

State of Minnesota
County of Dakota

District Court
1st Judicial District

Prosecutor File No. CA-2019-01783
Court File No. 19HA-CR-19-1852

State of Minnesota,
Plaintiff,

COMPLAINT
Order of Detention

vs.

XUEYAN WANG DOB: 09/28/1978

9086 Buchanan Trl
Inver Grove Heights, MN 55076
Defendant.

The Complainant submits this complaint to the Court and states that there is probable cause to believe Defendant committed the following offense(s):

COUNT I

Charge: Prostitution in the 2nd Degree (Promote)
Minnesota Statute: 609.322.1a(2)
Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00
Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally promote the prostitution of an individual.

COUNT II

Charge: Prostitution in the 2nd Degree (Promote)
Minnesota Statute: 609.322.1a(2)
Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00
Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally promote the prostitution of an individual.

COUNT III

Charge: Prostitution in the 2nd Degree (Receives Profit)
Minnesota Statute: 609.322.1a(3)

Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally receive profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual.

COUNT IV

Charge: Prostitution in the 2nd Degree (Receives Profit)

Minnesota Statute: 609.322.1a(3)

Maximum Sentence: 0-15 Years and/or \$12,000.00 - \$40,000.00

Offense Level: Felony

Offense Date (on or about): 05/01/2017 to 07/19/2019

Control #(ICR#): 19000811

Charge Description: On or about May 1, 2017 - July 19, 2019, in the County of Dakota, Minnesota, XUEYAN WANG, did while acting other than as a prostitute or patron, intentionally receive profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual.

STATEMENT OF PROBABLE CAUSE

In recent years, law enforcement officers have become aware of a growing trend of massage parlors across the country offering illicit services. Small networks of spas are common and the ownership structures are often complex and opaque. Many women arrive in the United States from China and begin their journey in Flushing, New York, the New York City borough of Queens. Women are then sent out to other places throughout the country.

In the beginning of 2019, investigators with the Inver Grove Heights Police Department began an investigation into a massage parlor located in Inver Grove Heights, Dakota County, Minnesota, namely Herb Spa. The owner of this business is identified as XUEYAN WANG (DOB 09/28/1947).

In March of 2017, WANG applied for a therapeutic massage license with the City of Inver Grove Heights which requires law enforcement to conduct a background investigation into the applicant. The officer was unable to confirm any of WANG'S past employment history. The officer then contacted WANG'S references. All of WANG'S references either advised that they did not know her or only met her once. The application was determined to be incomplete. WANG provided additional references. The City Council approved her license in May of 2017.

Herb Spa is located in a strip mall. There is minimal signage outside the business and customers must ring the doorbell to be let in. The front door remains locked at all times. The business is typically dark and shades cover the windows.

Officers observed reviews for Herb Spa on a website commonly used to provide patrons information on what illicit services can be obtained from various massage parlors. This website requires a paid membership. It allows patrons to leave reviews and comments related to commercial sex including the sexual acts offered or received and a physical description of the individual providing the sex act. The reviews for Herb Spa begin in July of 2017. In a review left in regards to Herb Spa, the reviewer provides he was able to "finger the pussy", "breast play", "Ass play", and "Hand job". The reviewer identified the masseuse by name and by providing a description of her. This description does not appear to be WANG. The reviewer indicated he paid \$100 to the house and left a \$50 tip.

The most recent review was listed in November of 2018. The reviewer stated that this was his second time there and that he had received "HJ" both times. "HJ" is commonly abbreviated for hand job. The male provided a description of a female. Another review from November 2018 provides that the male

had a “happy ending” and he played “with her huge tits and even propped her ass”. He further stated that he “fingered her pussy and told her that I’ll add more qi into her body”. The male reports that he released his “qi all over her hands”. Further reviews encourage other reviewers to be discrete as to not alert law enforcement.

Ownership and Operation of Business

USAI LLC is the registered name for Herb Spa. WANG is identified as the registered manager of the business. The registered office address is identified as the parlor’s address in Inver Grove Heights.

USAI LLC has a business account at Wells Fargo. WANG is identified as the owner on the account. Her address on the account is out of Flushing, New York. Checks for rent payments for Herb Spa are paid out of this account and are signed by WANG.

Surveillance on the Businesses

Surveillance of Herb Spa was conducted between March 2019 to July 19, 2019 at various times of the day. Officers observed the “clientele” to be predominately white, middle-aged men. The males were identified as from all over the metro area including cities such as St. Michael, Circle Pines, and Shoreview.

