

EXHIBIT A

Attachment B

AFFIDAVIT

STATE OF WASHINGTON)
COUNTY OF KING) ss

I, Cory L. Cote, being duly sworn upon oath, depose and state:

I. QUALIFICATIONS OF AFFIANT.

1. I am a Special Agent of the Federal Bureau of Investigation, and have been so employed for 16 years. I am currently assigned to the Seattle Field Office. As a Special Agent, I investigate criminal violations of the United States Code found in Titles 18 and 21. I have investigated organized crime, kidnaping, drug trafficking, gang crimes, violent crime, public corruption and various fraud offenses for the last twelve years. Prior to that, I worked on an international terrorism squad for approximately four years.

2. I am familiar with, and have participated in, all of the usual methods of investigation, including, but not limited to, analysis of documentary evidence, financial investigation, visual surveillance, the questioning of witnesses, the use of informants, the purchase of drug evidence, the use of pen registers, the implementation of undercover operations, and the execution of search warrants.

3. During the course of this investigation, I have spoken to other agents, law enforcement officials, and other interested individuals about this investigation, and have read reports concerning the progress of the investigation. I also have reviewed files and reports provided by the victim companies, as well as public databases and records. The statements contained in this affidavit are based on my personal knowledge or on information that has been provided to me directly or indirectly by other investigating agents/officers, and on my experience and training. Because this affidavit is being submitted for the limited purpose of securing a seizure warrant, I have not included each and every fact known to me concerning this investigation. I have set forth only the relevant facts I believe are necessary to determining whether probable cause supports the issuance of the warrant.

II. PROPERTY TO BE SEIZED.

4. The facts presented below are submitted to establish probable cause for the seizure of the following properties:

All funds and assets on deposit in the following accounts held at The Vanguard Group, Inc. and Vanguard Marketing Corporation. We specifically request that the Court authorize liquidation of any and all assets in the accounts for purposes of seizure:

a. Vanguard Individual Account Number 09966712514, held in the name of Allen J Chiu, and the associated Vanguard Brokerage Services Account Number 66826556;

b. Vanguard Roth IRA Account Number 88016821350, held in the name of Allen J. Chiu, and the associated Vanguard Brokerage Services Account Number 79019168;

c. Vanguard Individual Account Number 88016821347, held in the name of Andrew Stephen Chiu, and the associated Vanguard Brokerage Services Account Number 85845899;

d. Vanguard Individual Account Number 88027753721, held in the name of Andrew Stephen Chiu, and the associated Vanguard Brokerage Services Account Number 30108220; and

e. Vanguard Roth IRA Account Number 88015667418, held in the name of Andrew Stephen Chiu, and the associated Vanguard Brokerage Services Account Number 82523065.

5. Based on the information below, I respectfully submit there is probable cause to believe that ALLEN CHIU and ANDREW CHIU (sometimes collectively referred to as the “CHIUS” or individually as “ALLEN” and “ANDREW”) were engaged in a scheme and artifice to defraud certain businesses of money and property by means of wire, in violation of Title 18, United States Code, Section 1343, and laundered the proceeds of that scheme and artifice, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

6. Moreover, I respectfully submit that the properties sought to be seized are involved in transactions or attempted transactions in violation of Title 18, United States Code, Section 1956, are traceable to such property, and constitute gross proceeds that are traceable to the gross

1 receipts obtained, directly or indirectly, from a violation of the wire fraud provisions at Title 18,
2 United States Code, Section 1343. Therefore, the properties are subject to seizure and forfeiture
3 to the United States pursuant to Title 18, United States Code, Sections 981(a)(1)(A), (a)(1)(C),
4 and (a)(1)(D)(vi).

5 7. Finally, Title 18, United States Code, Section 981(b)(1) authorizes seizure of
6 property subject to civil forfeiture based upon a warrant supported by probable cause. Title 18,
7 United States Code, Section 981(b)(3) permits the issuance of a seizure warrant by a judicial
8 officer in any district in which a forfeiture action against the property may be filed and may be
9 executed in any district in which the property is found.

10 III. OVERVIEW OF THE SCHEME.

11 8. Beginning in or about January 2010 and continuing through December 2011,
12 ALLEN CHIU and ANDREW CHIU engaged in a scheme to defraud Nordstrom, Inc. and an
13 online sales generator company known as FatWallet. Through their scheme, the CHIUs
14 attempted to cause the two businesses losses of approximately \$2 million, and obtain personal
15 profits for themselves of approximately \$1.1 million.

16 9. Nordstrom maintains a web-based retail site at Nordstrom.com. In order to
17 promote online sales, Nordstrom contracts with certain third party websites, known as
18 "affiliates," to help generate sales on Nordstrom.com. FatWallet is one such affiliate. At all
19 times relevant to this affidavit, Nordstrom paid a commission to FatWallet equalling
20 approximately 7% of completed sales at Nordstrom.com that were initiated by FatWallet's
21 website members. FatWallet, in turn, encouraged online shoppers to become members of their
22 site and use FatWallet.com to shop at Nordstrom by paying out a portion of Nordstrom's
23 commission -- approximately 4% of the purchases -- as "cash back" to the purchaser.¹

24 10. ALLEN and ANDREW are longtime registered members of FatWallet.com and
25 utilized the website to place online orders with web retailers, including Nordstrom.com. In or
26 about 2008, Nordstrom discovered that ALLEN and ANDREW were reporting an excessive

27
28 ¹ According to FatWallet, from time to time, participating merchants such as Nordstrom would pay additional commissions for member purchases, and those higher commissions were also passed onto FatWallet's members.

1 amount of lost or stolen merchandise deliveries resulting in approximately \$1,500 in claimed
2 refunds. As a result, in or about October 2008, Nordstrom determined that the CHIUs presented
3 a fraud risk and notified them by letter that their online customer privileges would be terminated
4 and no further claims for refunds would be honored.

5 11. The CHIUs, however, ignored the termination notice and continued to place orders
6 at Nordstrom.com through FatWallet from November 2008 through the end of 2009. Because of
7 certain features of a manual fraud detection system at Nordstrom in place at the time, some of
8 these orders were inadvertently accepted by Nordstrom. Once such orders were completed, the
9 CHIUs again claimed refunds from Nordstrom for stolen and undelivered merchandise. Records
10 demonstrate that when Nordstrom formally refunded purchases, and these refunded purchases
11 were able to be linked to an original order, the "cash back" amount pending at FatWallet was
12 also reversed and the CHIUs were not paid any cash back amounts associated with those
13 refunded purchases.

