

IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

THE STATE OF DELAWARE,)	
)	
<i>Plaintiff,</i>)	
)	
v.)	C.A. No.
)	
DA ZHONG WANG,)	
)	
<i>Defendant.</i>)	

COMPLAINT

This action, brought by the State of Delaware (“the State”), by and through the Delaware Department of Justice and the undersigned Deputy Attorney General, against Da Zhong Wang (“Mr. Wang”), seeks asset forfeiture and civil penalties arising from a criminal enterprise operated by the Defendant in violation of the Delaware Organized Crime and Racketeering Act, 11 *Del. C.* §§ 1501 *et seq.* (“the State R.I.C.O. statute”).

I. PARTIES

1. The Plaintiff, the State, brings this action through the Delaware Department of Justice. The Attorney General has standing to bring this action under 11 *Del. C.* § 1505(b) and 11 *Del. C.* § 1506.

2. The Defendant, Mr. Wang, is a citizen of China who currently resides in the United States on an Employment Authorization Card.

3. Mr. Wang is currently a resident of the State of Delaware and resides at 213 North Main Street, Smyrna, Delaware 19977, where service of process may be effected.

II. JURISDICTION AND VENUE

4. Exclusive jurisdiction is vested with this Court under 11 *Del. C.* § 1505(a).

5. Venue is proper in this Court because at all relevant times the conduct at issue occurred within the State and under color of its Constitution and laws.

6. The amount in controversy does not exceed one million dollars, exclusive of civil penalties.

III. FACTS

7. On November 23, 2010, Mr. Wang was licensed as a certified massage technician by the Delaware Board of Massage and Bodywork.

8. Mr. Wang owned and operated a series of massage parlors throughout the State of Delaware.

9. The list of the massage parlors which have been owned and operated by Mr. Wang includes, but may not be limited to:

a) Relaxed Spa, a massage parlor located at 37385 Rehoboth Avenue, Rehoboth Beach, Delaware 19971;

b) Massage Center, a massage parlor located at 867 North Broad Street, Middletown, Delaware 19709;

c) Wang's House of Acupressure, a massage parlor located at 213 North Main Street, Smyrna, Delaware 19977; and

d) Da Wang's Bodyworks, a massage parlor located at 890 South State Street, Dover, Delaware 19901.

10. On November 18, 2013, an undercover Delaware State Police Trooper visited the Massage Center in Middletown. While on the premises, he purchased and received a massage. The worker who performed the massage, Chunyan Li ("Ms. Li"), then solicited the undercover Trooper for an act of prostitution. Ms. Li's personal belongings were found in the business along with other evidence that she resided on the premises.

11. As a result of this action, Ms. Li was charged with Prostitution in violation of 11 *Del. C.* § 1342. The charge was ultimately dismissed on May 9, 2014 after Ms. Li entered an assistance program.

12. During the course of an interrogation of Ms. Li, she informed the police that she charged \$60 an hour per massage, of which \$40 was paid to Mr. Wang.

13. The police interviewed Mr. Wang, who confirmed that he received \$40 from his employees for each massage they provided. Mr. Wang indicated that he paid the employees the remaining \$20 they received.

14. On January 9, 2014, an undercover State Police Trooper conducted a second undercover operation at the Massage Center in Middletown. While on the premises, he purchased and received a massage. The worker who performed the massage, Xiu Juan Zhang (“Ms. Juan Zhang”), then solicited him for an act of prostitution.

15. As a result of this action, Ms. Juan Zhang was charged with Prostitution in violation of 11 *Del. C.* § 1342. The charge was ultimately dismissed on November 6, 2014.

16. During a December 11, 2014 visit to Da Wang’s Bodyworks in Dover, a Division of Professional Regulation Investigator encountered Ms. Juan Zhang and discussed her employment situation with her. Ms. Juan Zhang was presented with a photograph of Mr. Wang. She referred to Mr. Wang as “Boss.”

17. On December 4, 2014, the Delaware State Police conducted an undercover operation at the Relaxed Spa site in Rehoboth Beach, Delaware. While on the premises of Relaxed Spa, an undercover State Police Trooper purchased and received a massage. The worker who performed the massage, Ms. Meizhu Zhang, then solicited him for an act of prostitution. Ms. Zhang’s personal belongings were found in the business along with other evidence that she resided on the premises.