Surveillance on the business revealed that those operating and employed by the business appear to also reside at the business, in violation of city code. A vehicle identified as a Honda CRV with Minnesota license 670NRZ is registered to WANG. This vehicle is observed parked at Herb Spa for long periods of times without moving, sometimes up to a week. Investigation revealed that WANG has a membership with Anytime Fitness which is located in the same strip mall as Herb Spa. Review of surveillance from Anytime Fitness reveal two Asian females entering Anytime Fitness after the close of business at Herb Spa with large duffle bags. Neither female was identified as WANG. The females are believed to use the fitness center to shower. WANG’S access card is used nearly every day around 10:30 p.m. Herb Spa closes at 10:00 p.m.

Through law enforcement databases, two females were determined to be associated with the Herb Spa address, namely S.L. and M.S. Both of these women list the Herb Spa address as their personal address.

A search warrant was obtained to place a GPS tracking device on WANG’S vehicle. On April 2, 2019, WANG went to Costco. While at Costco, WANG purchased Natrol mood enhancer pills, dove body wash, Huggies 152 count baby wipes (four pack), skin and nail gummies, cranberry pills, hand towels, a

queen sized blanket, laundry detergent, Airwick air fresheners, bleach, hand soap, makeup remover
toilettes, 40 pack of toilet paper and various items of food.

WANG was observed making multiple runs to and from the Minneapolis-St. Paul International Airport. WANG was observed dropping off a female, later identified as J.L., at the airport on March 18, 2019. She was determined to be traveling to San Francisco. WANG picked up J.L. from the airport on April 11, 2019 and she determined to be coming from Chicago. WANG again picked up J.L. from the airport on May 1, 2019 and she was determined to be coming from San Francisco. WANG made multiple other runs to the airport to pick up or drop off females.

Bank Records

On July 14, 2018 at approximately 8:37 a.m., a vibration alarm was sounded on a Wells Fargo ATM located in the same area as Herb Spa. Officers made contact with the individual who was identified as M.S. It was determined that the alarm was sounded after M.S. attempted to put too many bills into the ATM during one transaction. At the time, M.S. was employed at Herb Spa.

A review of WANG'S checking account reveals she purchased several plane tickets for other people. Specifically, on September 17, 2018, WANG purchased a flight for J.L. from Minneapolis to San Francisco, California. The departure date was determined to be for October 10, 2018.

On January 20, 2018 and February 25, 2018, checks in the amounts of \$100 were issued from the Herb Spa checking account to Posting Solutions. This company is identified as the company operating the formerly operational website backpage.com.

A substantial amount of cash deposits are observed being deposited into both WANG'S personal checking account and USAI LLC Wells Fargo account. Wire transfers from USAI LLC account are seen going to WANG'S personal account. On two separate occasions, WANG wired \$10,000 to an account in China from her Wells Fargo personal checking account.

On June 10, 2019, WANG went to Bank of America in West St. Paul. Investigation revealed that she deposited over \$7,400 in cash into an account belonging to an individual identified as S.L. WANG is identified as the power of attorney on this account. The account was opened in 2018 and had an initial deposit of over \$124,000.

Contact with Johns

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On July 9, 2019, an officer had contact with a male, identified herein as John 1 and fully identified in the police reports, in his vehicle directly after he left Herb Spa. Based on phone records, John 1 was determined to frequent the business often. John 1 was observed entering the business and coming out 45 minutes later. John 1 indicated he had been to the business over a dozen times and each time he obtained manual masturbation to ejaculation from an employee. John 1 indicated he pays \$65 upon entry into the business and always pays in cash. After he obtains the manual masturbation, he provides a tip to the employee, typically in the amount of \$65. John 1 provided the names of two females who have provided him sexual acts but neither of them are WANG.

On July 15, 2019, an officer had contact with a male, identified herein as John 2 and fully identified in the police reports, in his vehicle directly after he left Herb Spa. John 2 was determined to frequent the business. John 2 stated one to three Herb Spa employees were present at the business. John 2 confirmed he received "manual stimulation" which included "the girls" placing hands on his penis. John 2 confirmed WANG did not perform sexual acts. John 2 corroborated the payment procedure.

Search Warrant on Herb Spa

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On July 19, 2019, a search warrant was executed on Herb Spa. Officers located two females inside who were determined to be living in the back of the business. The females did not appear to speak English. Two massage rooms were located along with two bedrooms. A make shift kitchen was set up in the back of the business along with an area to do laundry. There were no traditional massage tables in the massage rooms. Beds were located on wood crates on the floor. The beds were covered with sheets that clearly had stains on them.