14 12. On or about January 4, 2010, Nordstrom reviewed one order submitted by ALLEN
15 CHIU with a "ship to" address in Dallas, Texas. A review of the order determined that this order
16 was submitted by one of the CHIUs who were prohibited from shopping on Nordstrom.com. By
17 this time, a new automated fraud detection system was put in place at Nordstrom, and with the
18 additional information learned from the January 4, 2010 order, the system automatically denied
19 all subsequent orders submitted by either ALLEN or ANDREW CHIU. When an order was
20 "auto-denied," no merchandise was shipped and no charges were posted on the form of payment
21 submitted for the order. However, during the time period relevant to this affidavit, the fact that
22 certain orders were auto-denied was not communicated to FatWallet or the component of
23 Nordstrom that processed the commission payments to such affiliates. As a result, while the
24 CHIUs were not charged for their orders and no merchandise was delivered, the commissions
25 were nevertheless paid as if those purchases were legitimate, and FatWallet credited the CHIUs'
26 account with the corresponding cash back amounts.

27 13. After January 4, 2010, when the CHIUs were credited with cash back for
28 purchases that were never completed, the individuals rapidly and drastically escalated their

1 ordering patterns. Beginning in or about January 5, 2010, and continuing through September 30,
2 2011, the CHIUs together placed approximately 4,000 orders worth approximately \$23.7 million
3 through FatWallet to Nordstrom.com with no intent of actually paying for such orders, but
4 intending only to obtain the cash back payments that they knew they were not entitled to. As a
5 result of their scheme, the CHIUs caused Nordstrom to issue approximately \$2 million in
6 commission payments, generating approximately \$1.1 million in cash back awards for
7 themselves.

8 IV. BACKGROUND

9 A. Targets of the Investigation.

10 14. ALLEN JARLEN CHIU, is a thirty-five year old male currently residing at 8088
11 Park Lane, Unit 1007, Dallas, Texas.

12 15. ANDREW STEPHEN CHIU, is a twenty-seven year old male, currently residing at
13 1801 East Katella Avenue, Unit 4060, Anaheim, California 92805.

14 B. Relevant Entities.

15 16. Nordstrom, Inc. is a retailer headquartered in Seattle, Washington. Nordstrom
16 operates 225 U.S. stores located throughout the United States. Nordstrom also serves customers
17 through its online presence at Nordstrom.com.

18 17. FatWallet, Inc. is an internet company that operates from Beloit, Wisconsin. FatWallet
19 FatWallet provides an online shopping community website that promotes and generates online
20 sales for other retailers by providing cash back incentives, coupons, and deals for shoppers who
21 make purchases through the FatWallet website. FatWallet receives commissions from these
22 retailers based on a percentage of the sales made to FatWallet members. FatWallet members
23 then receive part of that commission as "cash back." The more a FatWallet member purchases,
24 the greater their cash back award. FatWallet is currently owned by a holding company,
25 Performance Marketing Brands (PMB), headquartered in San Francisco, California.

26 18. LinkShare Corporation is headquartered in New York, New York. LinkShare
27 facilitates and manages relationships between e-commerce businesses and their third party
28 affiliates by providing the underlying technology that manages web links, tracks results and

1 commissions, and sends payments to affiliates. LinkShare manages the relationships between
2 Nordstrom and a number of their affiliates, including FatWallet. Among other things, LinkShare
3 processes and keeps track of the commissions that are due from Nordstrom as a result of
4 individual sales made to affiliate members, receives the commission payments from Nordstrom,
5 and then distributes the correct commission amounts to the individual companies.

6 **C. Explanation of FatWallet/Nordstrom Ordering and Commissions Payment Process.**

7 19. To place an order on Nordstrom.com via FatWallet's website, a customer must first
8 create an account at FatWallet by registering a user name and password. By registering, the
9 FatWallet user assents to a "User Agreement" that sets forth the terms and conditions of
10 membership. Among other things, the User Agreement explains the following:

11 a. In order to earn cash back awards, the user must make a "qualifying
12 purchase" through the FatWallet website at a participating merchant, and that the transaction
13 must be "complete";

14 b. Cash back awards are available for redemption only after approximately 91
15 to 121 days after the purchase in order to allow the participating merchant to reverse a
16 transaction for return purposes, and that cash back awards become available only after the
17 participating merchant "authorizes the payment of FatWallet.com's commission in connection
18 with [a member's purchase]"; and

19 c. FatWallet's cash back awards are "subject to adjustments for returns and
20 cancellations" and "FatWallet's receipt of information and payments on such purchases/orders
21 from Participating Merchants."

22 20. Once registered on FatWallet's site, the customer can be directed to any retailer
23 that FatWallet does business with, including Nordstrom.com.

24 21. Once on Nordstrom's website, when a customer selects merchandise, and attempts
25 to finalize a sale, Nordstrom requires that the customer indicate whether he or she is a guest or a
26 returning customer. The CHIUs submitted all their orders as guest customers so their orders
27 were never linked together. Once the customer completes their purchases and submits an order,
28 a credit authorization request is sent to the customer's bank/credit card provider. If the credit

1 authorization request is approved, the customer is notified that their transaction has been
2 approved and completed.

3 22. Once the transaction is complete, the order is reviewed by Nordstrom's fraud
4 screening system which was implemented in September of 2009. The fraud screening system
5 can accept, cancel, or auto-deny the order:

6 a. If accepted, the order is fulfilled, the customer's credit card is charged, and
7 the merchandise is shipped.

8 b. If the order is deemed suspicious it can be cancelled, in which case the
9 order is not fulfilled or shipped and the authorization on the payment method is reversed back to
10 the card in 3-5 business days.

11 c. If the order is deemed suspicious it can be auto-denied, in which case the
12 order is not fulfilled nor shipped, and the credit/debit card authorization is immediately reversed,
13 resulting ultimately in no charges to the credit/debit card.

14 23. Because of suspicious past ordering activity, further detailed below, all of the
15 CHIUs Nordstrom.com orders submitted after January 4, 2010, through FatWallet were auto-
16 denied by the fraud screening system. As a consequence, after January 4, 2010, no merchandise
17 was ever shipped to any address the CHIUs designated in their orders, nor were they charged for
18 any of their orders.

