

AO 91 (Rev. 11/11) Criminal Complaint



UNITED STATES DISTRICT COURT
for the
Northern District of California

United States of America
v.
Barry Blackwell House, a/k/a Barry Black

Case No.

3 14 70439

FILED
MAR 25 11 49 AM '14
FBI - SFO

Defendant(s)

NC

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of See attached in the county of San Francisco in the Northern District of California, the defendant(s) violated:

Table with 2 columns: Code Section, Offense Description. Row 1: See attached, See attached

This criminal complaint is based on these facts:
See attached Affidavit of FBI SA Emmanuel V. Pascua

Continued on the attached sheet.

Signature of Emmanuel V. Pascua
Complainant's signature
SA Emmanuel V. Pascua, FBI
Printed name and title

Sworn to before me and signed in my presence.

Date: 03/24/2014

Signature of Nathanael M. Cousins
Judge's signature

City and state: San Francisco, CA

Hon. Nathanael M. Cousins, U.S. Magistrate Judge
Printed name and title

Handwritten initials: N.M.J.

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Northern District of California

United States of America)

v.)

Tong Zhao Zhang)

Case No.

3 14 70439

Defendant(s)

NC

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of See attached in the county of San Francisco in the Northern District of California, the defendant(s) violated:

Code Section Offense Description
See attached See attached

This criminal complaint is based on these facts:

See attached Affidavit of FBI SA Emmanuel V. Pascua

Continued on the attached sheet.

Complainant's signature

SA Emmanuel V. Pascua, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date: 03/24/2014

Judge's signature

Hon. Nathanael M. Cousins, U.S. Magistrate Judge

City and state: San Francisco, CA

Printed name and title

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Northern District of California

United States of America)
v.)
Jason LNU, refer to Exhibit I)

Case No. 3 14 70439

Defendant(s)

CRIMINAL COMPLAINT

NC

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Code Section Offense Description
See attached See attached

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This criminal complaint is based on these facts:

See attached Affidavit of FBI SA Emmanuel V. Pascua

Continued on the attached sheet.

Complainant's signature

SA Emmanuel V. Pascua, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date: 03/24/2014

Judge's signature

City and state: San Francisco, CA

Hon. Nathanael M. Cousins, U.S. Magistrate Judge

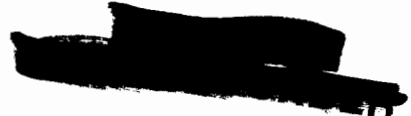
Printed name and title

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Northern District of California



United States of America)

v.)

UAM #3, refer to Exhibit II)

Case No.)

3 14 70439

Defendant(s)

CRIMINAL COMPLAINT

NC

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of See attached in the county of San Francisco in the Northern District of California, the defendant(s) violated:

Code Section See attached Offense Description See attached

FILED MAR 25 2014

This criminal complaint is based on these facts: See attached Affidavit of FBI SA Emmanuel V. Pascua

Continued on the attached sheet.

Signature of Emmanuel V. Pascua

Complainant's signature

SA Emmanuel V. Pascua, FBI

Printed name and title

Sworn to before me and signed in my presence.

Date: 03/24/2014

Signature of Judge Nathanael M. Cousins

Judge's signature

City and state: San Francisco, CA

Hon. Nathanael M. Cousins, U.S. Magistrate Judge

Printed name and title

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11 UNITED STATES DISTRICT COURT
12 NORTHERN DISTRICT OF CALIFORNIA
13 SAN FRANCISCO DIVISION

NC

3 14 70439

14 IN RE: CRIMINAL COMPLAINT

) SUPPLEMENTAL AFFIDAVIT OF SPECIAL
) AGENT EMMANUEL V. PASCUA IN SUPPORT
) OF COMPLAINTS AND ARREST WARRANTS



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20 I, Emmanuel V. Pascua, special Agent with the Federal Bureau of Investigation, being duly
21 sworn, depose and state that:

22
23 **I. BACKGROUND**

24 **A. INCORPORATED COMPLAINT BY REFERENCE**

25
26 I hereby incorporate by reference the Affidavit of SA Pascua in Support of Criminal Complaints
27 (hereinafter Pascua Complaint Affidavit I), submitted separately to the Honorable Nathanael M.
28 Cousins, United States Magistrate Judge. The referenced Affidavit was sworn and signed on March 23,

1 2014. Pascua Complaint Affidavit I provides my background and the background of the instant
2 investigation.

