reported that after the massage, "Anna" told him to turn over and that she then touched his penis and began to move her hand up and down on his penis in a manner similar to masturbation. Detective Moyars reported that "Anna" paused and asked him if he wanted this. Detective Moyars reported he asked "Anna" "how much?" and she whispered "\$100." Detective Moyars reported that he told "Anna" he didn't have that much money. Detective Moyars reported that he showed "Anna" he did not have the full \$100, and that "Anna" stated that it was okay and attempted to pull down Moyars's underwear, which he had just put back on. Detective Moyars reported he told "Anna" that he would go get more money and come back, and that "Anna" appeared upset by this and kept repeating "it's okay" while motioning him to come back to the table. Detective Moyars reported he told "Anna" he would give her \$55 in remaining buy money. Detective Moyars reported he gave "Anna" the \$55 in buy money, which "Anna" accepted. Detective Moyars reported he then dressed and left the business.

I would note that this last referenced undercover operation demonstrates that a second, distinct massage parlor that I know to be owned and operated by Wujiao Liu and Guan Yu engaging in sexual services from completely separate female individuals. I would further note that all of the undercover operations occurred over an extended period from early March 2023 through late June 2023. I would further note that these undercover operations involved three separate females: "Kim," "Anna," and "Sophie." Given the pattern of illegal activity across multiple businesses involving multiple females, characteristics and statements resembling what I have come to recognize as indicative of prostitution and human trafficking, I suspected that the owners of the businesses were complicit in the illegal activity occurring in the businesses and were likely profiting from the cash proceeds at the business (explained further below).

During the course of my investigation, I became aware through Senior Tax Auditor Carole Bucholz of the Indiana Department of Revenue that Wujiao Liu and Guan Yu are the owners and associates of at least four businesses in the Crown Point and Winfield area. I believe Carole Bucholz to be truthful and credible because she spoke of facts within her knowledge. She was able to identify these businesses as: (1) Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana; (2) Relax Massage parlor at 1451 East Summit Street in Crown Point, Lake County, Indiana; (3) Yamato KJ restaurant at 10819 Randolph Street in Winfield, Lake County, Indiana, and (4) Sakura KJ restaurant at 204 South Main Street in Crown Point, Lake County, Indiana.

During the course of my investigation, I had occasion to speak with Investigator Kevin Dziepak of the Indiana Gaming Commission. I believe Investigator Dziepak to be truthful and credible because he spoke of facts within his knowledge. Investigator Dziepak advised me that Wujiao Liu frequents the Hard Rock Casino in Gary, Lake County, Indiana and conducts significant financial activity there. He advised that she always leaves the casino with uncashed casino chips. I know through my training and experience that casino chips are the equivalent of cash money and can be returned or cashed in at the casino at any point by any bearer in exchange for cash. I also know through my training and experience that casinos are routinely used as a method to launder money and disguise the source of income, and can be used to collect and filter cash and casino chips to distribute to others without reporting it as taxable income. I also know through my training and experience that casinos can be used to (1) launder money by using currency gained through illegal means (such as cash obtained from illegal prostitution or human trafficking) to purchase casino chips, (2) to spend time in the casino conducting limited and pretextual gambling activity in order to disguise cash income as gambling winnings or losses, and (3) to leave the casino with chips altogether so that others may return to claim them in lesser denominations and without the cash being taxed. Investigator Dziepak advised me that Wujiao Liu has been regularly observed through surveillance footage and facial recognition at the casino. He advised the surveillance team then monitors Wujiao Liu the entire time she is on property. He advised Wujiao Liu frequents the Hard Rock Casino routinely, often twice a day: once in the morning, and then again in the evening. Due to the undercover operations conducted at Jade Massage parlor and Relax Massage parlor by Detective Moyars, I know that Wujiao Liu's and Guan Yu's businesses are taking in illegally obtained cash from prostitution activities. It is further my belief in the context of the investigation (explained below) that the cash for sexual activities is not being reported as income due to it being gained through illegal means or to simply avoid paying taxes on the income.