19 24. During the time period relevant to this affidavit, Nordstrom contracted with
20 LinkShare to provide affiliate management services, including compiling and tracking
21 Nordstrom orders submitted by affiliate members and processing the correct commission
22 payments to the affiliates. LinkShare compiled affiliate member order information from
23 Nordstrom on a daily basis.

24 25. LinkShare utilized certain computer programs to interface with Nordstrom's order
25 system to gather and compile order information. During the time period relevant to this
26 affidavit, LinkShare's programs took order data from affiliate members' orders transacted
27 through Nordstrom's web page. However, LinkShare's program did not capture any information
28 that would have indicated certain of the orders had been auto-denied. As a result, even though

1 the CHIUs' orders were auto-denied, LinkShare continued to count their orders as part of the
2 daily tally as if they had been completed. LinkShare, in turn, provided a daily report of the
3 orders to all affiliate sites, including FatWallet, which detailed the retailer and the amount of
4 orders by User ID. FatWallet was also not informed through this reporting process that the
5 CHIUs' orders had been denied and never completed. Therefore, FatWallet used this
6 information to credit the CHIUs with cash back awards generated by these incomplete orders.

7 26. LinkShare, as part of its services, also provided Nordstrom with access to the daily
8 affiliate order reports. Nordstrom could review the daily orders generated through their web site
9 by each affiliate. While Nordstrom could examine individual order level data, it was not able to
10 identify the specific customers submitting the individual orders based on the LinkShare reports
11 alone. As a result, Nordstrom was not aware that the CHIUs's incomplete orders were being
12 counted toward commission payments for FatWallet.

13 27. Based on the order information tallied, LinkShare invoiced Nordstrom once a
14 month for the commissions. The monthly commission earned by each affiliate was listed
15 separately on the invoice. Nordstrom then paid LinkShare the total amount of the invoice and
16 LinkShare, in turn, divided the commissions among the affiliates as was due. Pursuant to their
17 agreement, Nordstrom paid FatWallet generally 7% commission for all purchases made by
18 FatWallet members.² Again, because neither Nordstrom, LinkShare, or FatWallet was aware
19 that the invoice included commissions on the orders submitted by the CHIUs, the amounts paid
20 included commissions generated by the CHIUs.

21 28. Nordstrom paid the commission payments via wire transfers that were directed
22 from a website from their headquarters in Seattle, Washington. From Seattle, Nordstrom would
23 authorize wire payments to issue from their accounts at Bank of America in Atlanta, Georgia, to
24 LinkShare's bank account located at Bank of America in Richmond, Virginia. The following is a
25 chart detailing some examples of payments during the period relevant to this affidavit that
26 Nordstrom wire transferred to LinkShare, and the portion of those commission payments that

27 _____
28 ² According to FatWallet, from time to time participating merchants, such as Nordstrom, would run
promotions paying a higher commission rate. When commission rates were raised, FatWallet would
pass onto members those higher returns.

1 were due to FatWallet:

2 Sample Nordstrom Payments to Linkshare

3 Period of Activity	Payment Date	LinkShare Payment	FatWallet Share
4 July 2010	10/8/10	\$857,078.81	\$84,551.54
5 December 2010	2/15/10	\$1,053,645.34	\$70,125.73
6 April 2011	6/6/11	\$753,483.59	\$106,004.83
7 May 2011	7/11/11	\$1,163,155.14	\$116,084.00
8 June 2011	8/9/11	\$1,007,186.10	\$212,421.06
9 July 2011	9/8/11	\$1,492,524.08	\$213,447.77
10 August 2011	10/11/11	\$488,727.78	\$230,956.83

11 **D. Explanation of FatWallet Cash Back Payment Process.**

12 29. During the time period relevant to this affidavit, of the commission earned by
13 FatWallet from Nordstrom sales, FatWallet generally paid 4% cash back to the members. After
14 waiting approximately ninety days from the date of purchase, a FatWallet user can then request
15 that FatWallet issue payments of their "cash back" award. The CHIU brothers typically requested
16 payment of their "cash back" awards by check.

17 30. FatWallet members are able to monitor the cash back awards they have generated
18 by logging into their FatWallet account. Members are able to view their individual purchases,
19 the cash back generated by their purchases, how much of the cash back is "pending" and how
20 much is available to be redeemed. Should members return an item or otherwise cause a purchase
21 to be reversed within FatWallet's ninety day holding period, the reversal of the corresponding
22 cash back will also be viewable by the member upon login.

23 **V. SUMMARY OF INVESTIGATION**

24 **A. Earlier Suspicious Activity Lead To the CHIUs Receiving Notice to Cease Ordering from Nordstrom.com.**

25 31. Records obtained from Nordstrom and FatWallet show that ANDREW CHIU first
26 created a FatWallet account with the user name "andyschiu" in or about January 2003. This
27 account name was then used to submit orders to Nordstrom.com beginning in or about October
28

1 2004. ALLEN CHIU created the FatWallet user account "achiu99" in 2001, and used the
2 account to submit orders to Nordstrom starting in or about January 2008.

3 32. According to Nordstrom, between October of 2007 and September 2008, both
4 ALLEN and ANDREW repeatedly sought refunds from Nordstrom for their online purchases,
5 claiming missing items from shipments. By September 2008, Nordstrom had refunded a total of
6 approximately \$1,500.00 to ALLEN's and/or ANDREW's accounts for the claimed missing
7 items.

8 33. Nordstrom determined that the CHIUs' claims of lost and missing shipments were
9 excessive, and on or about October 27, 2008, Nordstrom sent a "termination" letter addressed to
10 "A. Chiu" to four different physical addresses that Nordstrom had identified as belonging to
11 ALLEN and ANDREW CHIU:

- 12 a. 793 Sojurn Road, New Lenox, Illinois;
- 13 b. 120 Aster Drive, Unit 2221, Schaumburg, Illinois;
- 14 c. 2220 Barnbridge Road, St. Louis, Missouri; and
- 15 d. 1801 East Katella Avenue, Unit 1129, Anaheim, California.

16 34. Based on the investigation, this affiant has reason to believe that either one or both
17 of the CHIUs received this termination letter. As further detailed below, ALLEN and
18 ANDREW directed FatWallet to send their cash back award payment checks to the New Lenox,
19 Illinois address, the St. Louis, Missouri address, and the Anaheim, California address.
20 Moreover, as further detailed below, each of these addresses were used by either ANDREW or
21 ALLEN to open various checking and investment accounts that were used during the course of
22 this scheme.