3 I am an investigative or law enforcement officer of the United States, within the meaning of 18
4 U.S.C. § 2510(7), and am empowered by law to conduct investigations of and to make arrests for
5 offenses enumerated in 18 U.S.C. § 2516.

6 I am making this affidavit in support of a complaint for the issuance of arrest warrants for the
7 Targets included in Part B of this Section of the affidavit, for violations of the Statutes included in Part
8 C of this Section of the affidavit.

9
10 ***B. COMPLAINANTS***

11 **Barry HOUSE, a/k/a Barry Black** (hereinafter HOUSE), is a 44 year old U.S. Citizen, believed to
12 reside in Concord, California. HOUSE's criminal history includes: misdemeanor conviction for
13 criminal possession of controlled substance, 7th degree, July 1987, Bronx, New York; felony arrest
14 without disposition for unlawful use of a controlled substance, criminal use and possession of controlled
15 substance, Richmond, Virginia, 1994; felony conviction for federal violation of conspiracy to distribute
16 heroin, California, 2001; misdemeanor conviction for reckless driving, March 2012, Oakland,
17 California; felony conviction for plant/cultivate/etc. marijuana/hash, January 2013, Oakland, California;
18 misdemeanor conviction for battery of spouse, April 2013, Oakland, California. HOUSE is currently on
19 California state probation for charges stemming from the aforementioned cultivation and possession for
20 sale of marijuana charge through February 25, 2018 (probation conditions include a search condition).
21 HOUSE was introduced to a UCE by KEITH JACKSON. I believe that the facts detailed below are
22 sufficient to demonstrate probable cause to believe that HOUSE has violated the following criminal
23 statutes: Title 18, United States Code, Section 922(g)(1) (Felon in Possession of a Firearm) and Title
24 18, United States Code, Section 922(a)(1) (Dealing in Firearms Without a License).
25
26

27 **Tong Zao ZHANG** (hereinafter ZHANG), is a 28 year-old United States Legal Resident believed to
28

1 reside in Brooklyn, New York. ZHANG has no known criminal history. As further detailed below,
2 ZHANG is an associate of James PAU and Leslie YUN (both further described in Pascua Complaint I)
3 who was identified by FBI Agents during surveillances in at least two purportedly stolen contraband
4 cigarette transactions in New York. I believe the facts detailed below provide probable cause to believe
5 ZHANG violated criminal statute Title 18, United States Code, Sections 371, 2314, and 2315
6 (Conspiracy to Receive and Transport Stolen Property in Interstate Commerce); Title 18, United States
7 Code, Sections 371, 2342 and 2344 (Conspiracy to Traffic and Trafficking in Contraband Cigarettes).
8

9 **JASON Last Name Unknown (hereinafter JASON)**, is further described as an Asian male
10 approximately 45 years of age. See Exhibit I for photographs. Those photographs were taken during
11 physical surveillance of the cigarette transactions described below and subsequently UCE 4599
12 identified these surveillance photographs as being JASON. JASON was involved in at least two
13 purportedly stolen contraband cigarette transactions in New York. I believe the facts detailed below
14 provide probable cause to believe that JASON violated criminal statute Title 18, United States Code,
15 Sections 371, 2315, 2342 and 2344 (Conspiracy to Receive Stolen Property in Interstate Commerce and
16 to Traffic in Contraband Cigarettes).
17

18 **Unknown Asian Male 3 (hereinafter UAM 3)**, is further described as an Asian male approximately
19 30 years of age. See Exhibit II for photographs. Those photographs were taken during physical
20 surveillance of all three cigarette transactions described below. The individual depicted is identified as
21 the same individual, and as present during the transactions. UAM3 is called by that moniker for this
22 Affidavit for ease of reference to FBI surveillance reports. Neither UAM1, 2, 4, or any others are the
23 subject of this Affidavit. I believe the facts detailed below provide probable cause to believe UAM3
24 violated criminal statute Title 18, United States Code, Sections 371, 2315, 2342 and 2344 (Conspiracy
25 to Receive Stolen Property in Interstate Commerce and to Traffic in Contraband Cigarettes).
26

27 ***C. STATUTES VIOLATED***
28

1 **Title 18, United States Code, Section 922(g)(1)** provides:

2 “It shall be unlawful for any person who has been convicted in any court of, a crime punishable by
3 imprisonment for a term exceeding one year . . . to ship or transport in interstate or foreign commerce, or
4 possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition
5 which has been shipped or transported in interstate commerce.”