A male, identified herein as John 3 and fully identified in the police reports, was located in one of the massage rooms laying face down. Upon contact, he immediately reached for a sheet of paper and attempted to hide it in his hand. While getting dressed, he hid it under a sheet. The paper depicts a naked female straddling a naked male with an erect penis. The male had ejaculated on his stomach.

One of the females agreed to speak to law enforcement. She indicated WANG owns the business. She came here from California and has been working at the business since February. She indicated she pays WANG rent. WANG retains half the profits that she makes from the services provided. WANG goes shopping to provide groceries and toiletries for the girls. The female provided that she and the other female live there along with WANG when she is in town.

Individualized bundles of US Currency were located. Each bundle was labeled by day and amount. The bundles date back to approximately June 10th totaling approximately \$13,000. Through investigation, officers learned that WANG was out of state from June 10, 2019 until July 19, 2019.

In a notepad found in one of the rooms, a ledger was located with different services including "HJ" (hand job), "BJ" (blow job), "FS" (full service), "kiss", "lick", "nuru" (a Japanese erotic massage technique), and "b2b" (body to body) along with corresponding prices. Condoms, baby wipes, and copious amounts of lubricant were located throughout the business.

In a safety deposit box identified as belonging to WANG'S, an officer located \$42,940 of U.S. Currency inside. The US currency is predominately in twenty dollar dominations.

During the execution of the search warrant, officers observed WANG walking to the business. WANG was carrying groceries. Officers placed WANG under arrest and transported her to the Dakota County Jail.

Investigation is ongoing.

SIGNATURES AND APPROVALS

Complainant requests that Defendant, subject to bail or conditions of release, be:
(1) arrested or that other lawful steps be taken to obtain Defendant's appearance in court; or
(2) detained, if already in custody, pending further proceedings; and that said Defendant otherwise be dealt with according to law.

Complainant declares under penalty of perjury that everything stated in this document is true and correct. Minn. Stat. § 358.116; Minn. R. Crim. P. 2.01, subds. 1, 2.

Complainant

Brandon Kelting
Investigator
8150 Barbara Ave E
Inver Grove Heights, MN 55077
Badge: 3619

Electronically Signed:
07/22/2019 09:56 AM
Dakota County, Minnesota

Being authorized to prosecute the offenses charged, I approve this complaint.

Prosecuting Attorney

Cassandra Shepherd
1560 Hwy 55
Hastings, MN 55033-2392
(651) 438-4438

Electronically Signed:
07/22/2019 08:55 AM

FINDING OF PROBABLE CAUSE

From the above sworn facts, and any supporting affidavits or supplemental sworn testimony, I, the Issuing Officer, have determined that probable cause exists to support, subject to bail or conditions of release where applicable, Defendant's arrest or other lawful steps be taken to obtain Defendant's appearance in court, or Defendant's detention, if already in custody, pending further proceedings. Defendant is therefore charged with the above-stated offense(s).

SUMMONS

THEREFORE YOU, THE DEFENDANT, ARE SUMMONED to appear on _____, _____ at _____ AM/PM before the above-named court at 1560 W Highway 55 Dakota County Judicial Center, Hastings, MN 55033 to answer this complaint.

IF YOU FAIL TO APPEAR in response to this SUMMONS, a WARRANT FOR YOUR ARREST shall be issued.

WARRANT

To the Sheriff of the above-named county; or other person authorized to execute this warrant: I order, in the name of the State of Minnesota, that the Defendant be apprehended and arrested without delay and brought promptly before the court (if in session), and if not, before a Judge or Judicial Officer of such court without unnecessary delay, and in any event not later than 36 hours after the arrest or as soon as such Judge or Judicial Officer is available to be dealt with according to law.

Execute in MN Only

Execute Nationwide

Execute in Border States

ORDER OF DETENTION

Since the Defendant is already in custody, I order, subject to bail or conditions of release, that the Defendant continue to be detained pending further proceedings.

Bail: \$
Conditions of Release:

This complaint, duly subscribed and sworn to or signed under penalty of perjury, is issued by the undersigned Judicial Officer as of the following date: July 22, 2019.

Judicial Officer

Tracy Perzel

Electronically Signed: 07/22/2019 11:07 AM

Sworn testimony has been given before the Judicial Officer by the following witnesses:

COUNTY OF DAKOTA
STATE OF MINNESOTA

State of Minnesota

Plaintiff

vs.

Xueyan Wang

Defendant

*LAW ENFORCEMENT OFFICER RETURN OF SERVICE
I hereby Certify and Return that I have served a copy of this Order of
Detention upon the Defendant herein named.*

Signature of Authorized Service Agent: