

District Court, City and County of Denver, Colorado
City and County Building, Room 424
1437 Bannock Street
Denver, CO 80202

DATE FILED: November 13, 2019 3:23 PM
FILING ID: E72052F633728
CASE NUMBER: 2019CR15444

Plaintiff: THE PEOPLE OF THE STATE OF
COLORADO

Defendants:

**XIAOLI GAO
ZHONG WEI ZHANG**

COURT USE ONLY

Grand Jury No. 19CR2B

Div.: Criminal Ctrm: 424

INDICTMENT

**VIOLATION OF COLORADO ORGANIZED CRIME CONTROL ACT, C.R.S. 18-17-104(3),
(F2) <37284> 1 (1 count)**

CONSPIRACY TO COMMIT PIMPING, 18-7-206;18-2-201 C.R.S. (F4) <19061C> 2 (1 count)

PIMPING, 18-7-206 C.R.S. (F3) <19061> 3 (1 count)

**CONSPIRACY TO COMMIT MONEY LAUNDERING, 18-5-309(1)(a)(II);18-2-201 C.R.S.
(F4) <12212C> 4 (1 count)**

MONEY LAUNDERING, 18-5-309(1)(a)(II) C.R.S. (F3) <12212> 5 (1 count)

**CONSPIRACY TO COMMIT KEEPING A PLACE OF PROSTITUTION, 18-7-204;18-2-201
C.R.S. (M3) <19041C> 6 (1 count)**

KEEPING A PLACE OF PROSTITUTION, 18-7-204 C.R.S. (M2) <19041> 7 (1 count)

FILING A FALSE TAX RETURN, C.R.S. 39-21-118(4) (F5) <40024> 8 (1 count)

The Grand Jury presents the within Indictment and the same is ordered filed.

Dated this 13th day of November, 2019.



Martin F. Egelhoff
Presiding Judge
Denver District Court

INDICTMENT

STATE OF COLORADO)
)
COUNTY OF DENVER)

Of the term of the District Court in the year 2019, the Grand Jurors chosen, selected and sworn in and for the County of Denver, in the name and by the authority of the People of the State of Colorado, upon their oaths, present their indictment of: **XIAOLI GAO** and **ZHONG WEI ZHANG** for the following described acts, committed, or triable, in the County of Denver, all done contrary to the form of the statutes in such case made and provided, and against the peace and dignity of the People of the State of Colorado, as stated in the counts attached hereto.

Dated this 13 day of November 2019.

		REDACTED PURSUANT TO COURT ORDER
AS TO COUNT ONE: (cocca)	TRUE BILL	
	NO TRUE BILL	
AS TO COUNT TWO: (consp to commit pimping)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	
AS TO COUNT THREE: (pimping)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	
AS TO COUNT FOUR: (consp to commit money laundering)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	
AS TO COUNT FIVE: (money laundering)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	
AS TO COUNT SIX: (consp to commit keeping a place of prostitution)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	
AS TO COUNT SEVEN: (keeping a place of prostitution)	TRUE BILL	REDACTED PURSUANT TO COURT ORDER
	NO TRUE BILL	

REDACTED PURSUANT TO COURT ORDER

**AS TO COUNT EIGHT:
(filing a false return)**

TRUE BILL _____

NO TRUE BILL _____

I, REDACTED PURSUANT TO COURT ORDER, the Foreperson of the 2019 Denver County Statutory Grand Jury, Panel B, do hereby swear and affirm that each and every True Bill returned in this Indictment by the 2019 Denver County Statutory Grand Jury, Panel B, was arrived at after deliberation and with the assent and agreement to the existence of probable cause by at least nine members of the 2019 Denver County Statutory Grand Jury, Panel B. The 2019 Denver County Statutory Grand Jury, Panel B, authorizes and instructs the Denver District Attorney to return this Indictment to open court with or without the presence of the Foreperson.

REDACTED PURSUANT TO COURT ORDER

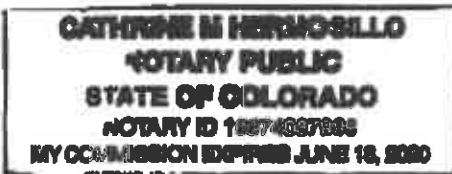
Foreperson

Subscribed and sworn to before me in the County of Denver, State of Colorado, this 13th day of November, 2019.