6 **Title 18, United States Code, Section 922(a)(1)** provides:

7 “It shall be unlawful for any person except a licensed importer, licensed manufacturer, or licensed
8 dealer, to engage in the business of importing, manufacturing, or dealing in firearms, or in the course of
9 such business to ship, transport, or receive any firearm in interstate or foreign commerce” and penalties
10 are provided pursuant to 924(a)(1)(D) for willful violations of being “fined under this title, imprisoned
11 not more than five years, or both.”

12 **Title 18, United States Code, Section 371** provides:

13 “If two or more persons conspire . . . to commit any offense against the United States . . . and one or
14 more of such persons do any act to effect the object of the conspiracy, each shall be fined under this title
15 or imprisoned not more than five years, or both.”

16 **Title 18, United States Code, Section 2315** provides:

17 “Whoever receives, possesses, conceals, stores, barter, sells, or disposes of any goods, wares or
18 merchandise, securities or money of the value of \$5,000 or more . . . which have crossed a State or
19 United States boundary after being stolen, unlawfully converted, or taken, knowing the same to have
20 been stolen, unlawfully converted, or taken . . . [s]hall be fined under this title or imprisoned not more
21 than ten years, or both.”

22 **Title 18, United States Code, Section 2342(a)** provides:

23 “It shall be unlawful for any person knowingly to ship, transport, receive, possess, sell, distribute, or
24 purchase contraband cigarettes.” Contraband cigarettes are defined as “a quantity in excess of 10,000
25 cigarettes, which bear no evidence of the payment of applicable State or local cigarette taxes in the State
26 or locality where such cigarettes are found, if the State or local government requires a stamp,
27 impression, or other indication to be placed on packages or other containers of cigarettes to evidence
28 payment of cigarette taxes, and which are in the possession of any person other than” a manufacturer or
warehouse proprietor exempted from the law, a common carrier with a proper bill of lading, a person
licensed and in compliance with the State, or a government employee. Section 2344 provides that
“Whoever knowingly violates section 2342(a) of this title shall be fined under this title or imprisoned
not more than five years, or both.” I am aware that New York law requires tax stamps affixed to
cigarettes sold in New York.

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2 **II. PROBABLE CAUSE**

3 **A. CRIMINAL ACTS COMMITTED BY THE TARGETS**

4 1. HOUSE

5 On January 2, 2013, Keith JACKSON (hereinafter Keith JACKSON, and further described in
6 Pascua Complaint Affidavit I) and HOUSE met with UCE 4599. HOUSE offered his protection
7 services to UCE 4599, who purported to HOUSE that he was having problems with a white-supremacist.
8 HOUSE told UCE 4599 that taking care of this problem was “too easy.”
9

10 On December 3, 2013, Keith JACKSON told UCE 4599 he recently met with HOUSE. Keith
11 JACKSON pointed to his bicep muscle and told UCE 4599 if he ever needed anything from HOUSE to
12 let him know.

13 On February 12, 2014, HOUSE met with UCE 4599 at a sporting event in Oakland, California.
14 HOUSE told UCE 4599 he was looking to purchase large quantities of marijuana. HOUSE was tired of
15 dealing with low-level criminals. UCE 4599 asked HOUSE if he had the ability to sell weapons to UCE
16 4599. HOUSE advised he had a source of supply for weapons. HOUSE told UCE 4599 he would
17 initially be able to supply UCE 4599 with one assault rifle and one hand gun. HOUSE told UCE 4599 he
18 would be able to produce the weapons the following week. HOUSE told UCE 4599 he had “two goons”
19 that could provide any type of intimidation or extortion services and that one of the “goons” was from
20 New York and would do anything HOUSE requested. UCE 4599 asked HOUSE if the “goons” could
21 damage the vehicle of one of UCE 4599’s associates to send a message. HOUSE responded “Done deal,
22 that’s too easy. I call that the sleeper.” HOUSE told UCE 4599, UCE 4599 didn’t have to even meet the
23 “goons” to minimize his culpability in the event.
24
25

26 On March 17, 2014, UCE 4599 met with Keith JACKSON and Barry HOUSE. HOUSE asked
27 for UCE 4599’s cellular telephone number and added UCE 4599 to his contact list. UCE 4599 and
28

1 HOUSE arranged to meet that evening. HOUSE stated "Yeah, I'm going bring them up." UCE 4599
2 asked HOUSE if the guns were two assault rifles. HOUSE said he had "One nice, one little one. You
3 are going to like both of them." UCE 4599 understood HOUSE was talking about one assault rifle and
4 one handgun. During the meeting, UCE 4599 provided HOUSE with \$1,400 cash for the
5 aforementioned firearms HOUSE was to provide UCE 4599.