23 35. Nordstrom's termination letters explained that, since October of 2007, the CHIUs
24 had placed approximately forty orders with Nordstrom that were deemed suspicious. As an
25 example, Nordstrom's letter referenced an order that ALLEN CHIU placed with Nordstrom on
26 October 3, 2008, for two Burberry coats priced at \$1,195 each. On October 8, 2008, ALLEN
27 CHIU contacted Nordstrom to report that only one Burberry coat had been received. In
28 Nordstrom's letter, the company informed the CHIUs that it would not issue a credit for the

1 missing coat because it believed that the second coat had been received. Nordstrom's letter
2 concluded by explaining that the CHIUs would no longer receive any refunds for any claims of
3 loss, and that Nordstrom would not be able to provide any service to the CHIUs in the future.

4 36. After October 2008, within Nordstrom's internal records, ALLEN and ANDREW
5 CHIU were designated as undesirable customers residing at the four specified addresses.
6 Nordstrom has learned, however, that in spite of the termination letter, from in or about
7 November 2008 until the end of 2009, the CHIUs continued to attempt to submit orders through
8 FatWallet to Nordstrom.com.

9 37. Notably, according to FatWallet records, when refunds for Nordstrom merchandise
10 were able to be linked to an original order, the "cash back" award that was pending for that
11 purchase was reversed, and the CHIUs did not receive cash back award. The CHIUs would have
12 been able to view the reversal of said cash back award when they logged into their member
13 accounts to monitor their cash back award payments.

14 **B. CHIUs Implement the Current Scheme Even After Being Notified That They Were**
15 **Banned from Purchasing from Nordstrom.com.**

16 38. On January 4, 2010, ALLEN CHIU submitted an order on Nordstrom.com for
17 \$3,690 in association with a "ship to" address of 8088 Park Lane, Dallas, TX. The order was
18 marked for review because of the substantial value of the order. When Nordstrom personnel
19 realized that the order was submitted by a "blacklisted" customer, they denied the order.
20 Subsequently, additional parameters, including the Dallas, Texas address, were submitted to an
21 automated online fraud detection system that had been implemented. As a result, the system
22 blocked and "auto-denied" subsequent orders submitted by either ALLEN or ANDREW at
23 Nordstrom.com.

24 39. During this time, as described above, while the fraud detection system caught
25 ALLEN CHIU's attempted order, all purchases made through FatWallet by the CHIUs continued
26 to be mistakenly reported as completed sales to LinkShare and FatWallet. As a result, even
27 though the January 4, 2010 purchase was denied and no charges to ALLEN CHIU's bank/credit
28 card resulted, the commission associated with that sale was credited to FatWallet, and FatWallet
subsequently awarded the cash back for this order.

1 40. After January 4, 2010, when ALLEN was credited with the cash back award in
2 spite of Nordstrom never shipping the order or charging his account, the records demonstrate
3 that both CHIUs dramatically escalated their ordering activity on Nordstrom.com/FatWallet. For
4 example, whereas between November 1, 2009 and January 4, 2010, ANDREW placed
5 approximately fourteen orders and ALLEN had placed only five, between January 5, 2010 and
6 February 28, 2010, ANDREW placed approximately 41 orders and ALLEN placed
7 approximately 36. Between January 5, 2010, and continuing through September 30, 2011, both
8 CHIUs together placed approximately 4,000 orders worth approximately \$23.7 million through
9 FatWallet to Nordstrom.com.

10 41. An examination of the CHIUs ordering pattern indicates fraudulent intent. Aside
11 from the extra-ordinary numbers of orders and the high value of the orders, the very items they
12 ordered also indicated the CHIUs knew they had no intention of submitting legitimate orders.
13 The CHIUs regularly submitted multiple orders for the same high-ticket item. For example,
14 during the month of January 2010, ALLEN ordered seven Canali tuxedos and one Fillini Nero
15 tuxedo, while ANDREW ordered six Canali tuxedos for a total of fourteen tuxedos.

16 42. The orders the CHIUs submitted were automatically denied as a result of
17 Nordstrom's fraud screening system that recognized certain relevant parameters, including the
18 "ship to" addresses that the CHIUs used. Throughout the scheme, to submit their
19 Nordstrom.com orders, the CHIUs consistently provided either the Dallas, Texas address or one
20 of the other four shipping addresses to which Nordstrom sent the termination letter. Upon
21 review of this pattern, I believe that the CHIUs had determined that the Nordstrom orders were
22 being denied because the company recognized their shipping addresses. Thereafter, the CHIUs
23 purposefully submitted those addresses to trigger the denials and yet continue to receive the cash
24 back awards.

25 43. Just prior to the initiation of the current scheme, on or about January 2, 2010,
26 ANDREW contacted Nordstrom customer service in regards to the denial of an order that had
27 been placed that day for one Canali Tuxedo and a plaid suit for a total amount of \$4,881.49.
28 Although his order had been auto-denied, the Nordstrom customer service representative, in

1 accordance with company policy, told ANDREW to contact his bank for further details. On or
2 about January 4, 2010 and January 5, 2010, ALLEN contacted Nordstrom customer service
3 regarding the denial of an order he had placed on January 4, 2010 for two men's watches
4 totalling \$3,994.43. This was the order that had been reviewed and determined that ALLEN had
5 been banned from service. The customer representative, again following company policy,
6 informed ALLEN to contact his bank for further details. After January 5, 2010, when ALLEN
7 and ANDREW began to escalate their ordering activity, neither CHIU contacted Nordstrom to
8 inquire why their orders were never completed, again indicating that the CHIUs had no intention
9 of submitting legitimate orders.

10 44. Even though each of the CHIUs' orders submitted between January 5, 2010, and
11 October 18, 2011, were auto-denied, the orders continued to be mistakenly counted by
12 LinkShare as actual sales. As a result, LinkShare invoiced Nordstrom for the commissions
13 attributed to the CHIUs' sales, and Nordstrom paid the invoice, not realizing that the
14 commissions included the auto-denied orders for the CHIUs. LinkShare then passed onto
15 FatWallet their commissions and FatWallet, in turn, remitted the customer's portion of the
16 commission to the CHIUs, again, not knowing that the CHIUs had not actually made these
17 purchases.