During the course of my investigation, Investigator Dziepak prepared a report documenting the casino activity of Wujiao Liu at the Hard Rock Casino in Gary, Lake County, Indiana. I believe that report to be truthful and credible because it was prepared in the ordinary course of business and referred to facts within his knowledge. He reported that the casino is able to use Wujiao Liu's "player's card" to track her specific gambling activity at the casino. He advised this player's card is used as part of the casino's loyalty program and is presented to dealers and gaming machines when one engages in gambling

activity. He further advised that if a patron is known to the casino but does not use a player's card, that the casino staff will nonetheless monitor the known patron's activity. He advised that the casino records the amounts of buy-ins, amounts wagered, game type, and duration of play. He advised me that in 2023 and up until July 24, 2023 (or during the time frame of the undercover prostitution operations occurring at Wujiao Liu's and Guan Yu's businesses), Wujiao Liu visited the Hard Rock Casino 132 times and recorded a cash buy-in at the casino of \$574,495. He advised that during this time in 2023, Wujiao Liu recorded slot machine losses of only \$613, won only \$1,251, and redeemed \$364,145 in chips. Given that Wujiao Liu is reported to routinely leave the casino with chips, this leaves roughly \$210,000 in cash that has neither been lost at the casino nor cashed in by Wujiao Liu in 2023. Furthermore, Investigator Dziepak also reported that in 2022, Wujiao Liu visited the Hard Rock Casino 147 times, recorded a cash buy-in of \$643,365, slot machine losses of only \$174.50, a play loss of \$27,748, and a recorded chip redemption of \$407,855. He further reported that in 2021, Wujiao Liu visited the Hard Rock Casino 98 times (the casino opened in May of 2021), recorded a cash buy-in of \$374,770, \$0 in slot-play loss, a recorded play loss of \$53,079, and a chip redemption of \$147,760. In all three years, there appears to be a pattern of extremely large cash buy-ins of hundreds of thousands of dollars, a comparatively small amount of losses, and then redemptions in hundreds of thousands of dollars less than the reported cash buy-ins. Given that Wujiao Liu is reported to routinely leave the casino with casino chips and is one of two owners of multiple business that receive income from illegal prostitution, I suspected that that Wujiao Liu was both using the casino to transport and launder the illegally gotten cash proceeds and under reporting the businesses incomes generally. Under the Indiana Code, money laundering occurs when a person knowingly or intentionally acquires or maintains an interest in, receives, conceals, possesses, transfers, or transports the proceeds of criminal activity. Given further context below, I believe Wujiao Liu's activity at the Hard Rock casino demonstrates she is laundering the proceeds of criminal activity.

As previously indicated, I had occasion to consult with the Senior Tax Auditor Carole Bucholz of the Indiana Department of Revenue. I believe her to be truthful and credible because she spoke of facts within her knowledge. She advised that Guan Yu and Wujiao Liu were identified as the owners, associates, presidents, and vice presidents of these businesses through tax records and business licenses, and that she believed these records to be truthful and credible because they were prepared in the ordinary course of business. She advised me that there were signs of tax evasion and corrupt business influence when she reviewed what Jade Massage parlor and their other associated businesses of Relax Massage parlor, Yamato KJ restaurant, and Sakura KJ restaurant are reporting for their income with credit card and cash sales. She advised that in her experience in investigating financial crimes with restaurants like Sakura KJ and Yamato KJ, there should invariably be more cash sales than what they are reporting (described below). She further stated that Jade Massage parlor and Relax Massage parlor are not even licensed for sales tax, and they are not reporting what they are taking in for sales tax from cash and credit sales. Both Carole Bucholz and Rick Albrecht of the Indiana Department of Revenue (who I also believe to be truthful and credible because he spoke of facts within his knowledge) advised that all persons that furnish rooms or spaces used for adult relaxation, massage, modeling, dancing, or other entertainment must register with the Indiana Department of Revenue to be a registered retail merchant and must collect and remit sales tax, and that neither business has done so and that sales tax is due each month. She advised that Wujiao Liu, the registered president of Relax Massage parlor, failed to register Relax Massage for a Registered Retail Merchant Certificate for the business. She similarly advised that Wujiao Liu is the registered president of Jade Massage and failed to do the same for Jade Massage. I am also aware that Jade Massage Parlor has been operating and conducting business since at least January 1, 2019 per Tammi Travis, a town of Winfield building inspector who I believe to be truthful and credible because she spoke of facts within her knowledge. I am also aware that Relax Massage has been operating and conducting business in Crown Point since at least January 1, 2019 per Alex Kutanovski, city attorney for Crown Point, Indiana and whom I believe to be truthful and credible because he spoke of facts within his knowledge.