6 On March 20, 2014, UCE 4599 met with Keith JACKSON and received a .380 Cobra FS380
7 semi-automatic pistol. According to JACKSON, the firearm originated from HOUSE. The firearm was
8 due to UCE 4599 based upon his prior payment of \$1,400 to HOUSE. According to open source
9 reporting on the manufacturer, Cobra, the firearm was manufactured in Utah and not manufactured in
10 California. HOUSE was a convicted felon during the relevant time period. According to a records
11 check by the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), HOUSE is not federally
12 licensed to deal in firearms. **I believe this demonstrates probable cause for a violation of Title 18,**
13 **United States Code, Section 922(g)(1) and Title 18, United States Code, Section 922(a)(1) by**
14 **HOUSE.**

15
16
17 2. TONG ZHANG, JASON LNU, and UAM3

18 On August 9, 2012, UCE 4599 conducted a sale of 50 Master Cases (in excess of 10,000
19 cigarettes) of purportedly stolen cigarettes without any tax stamps on them, with the assistance of Leslie
20 YUN, George NIEH (hereinafter YUN and NIEH, respectively, and further described in Pascua
21 Complaint Affidavit I) , JASON and UAM3, as well as using a vehicle registered to ZHANG. The deal
22 had previously been negotiated between UCE 4599 and YUN in the Northern District of California. In a
23 hotel room, UCE 4599 provided JASON with two cartons of Marlboro cigarettes, representative of the
24 50 master cases of cigarettes and JASON subsequently left the room. YUN stated it would take a few
25 hours to have the sample cigarettes taken by JASON inspected for quality and authenticity. YUN
26 further stated JASON was acting as a broker and would be delivering the sample of cigarettes to other
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1 unknown individuals. Later, JASON entered the hotel room with a black backpack containing \$96,010
2 for the cigarettes. JASON gave the backpack to YUN and YUN gave the backpack to UCE 4599. The
3 UCEs (there were two additional UCEs accompanying UCE 4599) attempted to work out the logistics
4 for the delivery of the cigarettes. YUN translated from English to Chinese to facilitate the conversation
5 between the UCEs and JASON. UCE 4599 started to count the cash while UCEs continued to
6 coordinate the delivery of the cigarettes. An unknown Asian male (still unidentified) explained that the
7 cigarettes needed to be delivered to a location in Brooklyn, New York. Sometime during the
8 surveillance, FBI Agents observed JASON driving a green Toyota minivan, New York License Plate
9 (NYLP) FXZ7147 with UAM 3 as a passenger. The green Toyota minivan was registered to a
10 dealership in New York. Outside the hotel, UAM3 was observed in front while money was being
11 exchanged in the hotel. A vehicle registered to ZHANG, a Toyota Rav 4, NYLP GAB8955, was seen at
12 the location of the meeting. UCEs drove a rental truck to the location in Brooklyn and assisted in
13 unloading the cigarettes off of the rental truck. A green minivan matching the description of a vehicle
14 previously driven by JASON was at the point of loading the cigarettes, but it is unknown from the
15 surveillance conducted whether JASON was at that location or not.

16
17
18 On January 10, 2013, UCE 4599 conducted a sale of 100 Master Cases (in excess of 10,000
19 cigarettes) of purportedly stolen cigarettes without any tax stamps on them with the assistance of YUN,
20 PAU (hereinafter PAU and further described in Pascua Affidavit I), JASON, ZHANG, UAM3 and
21 others. The deal had previously been negotiated between UCE 4599 and YUN in the Northern District
22 of California. In a hotel room located in Flushing, New York, JASON provided a canvas bag containing
23 \$173,000 to PAU. PAU in turn removed \$5,000 from the bag, and provided the remaining cash to the
24 UCEs (UCE 4599 and others). The cash total was confirmed to be \$168,000. FBI Agents observed a
25 black Toyota Rav 4 SUV, NYLP GAB8955, registered to ZHANG arriving in tandem with a U-Haul
26 truck at the location where the purportedly stolen cigarettes were stored. Agents identified ZHANG as
27
28