18 45. Ultimately, as a result of CHIUs's fraudulent orders, Nordstrom paid commission
19 payments of approximately \$2 million, which then translated into approximately \$1.1 million in
20 cash back payments "owed" to the CHIUs. Of that cash back amount, the CHIUs successfully
21 extracted from FatWallet approximately \$650,000, via 787 individual checks made out to either
22 ALLEN or "ANDY" CHIU before FatWallet ceased further redemption due to the suspicious
23 activity.

24 **C. FatWallet Cash Back Payments Were Sent In the Form of Checks to Physical**
25 **Addresses Linked to ALLEN and ANDREW CHIU.**

26 46. As described above, when a FatWallet member logs into his or her account, the
27 member can view the amount of cash back award that was pending and the amount available.
28 Once a cash back payment award is made available, the member can then request payment of the
available amount and specify the method of payment.

47. Prior to October 2011, the CHIUs requested all their cash back payments to be issued to them as physical checks made out to either ALLEN or "ANDY" CHIU, and mailed to a specific physical address. The following chart lists, by FatWallet user account name, the name and address to which the cash back payments were issued and sent:

Addresses Associated with FatWallet Payments				
Username	Payee Name	Address	City	State
achiu99	Allen Chiu	8088 Park Lane, Apt 1007	Dallas	TX
achiu99	Allen Chiu	1801 East Katella Ave, Unit 1129	Anaheim	CA
andyschiu	Andy Chiu	1801 E Katella Ave, APT 4060	Anaheim	CA
andyschiu	Andy Chiu	2220 Barnbridge Rd	St Louis	MO
andyschiu	Andy Chiu	793 Sojourn Rd	New Lenox	IL
cliftonx	Allen Chiu	8088 Park Lane, Apt 1007	Dallas	TX
dakota2k3	Andrew Chiu	2220 Barnbridge Rd	St Louis	MO
dakota2k4	Andy Chiu	2220 Barnbridge Road	St Louis	MO
drewstanton2000	Andrew Chiu	2220 Barnbridge Rd	St Louis	MO
jdeepish	Allen Chiu	8088 Park Lane, Apt 1007	Dallas	TX

48. Each of these addresses has been further linked to either ANDREW and ALLEN CHIU through reference to drivers license records, vehicle records, online informational databases, and physical surveillance as follows:

a. 8088 Park Lane, Apt 1007, Dallas TX: ALLEN CHIU directed FatWallet to issue cash back payments to this Dallas, Texas address that had been generated by three different FatWallet account user names. This address is believed to be the current physical residence of ALLEN CHIU. On December 13, 2011, Agents from the FBI's Dallas office spoke to the property manager of The Flats at Park Lane, an apartment complex located at 8088 Park Lane, Dallas, Texas. The manager confirmed that ALLEN CHIU had been a tenant in the apartment number 1007 since 2009.

b. 1801 East Katella Ave., Unit 1129, Anaheim, CA: ALLEN CHIU directed FatWallet to issue cash back payments to this Anaheim, California address. In addition, Nordstrom records show that ALLEN occasionally directed shipments to this address when submitting orders prior to January 2010.

c. 1801 E Katella Ave., Apt 4060, Anaheim, CA: ANDREW CHIU directed FatWallet to issue cash back payments to this Anaheim, California address that had been

1 generated by one of the FatWallet account user names. This address is believed to be the current
 2 physical residence of ANDREW CHIU. At approximately 7:25 am, on December 14, 2011, a
 3 Los Angeles based FBI agent observed ANDREW CHIU walking out of the residence located at
 4 1801 E. Katella Ave., Apt 4060, Anaheim, CA. ANDREW proceeded to drive away in a Toyota
 5 Camry bearing Missouri license plate MA9G2Z. The registered owners of this vehicle are Tai
 6 Mao Chiu and Chenshen Chiu residing at 2220 Barnbridge Rd., St. Louis, Missouri and are
 7 believed to be the parents of ANDREW.

8 d. 2220 Barnbridge Rd, St. Louis, MO: Both ANDREW and ALLEN CHIU
 9 directed FatWallet to issue cash back payments generated by four different FatWallet account
 10 user names to this St. Louis, Missouri address. As indicated above, this address is listed as the
 11 residence of Tai Mao Chiu and Chenshen Chiu, who are believed to be ANDREW's and
 12 ALLEN's parents. Moreover, as further detailed below, this is the current address for
 13 investment accounts opened in the names of ANDREW and ALLEN that are the subject of this
 14 seizure warrant.

15 e. 793 Sojourn Rd., New Lenox, IL: ANDREW CHIU directed FatWallet to
 16 issue cash back payments generated by one FatWallet account user name to this New Lenox,
 17 Illinois address. In addition, as detailed below, ANDREW used this address to open a bank
 18 account utilized as part of this scheme.

19 **D. CHIUs Utilize Various Bank and Investment Accounts To Launder FatWallet**
 20 **Payments.**

21 49. Regardless of which address the FatWallet cash back payments were sent, the vast
 22 majority of the checks were eventually deposited into three separate checking accounts held in
 23 the names of either ALLEN or ANDREW, where they were co-mingled with other funds,
 24 including wages from their respective employers. Beginning 2010 and continuing through 2011,
 25 the CHIUs periodically transferred the funds from these checking accounts into certain
 26 investment accounts held in the names of either ALLEN or ANDREW. Within these investment
 27 accounts, the CHIUs used the money to purchase stocks and mutual funds and make
 28 contributions to individual IRA accounts, further attempting to hide the ultimate nature and
 source of the proceeds.

1 50. Because the proceeds of the CHIUs' wire fraud scheme were transferred into
2 various investment accounts and then further used to purchase stocks, mutual funds and other
3 assets, I believe there is probable cause to conclude that all assets in the investment accounts and
4 associated brokerage accounts constitute property involved in money laundering transactions.
5 The fact that in the subject investment accounts fraud proceeds are co-mingled with some
6 legitimate funds does not negate the conclusion that the entirety of the accounts themselves
7 constitute property involved in money laundering transactions, and are subject to forfeiture, as
8 are the commingled funds in the accounts and any property traceable to them.

9 *i. ANDREW CHIU deposits FatWallet checks in two separate checking accounts.*

10 51. During the course of this investigation, I have reviewed banking information
11 related to ANDREW CHIU. My review has determined that ANDREW deposited the majority
12 of FatWallet checks that were issued to "ANDY" CHIU into two checking accounts:

- 13 a. JP Morgan Chase Account Number 787295013; and
14 b. US Bank Account 152306849612.