As to Yamato KJ restaurant in Winfield, Carole Bucholz advised that Guan Yu is the registered agent, incorporator, and president since 2019. She advised that for the fiscal year between October 1, 2021 and September 30, 2022, Yamato KJ had gross receipts of sale of \$377,203 and a reported cost of goods of \$161,606. She advised through her training and experience, this was an extremely low ratio of 2.33 to 1, which is low for a sushi restaurant. She advised that a sushi restaurant should typically have an income/cost ratio of 4.0 or higher, and that the sales to practically remain in business for a sushi restaurant should be closer to the range of \$646,000. She further advised that Yamato KJ had \$0 in reported cash sales, and that restaurants are typically cash-intensive businesses that receive 25% to 60% of their income in the form of cash deposits. She advised that the business should have anticipated cash deposits of \$132,700. I would note that the reported amount is not only far from \$132,700, but \$0. She further advised that tax records for the business for the same time period indicate that the average hourly sales per month for the business given their reported income is \$115.67, which she advised through her training and experience is an extremely small amount for a restaurant to remain in business. She advised she believes this shows that Yamato KJ under reported the amount of cash sales they are receiving for this period, which is a failure to remit sales tax.

As to Sakura KJ restaurant in Crown Point, Carole Bucholz advised that Guan Yu is the registered agent and that Wujiao Liu is the vice president. She advised that for the fiscal year of March 1, 2022 through February 28, 2023, Sakura KJ reported gross receipts of \$717,556 and a reported cost of goods as \$328,725. She advised through her training and experience, that this is an extremely low ratio of 2.18 to 1, which is low for a sushi restaurant. She advised that a sushi restaurant should typically have an income/cost ratio of 4.0 or higher, and that the sales to practically remain in business should be closer to the range of \$1,314,900. She similarly advised that Sakura KJ had \$0 in reported cash sales, and that restaurants are cash intensive businesses that have 25% to 60% of their income in the form of cash deposits. She advised

that Sakura KJ should have anticipated cash deposits in the range of \$266,600. I would note that the amount reported is not only far from \$266,600, but \$0. She advised she believed this was evidence that Sakura under reported the amount of cash sales they are receiving, which is a failure to remit sales tax.

As to all of these businesses and for tax purposes, Carole Bucholz was also provided warrant returns that I obtained from Centier Bank, American Community Bank, and Chase Bank belonging to the listed bank accounts that she advised were on record with the Indiana Department of Revenue and relating to the businesses and referenced fiscal periods for the restaurants and massage parlors. I obtained warrants for those bank account records through Lake Superior Court. I believe those records to be truthful and credible because they were prepared in the ordinary course of business. She advised that based on those banking records for the businesses, there was not substantial money in those accounts that one should see compared to the cost of business to run a restaurant, and that the amounts were too low to realistically sustain a restaurant business. She further advised that the credit card deposit amounts that they were reporting from the restaurants were not being reflected as deposited into their listed bank accounts. I was able to view the amounts generally maintained in these accounts, and they ranged from only \$800 to \$3000. I believe this tends to show that the businesses are likely supplementing their income with unreported cash and/or cash obtained from illegal prostitution at the massage parlor, in addition to not reporting cash sales at any of the restaurants and not even registered the massage parlors for sales tax.

In totality, the four businesses have extended date ranges of \$0 in cash income (including \$0 in reported sales from the two massage parlors), which I believe in my law enforcement experience, other evidence obtained during this investigation, and in consultation with state financial agents and senior tax auditors to be false and impossible.