1 the driver of the Rav 4. The U-Haul was backed up to the storage facility containing only the master
2 cases of cigarettes placed there by FBI agents. Agents observed ZHANG, PAU, UAM3 and others
3 walking back and forth from the storage facility to the U-Haul as if loading the master cases of cigarettes
4 into the U-Haul vehicle. Surveillance on the U-Haul vehicle tracked it to the location of a garage in
5 Brooklyn. The Rav 4 belonging to ZHANG was seen at the point where the U-Haul stopped. At the
6 garage, several Asian males, including an unknown Asian male previously observed at the storage
7 facility loading boxes into a blue BMW SUV, NY License Plate FJE7941. The blue BMW SUV was
8 seen making multiple trips back and forth between the garage area where the cigarettes were unloaded,
9 and a location in Brooklyn only a couple minutes away.

11 On July 18, 2013, UCE 4599 conducted a sale of 100 Master Cases (in excess of 10,000
12 cigarettes) of purportedly stolen cigarettes without any tax stamps on them with the assistance of YUN,
13 PAU, NIEH, ZHANG, UAM3 and others. The deal had previously been negotiated between UCE 4599
14 and YUN in the Northern District of California. While in Flushing, New York, PAU and the UCEs
15 walked to a nearby restaurant from the hotel as they wait for the cash to arrive at the meeting location
16 and were greeted by JASON along the way. Later, YUN and PAU provided UCE 4599 with \$150,000
17 for 100 master cases of cigarettes. Agents conducting surveillance observed ZHANG driving a rental
18 truck at the storage facility where the purportedly stolen cigarettes were stored. Arriving in tandem with
19 the rental truck was the black Toyota Rav 4, NYLP GAB8955, registered to ZHANG. Also present at
20 the storage facility were UAM3 and others. The rental truck was positioned with its rear against the
21 doors of the storage unit that contained only the master cases of cigarettes placed there by FBI agents.
22 **I believe this demonstrates probable cause for a violation of Title 18, United States Code, Sections**
23 **371, 2315, 2342 and 2344 by JASON LNU, ZHANG, and UAM3.**

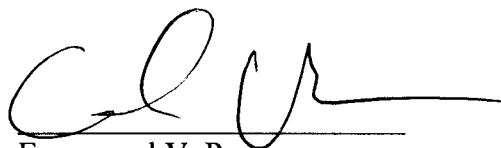
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27 **III. CONCLUSION**
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1 Based on the foregoing, I request that a Criminal Complaint issue for the Targets listed in Part
 2 B of Section I of this Affidavit, based upon Probable Cause as described in Section II of this Affidavit.

3 In summary, as follows:

4 Defendant	Date	Offense	Penalty
5 HOUSE	March 20, 2014	18 USC 922(g)(1)	Up to 10 years prison; 3 years supervised release; \$250,000 fine; \$100 assessment
6 HOUSE	March 20, 2014	18 USC 922(a)(1)	Up to 5 years prison; 3 years supervised release; \$250,000 fine; \$100 assessment
7 ZHANG	January 10, 2013 to July 18, 2013	18 USC 371, 2315, 2342(a) and 2344	Up to 5 years prison; 3 years supervised release; \$250,000 fine; \$100 assessment
8 JASON	August 9, 2012 to January 10, 2013	18 USC 371, 2315, 2342(a) and 2344	Up to 5 years prison; 3 years supervised release; \$250,000 fine; \$100 assessment
9 UAM3	August 9, 2012 to July 18, 2013	18 USC 371, 2315, 2342(a) and 2344	Up to 5 years prison; 3 years supervised release; \$250,000 fine; \$100 assessment

10 Under penalty of perjury, I swear that the foregoing is true and correct to the best of my knowledge,
 11 information, and belief.
 12


13
 14
 15
 16 

17 Emmanuel V. Pascua
 18 Special Agent
 19 Federal Bureau of Investigation

20 SWORN BEFORE ME
 21 ON MARCH 24, 2014.

22 
 23 HONORABLE NATHANAEL M. COUSINS
 24 UNITED STATES MAGISTRATE JUDGE

25 Approved as to form:

26 
 27 William Frentzen
 28 Susan Badger
 Assistant United States Attorneys