18. As a result of this action, Ms. Meizhu Zhang was charged with Prostitution in violation of 11 *Del. C.* § 1342. She pled guilty to this charge in the Sussex County Court of Common Pleas on December 11, 2014.

19. Ms. Meizhu Zhang had previously been arrested for Prostitution in Massachusetts on June 26, 2014.

20. In April 2014, the City of Dover Public Works unclogged a sewer pipe malfunction at the sewer drain used by Da Wang's Bodyworks in Dover. As the Public Works employees unclogged the malfunction by pumping the sewer line out, they discovered that the clog in the sewer was caused by a large number of used condoms which blocked the sewer line.

21. In December 2014, a similar obstruction of the sewer line occurred at Da Wang's Bodyworks in Dover which was caused by a large plastic bag containing used condoms and other detritus.

22. During the investigation of this incident, Ms. Juan Zhang and Shuqing Wang were interviewed by the police. Evidence that they resided at the business location was uncovered. This evidence included a functioning kitchen, a bedroom set up for an onsite living space, and a sofa with blanket and pillow which appeared to be used as a bed.

23. On or about December 16, 2014, Mr. Wang was questioned regarding these incidents.

24. During this interview, Mr. Wang was presented with a photograph of Ms. Li. Mr. Wang indicated that Ms. Li had worked for him but that he terminated her following her arrest.

25. During the interview, Mr. Wang also informed the investigators that he knew Ms. Meizhu Zhang as a former employee.

26. During the interview, Mr. Wang also informed the investigators that he knew Ms. Juan Zhang as a former employee whom he had terminated in January 2014 following her arrest for Prostitution. When asked why Ms. Juan Zhang continued to stay at Da Wang's Bodyworks despite being a former employee, Mr. Wang could not provide an answer.

27. At the conclusion of this interview, Mr. Wang was placed under arrest. He was charged with Promoting Prostitution in the Second Degree in violation of 11 *Del. C.* § 1352. He was also charged with Permitting Prostitution in violation of 11 *Del. C.* § 1355.

28. On or about August 19, 2015, Mr. Wang was convicted of Permitting Prostitution in violation of 11 *Del. C.* § 1355.

29. The above-described massage parlor locations and their workers constituted an "enterprise" operated by Mr. Wang within the meaning of 11 *Del. C.* § 1502(3). Each person employed by Mr. Wang in his various massage parlor locations, as well as Mr. Wang himself, engaged in a role within a group which was

organized in an ongoing structure established by Mr. Wang and designed to further the activities and financial interests of the organization. This organization possessed a framework for making and carrying out decisions; various associates within this organization functioned as a continuing unit; and the enterprise of massage parlors existed separate and apart from the discrete acts of prostitution in which individual members engaged to further the financial interests of Mr. Wang.

30. Mr. Wang conducted the affairs of the enterprise through a pattern of racketeering activity in which women performed sexual services in exchange for financial remuneration in violation of 11 *Del. C.* § 1342.

COUNT ONE
PROSTITUTION- CHUNYAN LI
11 *Del. C.* § 1502(9)b.3, 11 *Del. C.* § 1503(b)

31. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 30 of this Complaint.

32. Through the acts described in this Complaint, an act of Prostitution occurred involving Ms. Li's interaction with the Delaware State Police at a facility owned or operated by Mr. Wang on November 18, 2013.

33. The act of Prostitution which Ms. Li committed constitutes a predicate act of racketeering within the meaning of 11 *Del. C.* § 1502(9).

34. The act of Prostitution which Ms. Li committed constitutes a portion of a pattern of racketeering activity within the meaning of 11 *Del. C.* § 1503.

35. The act of Prostitution which Ms. Li committed was related to the affairs of the aforementioned “enterprise” within the meaning of 11 *Del. C.* § 1502(3). That enterprise was owned and operated by Mr. Wang.

36. Mr. Wang directed Ms. Li in her conduct when she committed this act of Prostitution.

37. Mr. Wang conducted or directed the affairs of his enterprise through a pattern of racketeering activity including Ms. Li’s conduct on November 18, 2013.

38. Mr. Wang’s enterprise derived profits from Ms. Li’s conduct as part of a pattern of racketeering in violation of 11 *Del. C.* § 1503(b).

COUNT TWO
PROSTITUTION- XIU JUAN ZHANG
11 *Del. C.* § 1502(9)b.3, 11 *Del. C.* § 1503(b)

39. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 38 of this Complaint.