Catherine M. Hermsillo
Notary Public

My commission expires:

6/16/2020



BETH McCANN
District Attorney

By: 
LARA J. MULLIN, Reg. No. 38569
Denver District Attorney's Office
201 W. Colfax Ave., Dept. 801
Denver, CO 80202
720-913-9015

COUNT ONE

VIOLATION OF COLORADO ORGANIZED CRIME CONTROL ACT, C.R.S. 18-17-104(3), (F2) <37284>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG while employed by or associated with an enterprise, namely: a group of individuals associated in fact, although not a legal entity, unlawfully, feloniously, and knowingly conducted or participated, directly or indirectly, in the enterprise through a pattern of racketeering activity; in violation of sections 18-17-104(3) and 18-17-105, C.R.S.

The Enterprise

The enterprise alleged in this count was a group of individuals, associated in fact, although not a legal entity. The enterprise included, but was not limited to, the following: XIAOLI GAO and ZHONG WEI ZHANG, and other persons known or unknown, who were associated from time to time in racketeering activity that was related to the conduct of the enterprise.

Pattern of Racketeering Activity

For purposes of this count, the defendants engaged in acts related to the conduct of the enterprise, including:

As to XIAOLI GAO, the acts described in counts 1, 2, 3, 4, 5, 6, 7 and 8 including any lesser included offenses of these counts.

As to ZHONG WEI ZHANG, the acts described in counts 1, 2, 3, 4, 5, 6, 7 and 8 including any lesser included offenses of these counts.

COUNT TWO

CONSPIRACY TO COMMIT PIMPING, 18-7-206;18-2-201 C.R.S. (F4) <19061C>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG, with the intent to promote or facilitate the commission of the crime of PIMPING, unlawfully and feloniously agreed with EACH OTHER and a person or persons to the Grand Jury unknown that one or more of them would engage in conduct which constituted that crime or an attempt to commit that crime, or agreed to aid the other person or persons in the planning or commission or attempted commission of that crime, and an overt act in pursuance of the conspiracy was committed by one or more of the conspirators; in violation of sections 18-7-206 and 18-2-201, C.R.S.

COUNT THREE

PIMPING, 18-7-206 C.R.S. (F3) <19061>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG unlawfully, feloniously, and knowingly lived on, was supported, or was maintained in whole or in part by money or other thing of value earned, received, procured or realized by another person through prostitution; in violation of section 18-7-206, C.R.S.

COUNT FOUR

CONSPIRACY TO COMMIT MONEY LAUNDERING, 18-5-309(1)(a)(II);18-2-201 C.R.S. (F4) <12212C>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG, with the intent to promote or facilitate the commission of the crime of money laundering, unlawfully and feloniously agreed with EACH OTHER and a person or persons to the Grand Jury unknown that one or more of them would engage in conduct which constituted that crime or an attempt to commit that crime, or agreed to aid the other person or persons in the planning or commission or attempted commission of that crime, and an overt act in pursuance of the conspiracy was committed by one or more of the conspirators; in violation of sections 18-5-309(1)(a)(II) and 18-2-201, C.R.S.

COUNT FIVE

MONEY LAUNDERING, 18-5-309(1)(a)(II) C.R.S. (F3) <12212>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG unlawfully and feloniously conducted or attempted to conduct a financial transaction that involved money or any other thing of value that the defendant knew or believed to be the proceeds, in any form, of a criminal offense, with knowledge or a belief that the transaction was designed in whole or in part to conceal or disguise the nature, location, source, ownership, or control of the proceeds of a criminal offense or to avoid a transaction reporting requirement under federal law; in violation of section 18-5-309(1)(a)(II), C.R.S.

COUNT SIX

CONSPIRACY TO COMMIT KEEPING A PLACE OF PROSTITUTION, 18-7-204;18-2-201 C.R.S. (M3) <19041C>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG, with the intent to promote or facilitate the commission of the crime of KEEPING A PLACE OF PROSTITUTION, unlawfully agreed with EACH OTHER and a person or persons to the Grand Jury unknown that one or more of them would engage in conduct which constituted that crime or an attempt to commit that crime, or agreed to aid the other person or persons in the planning or commission or attempted commission of that crime, and an overt act in pursuance of the conspiracy was committed by one or more of the conspirators; in violation of sections 18-7-204 and 18-2-201, C.R.S.

COUNT SEVEN

KEEPING A PLACE OF PROSTITUTION, 18-7-204 C.R.S. (M2) <19041>

Between and including March 1, 2018 and September 1, 2018, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG, while having or exercising control over the use of a place, namely: [REDACTED] W. Ellsworth Ave. Denver, Colorado, which offered seclusion or shelter for the practice of prostitution, unlawfully and knowingly granted or permitted the use of the place for the purpose of prostitution; in violation of section 18-7-204, C.R.S.