Rick Albrecht of the Indiana Department of Revenue further advised that the titles of presidents and vice presidents are the individuals liable for tax purposes. Additionally and in the context of the investigation, I believe the evidence shows that Wujiao Liu and Guan Yu act and function in practice as equal accomplices as to tax-related and other crimes related to their businesses (described further below).

During the course of my investigation, repeated physical surveillance was conducted on the four businesses and its associates, particularly on Guan Yu and Wujiao Liu ranging back to May 9, 2023 and continuing through November 1, 2023. During this period, I had occasion to speak to Cpl. Stroup of the Winfield Police Department. I believe him to be truthful and credible because he spoke of facts within his knowledge. He advised that during this period, he has observed a white Porsche Cayenne registered to Guan Yu as verified through BMV records that I believe to be truthful and credible because they were prepared in the ordinary course of business. Cpl. Stroup advised that he has observed Wujiao Liu exit Jade Massage with what appeared to a banker's bag, get into the driver seat of the Porsche, and leave the area. It is my belief that this is evidence of Wujiao Liu is retrieving cash generated from Jade Massage (corroborated by witnesses, below). Similarly, Cpl. Stroup advised that on May 11, 2023, he observed an unknown Asian female approach Wujiao Liu's vehicle and put what appeared to be a brown paper bag into the trunk of the vehicle at parking lot the Hard Rock Casino in Gary, Lake County, Indiana. Cpl. Stroup advised that he spoke to Sgt. Garpow of the Winfield Police Department, who was conducting surveillance of Wujiao Liu from the casino floor of the Hard Rock Casino, and who he believes to be truthful and credible because he spoke of facts within his knowledge. Cpl. Stroup advised that Sgt. Garpow stated he witnessed Wujiao Liu leave the casino to go to the same vehicle, retrieve the brown paper bag from the trunk, and then reenter the casino, whereupon she went into the bathroom with another unknown female with the bag. Cpl. Stroup advised that Sgt. Garpow stated that both Wujiao Liu and the second unknown female exited the bathroom, and he observed both of them taking cash from the bag.

During the course of my investigation, I was able to identify Guan Yu and Wujiao Liu. This was done by obtaining their identities from their business permits with the Town of Winfield, which I believe to be truthful and credible because they were prepared in the ordinary course of business. I ran this information through the Indiana Bureau of Motor Vehicles, and obtained their photos from the BMV, the records of which I believe to be truthful and credible because they were prepared in the ordinary course of business. The photos of them are of the same individuals that were observed during the physical surveillance. Furthermore, I have personally witnessed Guan Yu present at Yamato KJ and Wujiao Liu at Sakura KJ. During the course of my investigation, I was also able to conduct extensive surveillance of 634 East 113th Place in Crown Point, Lake County, Indiana. This is the residence of Wujiao Liu and Guan Yu as determined by tax records that I believe to be truthful and credible because they were prepared in the ordinary course of business. I also observed on numerous occasions Wujiao Liu and Guan Yu to leave and arrive at the residence after leaving Jade Massage, Relax Massage, Sakura KJ, and Yamato KJ and bringing what is believed to be cash to the residence in banker's bags.

During the course of my investigation, I applied for and obtained search warrants from Lake Superior Court for: (1) Jade Massage parlor at 9001 East 109th Avenue in Winfield, Lake County, Indiana; (2) Relax Massage parlor at 1451 Summit Street in Crown Point, Lake County, Indiana; (3) Yamato KJ restaurant at 10819 Randolph Street in Crown Point, Lake County, Indiana, (4) Sakura KJ restaurant at 204 South Main Street in Crown Point, Lake County, Indiana, and (5) the residence of 634 East 113th Place in Crown Point, Lake County, Indiana. These warrants were all executed on November 1, 2023. Wujiao Liu was taken into custody at the residence during the warrant execution. Guan Yu was arrested at 109<sup>th</sup> Avenue and Delaware Parkway in Crown Point, Lake County, Indiana during a traffic stop by Officer Dinterman Crown

Point Police Department immediately prior to the warrant execution. I believe Officer Dinterman to be truthful and credible because he spoke of facts within his knowledge. When he was arrested, he was in physical possession of \$4,345 in cash.