15 52. JP Morgan Chase Account Number 787295013 was held in the name of Andrew
16 Chiu, with an address of 793 Sojourn Rd, New Lenox, IL 60451. The address associated with
17 the account changed over the time period relevant to this affidavit. Beginning with the statement
18 period covering July 28, 2010 through August 25, 2010, the contact address for the account
19 changed to 2220 Barnbridge Rd, St. Louis, Missouri 63131-3129. Then beginning with the
20 statement period covering December 25, 2010 through January 27, 2011, the address for the
21 account changed to 1801 E Katella Ave., APT 4060, Anaheim, CA 92805.

22 53. The balance in this account on December 25, 2009, prior to the initiation of the
23 current alleged scheme, was \$4,066.87. The primary source of deposits prior to January 2010
24 included bi-weekly direct deposit payments of approximately \$1700 from "Comed", believed to
25 have been ANDREW's employer at the time, and various FatWallet cash back award checks in
26 amounts less than one hundred dollars.

27 54. Beginning in or about March 2010 and continuing through in or about September
28 2010, numerous FatWallet cash back award checks in amounts exceeding hundreds of dollars

1 | were endorsed by ANDREW and deposited into JP Morgan Chase Account Number 787295013.
2 | Between March 2010 and continuing through September 2010, a total of approximately
3 | \$30,615.69 FatWallet cash back award checks were deposited into the account.

4 | 55. ANDREW resumed depositing some of FatWallet cash back checks into this
5 | account beginning in or about April 2011 and continuing through May 2011. Between April
6 | 2011 and May 2011, ANDREW deposited a total of approximately \$5,102.30 FatWallet cash
7 | back award checks.

8 | 56. Between March 2010 and May 2011, the only other major source of deposits into
9 | the JP Morgan Chase account were direct deposits believed to be wages from ANDREW's
10 | employer. Regular, bi-weekly deposits from "Comed," in amounts generally less than \$2,000,
11 | continued until October 2010. Beginning October 1, 2010, the only other significant source of
12 | deposits, were regular bi-weekly deposits from "Sce Bi-weekly Payroll," again, in amounts
13 | generally less than \$2,000. I know from my investigation that ANDREW CHIU is currently
14 | employed by Southern California Edison. On December 13, 2011, Los Angeles based FBI
15 | agents confirmed with security personnel that ANDREW CHIU was employed at Southern
16 | California Edison's facility in Westminster, California. I have reason to believe, therefore, that
17 | the "Sce Bi-weekly payroll" deposits were wages from his employment at Southern California
18 | Edison.

19 | 57. US Bank Account 152306849612 is held in the name of ANDREW S CHIU, with
20 | a mailing address of 2220 Barnbridge Road, St. Louis, Missouri. The account's balance as of
21 | December 22, 2009, prior to the beginning of the current alleged scheme, was \$4.50. Little
22 | significant activity occurred in the account until in or about August 26, 2010, when thousands of
23 | dollars worth of FatWallet cash back payment checks began to be deposited into the account.
24 | The balance on the account as of August 24, 2010, was \$1,164.34. Beginning August 26, 2010,
25 | and continuing through September 30, 2011, approximately \$270,000, in FatWallet cash back
26 | payment checks were deposited into the US Bank Account. During this same time period, no
27 | other significant sources of deposits have been found.

1 *ii. ANDREW CHIU transfers majority of FatWallet proceeds into investment*
2 *accounts held at Vanguard Group, Inc.*

3 58. During all times relevant to this affidavit, ANDREW CHIU held the following
4 relevant accounts at Vanguard Group. All the accounts were held in the name of ANDREW
5 CHIU or ANDREW STEPHEN CHIU, with a mailing address of 2220 Barnbridge Rd., St.
6 Louis, Mo 63131-3129:

7 a. Vanguard Individual Account Number 88016821347, and the associated
8 Vanguard Brokerage Services Account Number 85845899 (collectively referred to as
9 "ANDREW Individual Account #1");

10 b. Vanguard Individual Account Number 88027753721, and the associated
11 Vanguard Brokerage Services Account Number 30108220 (collectively referred to as
12 "ANDREW Individual Account #2); and

13 c. Vanguard Roth IRA Account Number 88015667418, and the associated
14 Vanguard Brokerage Services Account Number 82523065 (collectively referred to as
15 "ANDREW Roth IRA Account".

16 59. As of December 31, 2009, prior to the beginning of the current alleged scheme, the
17 balance in ANDREW's Individual Account #1 was \$42,918.01. Beginning in or about March
18 2010 and continuing through in or about November 2011, during the time in which he was
19 receiving and depositing FatWallet cash back payment checks into his two checking accounts,
20 ANDREW transferred the following amounts from those two checking accounts into the
21 Vanguard Individual Account #1, co-mingling the funds with existing funds in the account:

22 a. From JP Morgan Chase Account Number 787295013, ANDREW
23 transferred a total of \$63,358 into the Vanguard Individual Account #1. (This amount, however,
24 includes approximately \$15,000 that were initially transferred from ANDREW's Individual
25 Account #1 to the JP Morgan Chase Account and then simply returned to the Vanguard
26 Individual Account #1.)

27 b. From US Bank Account Number 152306849612, ANDREW transferred a
28 total of \$347,775.37 into the Vanguard Individual Account #1.

60. Below is a summary chart setting forth total amount of cash back award checks by

1 year that FatWallet's records confirm were issued to "ANDY" CHIU, the amounts that banking
 2 records were able to confirm were deposited into the identified accounts belonging to
 3 ANDREW, and the amounts from those accounts that were transferred to ANDREW's
 4 Individual Account #1 at Vanguard:

ANDREW CHIU Fatwallet Proceeds

Year	Payments From FatWallet	Deposits to Chase	Deposits to US Bank	Transfers to Vanguard from Chase and US Bank
2010	\$83,983.82	\$30,615.69	\$53,445.04	\$99,700.08
2011	\$223,555.90	\$5,102.30	\$217,127.60	\$312,777.29
Total	\$307,553.36	\$35,717.99	\$270,572.64	\$412,477.37

61. Within ANDREW's Individual Account #1 at Vanguard, ANDREW used the
 12 funds to purchase various stocks and mutual funds in the associated brokerage account.