COUNT EIGHT

FILING A FALSE RETURN, C.R.S. 39-21-118(4) (F5) <40024>

Between and including February 8, 2019 and November 13, 2019, at and triable in the City and County of Denver, State of Colorado, XIAOLI GAO and ZHONG WEI ZHANG unlawfully, feloniously, and willfully made and subscribed a return, statement or other document, which contained or was verified by a written declaration that it was made under the penalties of perjury, and which the defendant did not believe to be true and correct as to every material matter; in violation of section 39-21-118(4), C.R.S.

The facts supporting Counts 1-8 are as follows:

1. In March 2014, Xiaoli Gao (Gao) purchased [REDACTED] W. Ellsworth Avenue (hereafter Ellsworth), which was then and is now located in the City and County of Denver, State of Colorado.
2. After Gao purchased Ellsworth, her sister [REDACTED] and her sister's husband Zhong Wei Zhang (Zhang) both used the Ellsworth address as their listed residence. Gao moved out of the house in March 2018.
3. Prior to March of 2018, neighbors knew Gao as "Anna" and had regular and positive interaction with Gao.

4. After Gao moved out in March 2018, the neighbors noticed that the new tenants appeared to be young Asian women and that since they had arrived, there had been a steady flow of men coming and going to the house at [REDACTED] W. Ellsworth at all hours of the day and staying for very short periods of time. Based on what they saw, they called the National Human Trafficking hotline and reported their concerns about potential human trafficking occurring at the home.
5. In March 2018, Detective Shenna Michael went to the home and talked with two Asian women there. Detective Michael observed that the home did not appear to be lived in and had little to no furniture, food or personal items. On a card table in the entryway Detective Michael observed a variety of lotions.
6. The Asian women, who barely spoke English, told Detective Michael that they had just arrived from Los Angeles and were only staying for a week. They indicated that they had been dropped off there and would be picked back up at the end of their stay. They promised to have the owner of the home call Detective Michael.
7. Later that day, Gao called on the phone from a Houston phone number ([REDACTED]) and told Detective Michael that she had rented out the house to a friend named "[REDACTED]" and that Gao no longer lived there.
8. During the same week in March 2018, escort advertisements appeared on Backpage.com directing interested sex buyers to Ellsworth and listed prices for different lengths of time.
9. A subsequent search of the trash from the house on March 28, 2018 revealed over 100 used condoms, a paper with Chinese characters that appeared to be a ledger, KY gel containers and used tissues. In addition, an empty package addressed to [REDACTED] was also found in the trash that contained packaging for a new iPhone that had been mailed to Ellsworth from Flushing, New York. Flushing, New York is commonly known as a port for human sex trafficking.
10. Throughout the spring and summer of 2018, advertisements continued to appear on Backpage.com and other known escort sites, and consistently directed buyers to Ellsworth. The same phone numbers listed for the advertisements for Ellsworth also directed buyers to additional locations including Aurora and Westminster.
11. From March 29, 2018 to the August 16, 2018, a fixed camera outside of the home on Ellsworth captured consistent foot traffic of men arriving at the house and staying for approximately 25-30 minutes. Between the dates of March 29, 2018 and August 16, 2018, 257 men came and went from the home and stayed for 30 minutes or less. The men would often park down the street or on the side of the home and walk up to the back/side entrance to avoid detection.

12. During that same time period neighbors complained that men were constantly parking in front of their home and coming and going from [REDACTED]. They indicated that they never saw the women who were inside and that the home was always dark unless a man arrived at the door when an internal light would come on inside the house.
13. Between March 2018 and July 2018, trash pulls from Ellsworth consistently revealed condom wrappers, used condoms and other evidence consistent with a residential brothel.
14. During the spring and summer of 2018, women were rotated through the house on Ellsworth on a regular basis to perform prostitution inside the home. These women rarely left the residence except for when they were moved from the home at the end of their stay. New advertisements would coincide with the arrival of new women, boasting "new girls" in the ads.
15. Before or after the rotations on Ellsworth, the women would be moved to hotels in the Denver metro area to engage in prostitution. Phone numbers linked to advertisements for Ellsworth also directed buyers to the Quality Inn, Motel 6, Red Lion and Extended Stay hotels.
16. Through the spring and summer of 2018, the phone numbers used to post advertisements for Ellsworth changed regularly. The numbers police texted in March and April of 2018 were linked to ads for prostitution outside of Colorado.
17. The cell phone records from Gao's two known phone numbers indicate that she was in contact with at least 9 phone numbers used to post ads from her [REDACTED] phone number and at least 7 numbers used for ads from her [REDACTED] number. Gao was also in direct contact with a phone that was recovered by police during an operation at Ellsworth in August of 2018.
18. In the spring and summer of 2018, Gao and Zhang came and went from Ellsworth. On several occasions, Gao stayed for longer durations and appeared to be cleaning the home. Upon leaving Ellsworth, Gao and Zhang would be carrying what appeared to be white envelopes.
19. Either on the same day of their visit to Ellsworth or the beginning of the next day, Gao and Zhang would go to Wells Fargo Bank locations and make cash deposits into the account of Chinese Massage, LLC.
20. Chinese Massage, LLC (Chinese Massage) is a business owned by Gao and is located at 25 Sheridan Boulevard in Lakewood, Colorado. The only license massage practitioner for Chinese Massage is Xiaokun Gao.
21. Between March and August 2018, over \$15,000.00 was deposited by Gao and/or Zhang into the Chinese Massage account at Wells Fargo Bank. During the same time period there was limited client activity at the Chinese Massage, which lists its rates of service as \$30/30 minutes, \$45/60 minutes.