During the course of my investigation, I had occasion to speak to Officer Vaughan of the Crown Point Police Department. I believe him to be truthful and credible because he spoke of facts within his knowledge. He advised that when Wujiao Liu was arrested at 634 East 113th Place, she was placed in the backseat of his squad car for transportation. He advised that Wujiao Liu was kicking in the backseat of his squad car and spit at him. He advised that the spit hit his shoulder, and that he was assisting in the warrant execution when this occurred.

Detective Moyars advised that he was present during the warrant execution at Jade Massage parlor and was able to view the premises in addition to having previously been there. He advised that Jade Massage parlor resembled massage parlors from every prostitution and human trafficking-based investigation he has conducted. He advised of the run-down nature of the business that does not resemble any standard or legitimate massage business. Specifically, he advised the layout of the rooms involves a break room with personal belongings and effects that demonstrated that the employees actively lived and resided at the parlor despite the location not being a residence. He advised that in the break room directly behind the front counter was a kitchen that appeared to have been actively used and cooked on. He advised the freezer was full of raw meat and frozen produce that would have to be prepared, indicating that the female employees are actively living and staying there. He advised directly next to the kitchen and in the cooking area were numerous articles of clothing and a futon that appeared to have been actively used to sleep on overnight and function as an extremely small living quarters. He advised the futon was directly next to a washing and drying machine. He advised that an owner that visited the business would have to view this area when visiting the business and would be aware the employees were residing there. He further advised that there were three separate massage areas and rooms, and that one of the massage rooms also appeared to function as a residence for one of the employees. He also advised screwed into the wall was a cardboard sign that said "cash tips only." I was also able to view these premises. During the course of my investigation, I also spoke to Sgt. Garpow of the Winfield Police Department, who was present at the warrant execution at Relax Massage in Crown Point. I believe him to be truthful and credible because he spoke of facts within his knowledge. He described of a nearly identical arrangement of the premises and that it appeared the female employees were living there. I would note that neither location is a legal residence. Sgt. Garpow also advised that there was a sign posted at Relax Massage Parlor that stated: "Therapist should stick to the work principle. Don't practice the therapy as porn or you will have the consequence."

During the course of my investigation, Detective Moyars advised in his experience with human trafficking and prostitution investigations, owners pay the female employees so little that they are effectively forced to perform sexual services in the hopes of cash tips to support themselves and that the owners of the massage parlors will declare "cash tips" only while also putting up signs up essentially declaring only "legitimate massages" can occur in what he knows to be a thinly-veiled attempt for the owners to distance themselves from the prostitution activity that they otherwise know is occurring (i.e., "cash tips only" right next to a sign that says "don't practice therapy as porn or you will have the consequence").

During the warrant execution at Jade, Victim #1 and Victim #2 were present at the location. Detective Moyars advised he recognized them respectively as "Sophie" and "Kim" from the undercover operations. During the warrant execution at Relax Massage, Victim # 3 and Victim # 4 were present at the location. Detective Moyars advised that these appeared to be new female employees, and he did not recognize them.

From Jade Massage parlor, a total of \$15,343.82 in cash was recovered throughout the business. \$12,000 of the cash was in a tote in the kitchen/living area and was wrapped in paper towel inside of the kitchen area next to a washer and dryer. \$2300 of that cash was located in one of the massage rooms. Additionally, multiple condoms were located throughout the business.

From Relax Massage parlor, a total of \$182.20 in cash was recovered from the business. A condom was also located on the premises.

From Sakura KJ, a total of \$461.99 was located among the business's registers. This demonstrates that the business takes in cash.

From Yamato KJ, a total of \$2,932.11 was located among the business's registers. This demonstrates that the business takes in cash.