13 Moreover, the following are additional transactions ANDREW engaged in with the funds in
 14 Individual Account #1:

15 a. On or about August 26, 2011, ANDREW further transferred approximately
 16 \$33,217.38 from Individual Account #1 into Individual Account #2, co-mingling the funds with
 17 amounts that already existed in Account #2. Within Individual Account #2, ANDREW used the
 18 funds to invest in stocks and mutual funds in the associated brokerage account; and

19 b. On or about January 10, 2011, ANDREW transferred approximately
 20 \$5,000, from Individual Account #1 into ANDREW Roth IRA account, and thereafter used the
 21 funds to invest in stocks and mutual funds in the associated brokerage account.

22 62. The total values of the relevant Vanguard accounts held by ANDREW as of the
 23 last statements ending November 30, 2011, are as follows:

24 a. Vanguard Individual Account Number 88016821347, and the associated
 25 Vanguard Brokerage Services Account Number 85845899: \$294,823.40;

26 b. Vanguard Individual Account Number 88027753721, and the associated
 27 Vanguard Brokerage Services Account Number 30108220: \$63,824.26; and

28 c. Vanguard Roth IRA Account Number 88015667418, and the associated

1 Vanguard Brokerage Services Account Number 82523065: \$32,641.80.

2 *iii. ALLEN CHIU deposits FatWallet checks into one checking account.*

3 63. The majority of FatWallet checks issued to ALLEN CHIU were deposited into JP
4 Morgan Chase Account 752404780, held in the name of ALLEN CHIU. Upon opening, the
5 original address associated with the account was 120 Astor Dr. APT 2221, Schaumburg, Illinois.
6 As of the statement period ending on December 24, 2009, the address associated with the
7 account was listed as 8088 Park Lane, Apartment 1007, Dallas, Texas.

8 64. The balance in the account as of December 24, 2009, prior to the beginning of the
9 current alleged scheme, was \$444.14. Prior to and during the time period of the scheme, the
10 only other major source of deposits into the Chase Account 752404780 were bi-weekly direct
11 deposits from AT&T Services in amounts ranging approximately from \$2300 to \$2700, which
12 represent wages from ALLEN's employment at AT&T in Texas. Beginning in or about April
13 2010 and continuing through October 2011, ALLEN deposited approximately \$331,050.33 of
14 FatWallet cash back payment checks into this Chase Account.

15 *iv. ALLEN CHIU transfer majority of FatWallet proceeds into investment accounts*
16 *held at Vanguard Group, Inc.*

17 65. At all times relevant to this affidavit, ALLEN CHIU held the following relevant
18 accounts at Vanguard Group. All the accounts were held in the name of ALLEN J CHIU, with a
19 mailing address of 2220 Barnbridge Rd., St. Louis, MO 63131-3129:

20 a. Vanguard Individual Account Number 09966712514, and the associated
21 Vanguard Brokerage Services Account Number 66826556 (collectively referred to as "ALLEN
22 Individual Account"); and

23 b. Vanguard Roth IRA Account Number 88016821350, and the associated
24 Vanguard Brokerage Services Account Number 79019168 (collectively referred to as "ALLEN
25 Roth IRA Account").

26 66. As of December 31, 2009, prior to the beginning of the current alleged scheme, the
27 balance in ALLEN's Individual Account was \$167,044.70. Beginning in or about March 2010
28 and continuing through in or about November 2011, during the time in which he was receiving
and depositing FatWallet cash back payment checks into his JP Morgan checking account,

1 ALLEN transferred approximately \$396,300 from that account, co-mingling the funds with
 2 existing funds in the account. Below is a summary chart setting forth the total amount of cash
 3 back award checks by year that FatWallet's records confirmed were issued to ALLEN CHIU, the
 4 amounts that banking records were able to confirm were deposited into the identified account
 5 belonging to ALLEN, and the amounts from those accounts that were transferred to ALLEN's
 6 Individual Account at Vanguard:

7 ALLEN CHIU FatWallet Proceeds

8 Year	Payments from FatWallet	Deposits to Chase	Transfers to Vanguard from Chase
9 2010	\$116,543.35	\$102,671.97	\$127,300.00
10 2011	\$228,591.51	\$228,378.36	\$269,000.00
11 Total	\$345,316.54	\$331,050.33	\$396,300.00

12 67. Within ALLEN's Individual Account at Vanguard, ALLEN used the funds to
 13 purchase various stocks and mutual funds in the associated brokerage account. Moreover, on or
 14 about January 6, 2011, ALLEN transferred approximately \$5,000 from the Individual Account to
 15 the ALLEN Roth IRA Account, further co-mingling the funds with existing funds in that Roth
 16 IRA account. ALLEN the further used the funds in the Roth IRA account to purchase stocks
 17 and mutual funds.

18 68. The total values of the relevant Vanguard accounts held by ALLEN as of the last
 19 statements ending November 30, 2011 are as follows:

- 20 a. Vanguard Individual Account Number 09966712514, and the associated
 21 Vanguard Brokerage Services Account Number 66826556: \$507,203.35; and
 22 b. Vanguard Roth IRA Account Number 88016821350, and the associated
 23 Vanguard Brokerage Services Account Number 79019168: \$57,344.00.

24 **E. Nordstrom/FatWallet Discover the Suspicious Nature of Chius's Activity.**

25 69. Beginning in the fall of 2011, PMB, the current parent company of FatWallet
 26 analyzed the pattern and amount of cash back awards generated and paid to the two CHIUs and
 27 deemed the unusual levels of orders and payments to be suspicious. As a result, as of October 1,
 28 2011, FatWallet suspended all further payments to both ALLEN and ANDREW and withheld

1 approximately \$450,000 of the remaining cash back awards that the two CHIUs had generated
2 from their Nordstrom.com orders.

3 70. Nordstrom was also informed of the suspicious activity and all commission
4 payments related to the CHIUs were stopped.