22. In her 2018 tax return, Gao reported earnings of \$2200. \$1,800 from 'A Food Service Group' and \$410.00 from Chinese Massage. Between March and August 2018, \$19,770.00 in cash was deposited in Gao's personal bank account at First Bank.
23. In her 2018 tax return, Xiaokun Gao claimed \$432 in net income from the Chinese Massage. In May 2018, \$18,000 was wired from Xiaokun Gao's personal bank to China.
24. In 2018 Zhang's reported income was \$13,000 which was consistent with deposits in his First Bank account from Hee, Inc. every two weeks. Between June and August 2018, an additional \$9,000 in cash was deposited into Zhang's personal bank account and \$17,000 was wired to China from his account in August 2018.
25. On August 8, 2018, Detective Joe Portillo text messaged a number that was posting sexual advertisements and was instructed via text message to park down the street from the house on Ellsworth and to call when he arrived. When he entered the home, he was greeted by an Asian female named [REDACTED] who agreed to perform sex for money. Ms. [REDACTED] did not speak any English and it was clear that the person who provided the initial address and instructions was not Ms. [REDACTED].
26. While inside the house, Detective Portillo noticed that the house was in the same condition as it was in March of 2018 when Detective Michael had visited. There was little to no furniture and very few personal effects besides beds, lotions and condoms. There was also a suitcase sitting on the floor in an empty closet, \$2100 in US Currency, condoms hidden in a number of locations, paper towel with numbers written on it that appeared to be ledgers and a stack of unused Master Card gift cards. One week after the police conducted this operation, new advertisements were located on adultsearch.com, a known escort site for sexual services.
27. On August 16, 2018, Detective James text messaged a different phone number listed for the advertisement and was directed to Ellsworth, receiving the same instructions to park away from the house and call when he arrived at Ellsworth. Detective Michael James was met by a different Asian female identified as [REDACTED] [REDACTED] who again spoke no English, agreed to perform sexual acts in exchange for money.
28. In an interview through a Mandarin Interpreter, [REDACTED] told investigators that she had arrived in Colorado on August 9, 2019. She said she would perform acts on 3-6 customers per day and would charge \$200 for an hour and \$160 for 30 minutes. [REDACTED] indicated that she would be notified that a customer was coming via WeChat. She described a woman she called Niu Niu as the "Boss" and said that she would stop by and pick up money. She provided a phone number of [REDACTED]-[REDACTED]-[REDACTED] for Niu Niu. This number is the same phone number Gao initially provided to Detective Michael for [REDACTED].
29. Records received for the [REDACTED]-[REDACTED]-[REDACTED] phone number indicate that the user of this number was traveling extensively during the spring and summer of 2018 and not staying in Denver. Call detail records indicate that this phone was being used in Washington, California, Oregon and New York during this time frame.

30. On August 16, 2018, a search of Ellsworth revealed U.S. currency, used condoms, a pill bottle with unused condoms hidden inside and a Frontier airlines ticket for [REDACTED] from Seattle, Washington to Denver, Colorado on August 9, 2018.

31. On August 16, 2018, Zhang arrived at Ellsworth during the search and attempted to claim a package at the house with car keys and a title that had been mailed to Ellsworth from Seattle, Washington. He was told that he could not take any items from the home and then was seen driving down the street and parking. At the same time, Gao passed the house and parked at the end of the street. Officers were able to see Gao and Zhang standing outside their cars and talking in the street for a period of time while the police were searching the house. At no time did the police directly contact Gao to inform her about what was occurring at the home.