From the residence of 634 East 113th Place, the following items were recovered during the warrant execution: A total of \$70,864.25 in cash was recovered throughout the residence. Of specific note: \$40,000 was found in sealed Centier Bank envelope in a safe in the master bedroom closet. \$10,000 and \$13,000 in cash was found separated in a master closet, the \$13,000 being in a tote and the \$10,000 in a jacket pocket. \$1,202 in cash was recovered from a purse in a spare bedroom. \$2,320.75 was recovered from a purse in a bedroom closet. Additionally, exhaustive handwritten paperwork that resembled bookkeeping ledgers and financial ledgers were located in the residence, many of which were handwritten on scratch paper and paper towels in Mandarin. Detective Moyars advised that this ledger paperwork showed monthly

breakdowns per day of profit collected per employee from Jade Massage parlor, among other financial transactions. He advised that these ledgers contained amounts related to cash income and distinguished between cash and credit card payments. These records amounted to hundreds of pages and accounted for hundreds of dates of financial reporting. Detective Moyars further advised that the ledgers appeared to show listed financial transactions indicating daily profits from each employee in addition to \$10 in rent per day for employees to live at the business (referenced below). Detective Moyars further advised that it is extremely common in human trafficking, massage parlor, and prostitution investigations involving Chinese nationals to maintain these types of ledgers to track business activity. I believe these ledgers demonstrate that that Wujiao Liu and Guan Yu are aware of cash and credit proceeds from their businesses that they are not reporting as income, and are being forwarded to the Indiana Department of Revenue for further analysis.

During the course of my investigation, I had occasion to interview Victim #1 with Detective Moyars serving as a translator. Victim #1 was located at Jade Massage parlor during the warrant execution. Detective Moyars advised me that he recognized this female to be "Sophie" from the April 13, 2023 Jade Massage parlor operation. He further advised that during the warrant execution, she identified herself under the new alias of "Cherry." I believe Victim #1 to be truthful and credible because she spoke of facts within her knowledge. She was advised of her constitutional rights and agreed to speak. She advised that she is from China and came to the U.S. approximately five years ago because "America was great." She advised she originally stayed in Chicago. She advised that she thought that we were in Indiana, but she could not name the city she was in. She advised that she found employment at Jade Massage parlor through a Chinese phone application. She advised that prior to working at the location, she had never performed massages nor had training for massages. She said that she primarily cleans the massage parlor, though she does partake in couples massages and performs massages when other masseuses are busy. She identified a photograph of Wujiao Liu as the "boss" of the business and a photo of Guan Yu as the "boss man." She advised that Wujiao Liu comes to the business on average of once a month to pick up proceeds from the business. She further advised that Guan Yu also frequents the business on occasion to drop off supplies such as water. She advised that customers pay in both cash and credit cards, and that no one form of payment dominates the other. She advised a half hour massage costs \$45 and that she gets to keep \$20 and the "boss" gets \$25. She further advised that she lives at Jade Massage parlor, which I would note is not a residence, but a business. She advised at the massage parlor, it is only her and another female. She advised that there was an incident approximately one year ago where a male in the business impersonated an officer and demanded money, but that she was unaware of how to contact the police (the relevance explained below).

Detective Moyars advised that he was able to interview Victim # 2 who was present at Jade Massage parlor during the warrant execution, and who he knew as "Kim." He advised that he found her to be truthful and credible because she spoke of facts within her knowledge. He advised she now introduced herself as "Lisa." He advised she was advised of her constitutional rights and agreed to speak. He advised that "Lisa" advised of a similar story to Victim #1 of a male entering the business and impersonating a police officer approximately one year ago. He advised she began crying during the interview and stated that she was not allowed to call the police because Wujiao Liu and Guan Yu would not allow her to call the police. He advised that she stated that Wujiao Liu and Guan Yu saw this incident on the business's camera, and that "they" would not help her because "they" did not want to be involved. He advised that she stated that she also lived at Relax Massage parlor with "Sophie." He advised that she stated that every two or three days either Wujiao Liu or Guan Yu will come to pick up money, on occasion stretching the pickups to two or more weeks. He advised that she stated that she works seven days a week, twelve hours per day. He advised that she stated that the "boss" does not let the employees take time off. He advised that she stated that she is paid \$1000 to \$1200 per month with a ten dollar per day rental fee deducted from her payments. I would note that this translates to approximately \$12,000 per year minus approximately \$3650 in rental fees, which is significantly below most recognized poverty levels. He advised that she further advised of a mandatory \$50 cash payment the owners require to be paid per month for a reason she does not know because the owners will not tell her. He advised that she stated that she was working at the location with no car or transportation, and that if she wanted to leave she would be reliant on the owners to help her and would have nowhere to go. He advised that in terms of her payment, that she believed that she was making more than the US minimum wage. She advised that no girls want to be working there and that she would be embarrassed to tell her family that she works there, but that she has to make money, and that the only way to make enough money to live is through tips from sexual services.