40. Through the acts described in this Complaint, an act of Prostitution occurred involving Ms. Juan Zhang’s interaction with the Middletown Police Department at a facility owned or operated by Mr. Wang on January 9, 2014.

41. The act of Prostitution which Ms. Juan Zhang committed constitutes a predicate act of racketeering within the meaning of 11 *Del. C.* § 1502(9).

42. The act of Prostitution which Ms. Juan Zhang committed constitutes a portion of a pattern of racketeering activity within the meaning of 11 *Del. C.* § 1503.

43. The act of Prostitution which Ms. Juan Zhang committed was related to the affairs of an “enterprise” within the meaning of 11 *Del. C.* § 1502(3). That enterprise was owned and operated by Mr. Wang.

44. Mr. Wang directed Ms. Juan Zhang in her conduct when she committed this act of Prostitution.

45. Mr. Wang conducted or directed the affairs of his enterprise through a pattern of racketeering activity including Ms. Juan Zhang’s conduct on January 9, 2014.

46. Mr. Wang’s enterprise derived profits from Ms. Juan Zhang’s conduct as part of a pattern of racketeering in violation of 11 *Del. C.* § 1503(b).

COUNT THREE
PROSTITUTION- MEIZHU ZHANG
11 *Del. C.* § 1502(9)b.3, 11 *Del. C.* § 1503(b)

47. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 46 of this Complaint.

48. Through the acts described in this Complaint, an act of Prostitution occurred involving Ms. Meizhu Zhang’s interaction with the Delaware State Police at a facility owned or operated by Mr. Wang on December 4, 2014.

49. The act of Prostitution which Ms. Meizhu Zhang committed constitutes a predicate act of racketeering within the meaning of 11 *Del. C.* § 1502(9).

50. The act of Prostitution which Ms. Meizhu Zhang committed constitutes a portion of a pattern of racketeering activity within the meaning of 11 *Del. C.* § 1503.

51. The act of Prostitution which Ms. Meizhu Zhang committed was related to the affairs of an “enterprise” within the meaning of 11 *Del. C.* § 1502(3). That enterprise was owned and operated by Mr. Wang.

52. Mr. Wang directed Ms. Meizhu Zhang in her conduct when she committed this act of Prostitution.

53. Mr. Wang conducted or directed the affairs of his enterprise through a pattern of racketeering activity including Ms. Meizhu Zhang’s conduct on December 4, 2014.

54. Mr. Wang’s enterprise derived profits from Ms. Meizhu Zhang’s conduct as part of a pattern of racketeering in violation of 11 *Del. C.* § 1503(b).

COUNT FOUR
PERMITTING PROSTITUTION- DA ZHONG WANG
11 *Del. C.* § 1502(9)b.3, 11 *Del. C.* § 1503(b)

55. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 54 of this Complaint.

56. Mr. Wang has been convicted of an act of Permitting Prostitution in violation of 11 *Del. C.* § 1355.

57. Permitting Prostitution constitutes a predicate act of racketeering within the meaning of 11 *Del. C.* § 1502(9).

58. The act of Permitting Prostitution for which Mr. Wang was convicted constitutes a portion of a pattern of racketeering activity within the meaning of 11 *Del. C.* § 1503.

59. The act of Permitting Prostitution for which Mr. Wang was convicted was related to the affairs of an “enterprise” within the meaning of 11 *Del. C.* § 1502(3). That enterprise was owned and operated by Mr. Wang.

60. Mr. Wang conducted or directed the affairs of his enterprise through a pattern of racketeering activity including the conduct of Permitting Prostitution.

61. Mr. Wang’s enterprise derived profits from Permitting Prostitution as part of a pattern of racketeering in violation of 11 *Del. C.* § 1503(b).

COUNT FIVE
ORGANIZED CRIME AND RACKETEERING ACT- DA ZHONG WANG
11 *Del. C.* § 1503(a)

62. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 61 of this Complaint.

63. Mr. Wang operated an “enterprise” within the meaning of 11 *Del. C.* § 1502(3).

64. The acts discussed in this Complaint constitute a pattern of racketeering activity conducted in furtherance of the financial interests of Mr. Wang’s enterprise.

65. Mr. Wang's enterprise derived proceeds from a pattern of racketeering activity because Mr. Wang profited by having his employees engage in acts of Prostitution.