In the context of his expertise in human sexual trafficking investigations and Chinese culture, and specifically Chinese-owned massage parlors, Detective Moyars advised he believes this to speak to the precise coercive and predatory nature of the owners and sexual/labor traffickers in that the owners are providing an extremely low wage to effectively coerce, force, and manipulate the victims into relying on sexual services through cash tips to have a legitimately livable income, which is often forwarded to the victims' relatives in China and elsewhere. He advised this occurs all while the owners are able to collect most of the income and keep it for themselves, and while the victims have no readily, practical, or realistic alternative to lead another lifestyle or relocate, becoming dependent on the owners. Detective Moyars further advised (and given my investigation, I concur) that based on the condition of the premises at Jade Massage parlor and Relax Massage parlor, and given the victim statements and evidence recovered and referenced below and throughout, that Wujiao Liu and Guan Yu are aware of this arrangement and are fully aware that prostitution is occurring at their businesses and that they are receiving income from it, and that the payment structure and conditions they provide the employees are akin to what American culture would recognize as pimps insofar as they collect substantial proceeds from the transactions while taxing the victims to live in uninhabitable accommodations, effectively and knowingly subjecting the victims to a lifestyle of prostitution and sexual conduct with little viable alternative.

Detective Moyars advised that he was able to interview Victim #3, who was located at Relax Massage parlor. He advised that he believed her to be truthful and credible in part because she spoke of facts within her knowledge. He advised that she stated she goes by "Coco" and "Wendy." He advised that she stated that Wujiao Liu and Guan Yu have issues with providing consistent paychecks to the employees, but denied conducting any sex acts being conducted at the business.

Detective Moyars advised he was able to interview Victim #4, who was located at Relax Massage parlor. He advised he believed her to be truthful and credible because she spoke of facts within her knowledge. He advised that she stated that she had only worked at the location for a month and had replaced "Anna," who Detective Moyars advised previously engaged in prostitution during the undercover operation at Relax Massage on June 22, 2023. She said that she worked there with Victim #3 and that the two trade customers. She said that she has to take care of her family in China and that she sends the money she makes to them. She advised that Wujiao Liu and Guan Yu send an employee from one of their restaurants to retrieve cash and payments from the massage parlor.

During the course of my investigation, I had occasion to interview Wujiao Liu, identified by her own admission. She was advised of her constitutional rights and agreed to speak. She advised she has been married to Guan Yu for approximately fifteen years and owns Sakura KJ, before clarifying that her marriage to Guan Yu is not formal. She advised she moved to the United States from China in 2001 and has lived in Indiana since 2006. She advised that she co-owns Yamato KJ with Guan Yu. I asked her if she owned any other businesses, and she initially did not volunteer that she owned any massage parlors until confronted with the possibility of owning them, admitting that she owned Jade Massage since at least 2019 and Relax Massage since at least 2018. She indicated that in practice she runs all the businesses with Guan Yu. I asked how she hires the employees at Jade Massage and Relax Massage and she advised that she gets them from Chicago. I asked her where the female employees live and she advised sometimes they stay in Chicago and sometimes they will live in the massage parlors. She advised she picks up money once a month from the massage parlor in a banker bag (confirming the physical surveillance that the bankers bags I observe her with contain cash from the businesses). She generally denied knowledge of any sexual services at the massage parlors and anytime she was confronted with tax reporting issues, she would declare that we would have to talk to her husband about it. I advised her that over the past year, law enforcement conducted multiple undercover prostitution operations at both of the massage parlors. I asked her how payment was accepted for massages, and she advised cash and card. I confronted her about the large volume of cash at the casino, specifically buying in for approximately \$573,000 at the casino in 2023 alone. She claimed that she simply gambles. She further claimed that she makes approximately \$6,000 to \$7,000 a month that she pays herself with from Sakura (or at most \$84,000 a year, a far cry from \$573,000 at the Hard Rock casino in 2023 alone). I advised that I have been monitoring her casino activity for approximately one year, and that I know her to buy in for cash and then leave the casino with chips, and that she returns to the casino and buys in with cash again. She at first denied doing that, before I advised her that the casino tracks her activity, upon which she did not respond. She then admitted to passing the casino chips out to others. I asked her if any of the female employees at the massage parlor wanted to go anywhere what would they do, and she advised they have no car. She advised that when the girls go to Chicago, a driver takes them. I asked her why she is failing to report cash sales at the restaurants and register to collect sales taxes with the Indiana Department of Revenue, and she claimed she had no idea and that I should ask Guan Yu.

During the course of my investigation, I had occasion to interview Guan Yu as identified by his own admission and while using Detective Moyars as a translator. He was advised of his constitutional rights and agreed to speak. He advised that he owns Yamato KJ, Sakura KJ, and Jade Massage. He advised that a company called EZ-Accounting handles taxes for their business. He advised that he is originally from China. I asked him how he hires his employees that work in the massage parlors, and he states that he hires them from a website, but did not provide what website it was. He advised that he goes to Jade Massage every two days to check on things. He advised the employees get their own training for massages. He denied that any of the girls live or stay at Jade Massage, which is apparently false. He advised the girls are paid hourly (which I know from the interviewed victims to be inaccurate). He generally denied knowledge of all sexual activity and illegality and avoidance of paying taxes, denying wrongdoing when questioned about any aspect of the investigation and without any particular elaboration.

It is apparent that multiple employees of Jade Massage parlor and Relax Massage parlor are actively engaging in illegal prostitution given Detective Moyars's undercover investigations, and the massage parlors are not even registered to collect sales taxes, which is in itself contrary to Indiana law. Similarly, Sakura KJ and Yamato KJ appear to be substantially under reporting their income, declaring \$0 in cash sales for an entire fiscal year. Accordingly, I believe all of these businesses, owned and ran by the same two individuals Wujiao Liu and Guan Yu as overt presidents and CEOs and as accomplices generally, are benefiting from the proceeds of illegal prostitution and under reporting income for all of their businesses. I further believe given the prostitution occurring at both Jade Massage Parlor and Relax Massage is not the result of mere rogue employees, and the condition of the premises, witness statements, and evidence recovered demonstrate their knowledge of what is occurring (Guan Yu and Wujiao Liu do not even seem to ensure their masseuses are actually trained in massages). I believe the evidence generally suggests that the female employees are victims of human trafficking. The female employees live at the nonresidential massage parlors, described conditions that suggest they are prostitutes and that the owners are aware of this, and Wujiao Liu and Guan Yu take income from the business while apparently failing to report sales tax from the business as required by the Indiana Department of Revenue. Given the cash recovered and the amount brought in over the course of three years at the Hard Rock Casino, they appear to move and possess an extraordinary amount of physical cash despite reporting no cash income across their businesses. Furthermore, Wujiao Liu is reported throughout this affidavit to receive and transport cash income from the businesses that

she knows is connected to criminal activity, amounting to money laundering.

I swear, under the penalty for perjury as specified by I.C. 35-44.1-2-1, that the foregoing is true to the best of my information and belief.

/s/ Jordan Billups  
JORDAN BILLUPS  
AFFIANT

Subscribed and sworn to before me and approved for prosecution on November 3, 2023.

/s/ Timothy Brown  
TIMOTHY BROWN  
DEPUTY PROSECUTING ATTORNEY