66. Mr. Wang's conviction by guilty plea for Permitting Prostitution constitutes an admission of liability because Mr. Wang has been found to have knowledge of prostitution occurring on premises under his control.

67. Mr. Wang has violated 11 *Del. C.* § 1503(a) by conducting or participating in the conduct of the affairs of his enterprise through a pattern of racketeering activity.

COUNT SIX
ORGANIZED CRIME AND RACKETEERING ACT- DA ZHONG WANG
11 *Del. C.* § 1503(b)

68. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 67 of this Complaint.

69. Mr. Wang operated an "enterprise" within the meaning of 11 *Del. C.* § 1502(3).

70. The acts discussed in this Complaint constitute a pattern of racketeering activity conducted in furtherance of the financial interests of Mr. Wang's enterprise.

71. Mr. Wang's enterprise derived proceeds from a pattern of racketeering activity because Mr. Wang profited by having his employees engage in acts of Prostitution.

72. Mr. Wang's conviction by guilty plea for Permitting Prostitution constitutes an admission of liability because Mr. Wang has been found to have knowledge of prostitution occurring on premises under his control.

73. Mr. Wang has engaged in a violation of 11 *Del. C.* § 1503(b) by acquiring or maintaining an interest in or control of his enterprise through a pattern of racketeering activity or the proceeds derived therefrom.

COUNT SEVEN
ORGANIZED CRIME AND RACKETEERING ACT- DA ZHONG WANG
11 *Del. C.* § 1503(c)

74. The State re-alleges and incorporates by reference the allegations made in Paragraphs 1 through 73 of this Complaint.

75. Mr. Wang operated an "enterprise" within the meaning of 11 *Del. C.* § 1502(3).

76. The acts discussed in this Complaint constitute a pattern of racketeering activity conducted in furtherance of the financial interests of Mr. Wang's enterprise.

77. Mr. Wang's enterprise derived proceeds from a pattern of racketeering activity because Mr. Wang profited by having his employees engage in acts of Prostitution.

78. Mr. Wang's conviction by guilty plea for Permitting Prostitution constitutes an admission of liability because Mr. Wang has been found to have knowledge of prostitution occurring on premises under his control.

79. Mr. Wang reinvested assets acquired from an enterprise engaged in a pattern of racketeering activities into the operation of the enterprise through which he acquired them, namely by providing these employees with residence at the locations of the businesses in which they engaged in acts of prostitution in furtherance of the enterprise.

80. The reinvestment of money derived from a pattern of racketeering activities into the operation of an enterprise constitutes a violation of 11 *Del. C.* § 1503(c).

81. As set forth in this Complaint, Mr. Wang has committed a violation of 11 *Del. C.* § 1503(c).

PRAYER FOR RELIEF

WHEREFORE, the State respectfully requests:

A. that judgment be entered in the State's favor against Mr. Wang for the seven violations of 11 *Del. C.* § 1503 or incidents of activity constituting a violation of the State R.I.C.O. statute which the State has alleged;

B. that pursuant to 11 *Del. C.* § 1505(b), judgment be entered in the State's favor against Mr. Wang in an amount not less than \$700,000.00 in civil penalties, an amount constituting \$100,000.00 in civil penalties for each of the seven violations of 11 *Del. C.* § 1503 or incidents of activity constituting a violation of the State R.I.C.O. statute described in this Complaint;

C. that Mr. Wang be permanently enjoined from owning, operating or having any business interest in any massage parlor in the State of Delaware pursuant to 11 *Del. C.* § 1505(a);

D. that Mr. Wang pay the State's costs of this action including a reasonable fee for its attorneys pursuant to 11 *Del. C.* § 1505(c);

E. that the State be permitted to commence a R.I.C.O. forfeiture proceeding pursuant to 11 *Del. C.* § 1506(b) on any property identified in the State and found to be owned by the enterprise described in this Complaint and used or intended for use in the course of, derived from, or realized through a pattern of racketeering conduct; and

F. that the State receive any and all additional relief which the Court deems just and proper.

**STATE OF DELAWARE
DEPARTMENT OF JUSTICE**

/s/ Oliver J. Cleary
Oliver J. Cleary, DAG (#5830)
Department of Justice
State Office Building, 6th Floor
Wilmington, Delaware 19801
(302) 577-8400
Oliver.Cleary@state.de.us

Attorney for Plaintiff

Dated: May 13, 2016