5 71. Although cash payments were no longer being processed, the CHIUs continued
6 their ordering activity unabated until December 2011, this time varying their methods to attempt
7 to circumvent the payment restrictions. One of the CHIUs' first response to the suspension of
8 payments by FatWallet was to attempt to submit Nordstrom orders through another online sales
9 generator affiliate site, Ebates.com. As shown in the chart below, shortly after the payment
10 suspension date, the CHIUs opened three new Ebates user accounts and attempted to submit a
11 number of substantial orders to Nordstrom.com in the hopes of generating and obtaining new
12 rebates. In addition, ANDREW CHIU reactivated an Ebates account that was originally opened
13 in 2002, but had since been in disuse:

14 **The CHIUs Attempt to Submit Orders Through Ebates**

User Name	Order Date	Order Number	Order Amt.	Acct Created	Cash Back
andyschiu@gmail.com	10/17/2011	Nordstrom 9744	\$4,560.00	12/10/2002	\$136.80
andyschiu@gmail.com	10/17/2011	Nordstrom 9123	\$5,070.00	12/10/2002	\$152.10
andyschiu@gmail.com	10/17/2011	Nordstrom 6074	\$5,070.00	12/10/2002	\$152.10
andyschiu@gmail.com	10/18/2011	Nordstrom 7013	\$5,120.00	12/10/2002	\$153.60
andyschiu@gmail.com	10/18/2011	Nordstrom 3462	\$5,085.00	12/10/2002	\$152.55
andyschiu@gmail.com	10/19/2011	Nordstrom 1063	\$4,920.00	12/10/2002	\$147.60
andyschiu@gmail.com	10/19/2011	Nordstrom 7367	\$4,885.00	12/10/2002	\$146.55
andyschiu@gmail.com	10/19/2011	Nordstrom 8677	\$4,885.00	12/10/2002	\$146.55
hhabury1998@gmail.com	10/17/2011	Nordstrom 3684	\$3,694.99	10/17/2011	\$110.85
hhabury1998@gmail.com	10/17/2011	Nordstrom 3684	\$3,694.99	10/17/2011	\$110.85
hhabury1998@gmail.com	10/17/2011	Nordstrom 3684	\$11,080.00	10/17/2011	\$332.40
hhabury1998@gmail.com	10/18/2011	Nordstrom 3684	\$4,540.00	10/17/2011	\$136.20
hhabury1998@gmail.com	10/18/2011	Nordstrom 4846	\$13,855.00	10/17/2011	\$415.65
dakota2k40@gmail.com	10/22/2011	Nordstrom 9996	\$15,260.00	10/21/2011	\$457.80
dakota2k40@gmail.com	10/23/2011	Nordstrom 0186	\$15,070.00	10/21/2011	\$452.10
dakota2k40@gmail.com	10/24/2011	Nordstrom 5567	\$13,375.00	10/21/2011	\$401.25
dakota2k40@gmail.com	10/25/2011	Nordstrom 4440	\$15,070.00	10/21/2011	\$452.10
xclifton1999@gmail.com	10/25/2011	Nordstrom 8438	\$13,855.00	10/24/2011	\$415.65
dakota2k3@gmail.com	10/26/2011	Nordstrom 6365	\$9,915.00	10/26/2011	\$297.45
dakota2k4@gmail.com	10/29/2011	Nordstrom 8336	\$3,390.00	10/29/2011	\$101.70
dakota2k4@gmail.com	10/30/2011	Nordstrom 8796	\$3,460.00	10/29/2011	\$103.80

dakota2k4@gmail.com	10/31/2011	Nordstrom 9029	\$3,390.00	10/29/2011	\$101.70
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72. Because PMB, the parent company of FatWallet, was also the parent company for Ebates, PMB noticed the activity and successfully thwarted the CHIUs' attempts to generate further rebate awards through Ebates.

73. At the same time they were attempting to circumvent the rebate suspension by using Ebates.com, the CHIUs also submitted various modifications to their payment requests to FatWallet to try to overcome the restrictions there. Prior to October 12, 2011, the CHIUs' payment requests had been generally consistent. Payment was always requested by check and the "user names" were associated with consistent "payment names" and "mail to addresses." Starting on October 12, 2011, the CHIUs began varying either the "payment name," "user ID," "mail to address" or combination of any two of these when requesting payment. They even attempted to request payment by PayPal on a few occasions. Despite these changes, they were not able to obtain payment from FatWallet.

F. The CHIUs Established Excessive Number of FatWallet.com Accounts To Disguise The Fact That Their Nordstrom Orders Were Initiated By the Same Two Individuals.

74. FatWallet provided information regarding the history of the various FatWallet accounts that were believed to have been utilized by ALLEN and ANDREW to submit the Nordstrom.com orders. The chart below summarizes that information. The chart lists the relevant FatWallet user accounts by "User Name" that the CHIUs opened and the approximate opening date, known as the "Creation Date." The column titled "Orders Submitted" lists the total value of Nordstrom orders submitted by the CHIUs through each FatWallet account user name. "Payment Name" lists the name that either ALLEN or ANDREW requested that the cash back award payments be made out to. There is no "Payment Name" available for the last nine "User Names" because FatWallet blocked payment on these accounts after discovering the suspicious nature of the CHIUs' activity.

User Name	Creation Date	Orders Submitted	Payment name
achiu99	11/14/2001	\$3,332,990.10	Allen Chiu
andyschiu	1/21/2003	\$2,750,515.76	Andy Chiu

dakota2k3	5/13/2010	\$1,942,730.40	Andy Chiu
cliftonx	1/27/2011	\$2,388,762.65	Allen Chiu
drewstanton2000	5/11/2011	\$2,192,201.33	Andy Chiu
jdeepish	5/26/2011	\$2,259,452.99	Allen Chiu
dakota2k4	7/12/2011	\$2,244,343.75	Andy Chiu
tthol1999	7/25/2011	\$2,440,309.40	Allen Chiu
dakota2k5	9/2/2011	\$2,304,091.74	Andy Chiu
ttebow1999	9/16/2011	\$1,666,432.23	N/A
dakota2k6	10/11/2011	\$123,625.00	N/A
dantebest2000	10/16/2011	\$14,655.00	N/A
hharryson	10/17/2011	\$1,731,732.97	N/A
stantongiant2000	10/17/2011	\$58,675.00	N/A
dakota2k7	10/22/2011	\$63,025.00	N/A
dakota2k8	10/27/2011	\$336,170.00	N/A
dfish1998	11/30/2011	\$345,700.00	N/A
dakota2k9	11/30/2011	\$316,205.00	N/A

75. According to FatWallet, a legitimate customer usually needs only one FatWallet account. Among other things, having multiple accounts would require unnecessary effort on the part of a legitimate FatWallet user to track orders and cash back awards. The CHIUs however, opened 18 different accounts in different user names, the majority of the new accounts being opened after 2010 when their Nordstrom ordering pattern greatly escalated. A review of this table also reveals that the CHIUs refrained from using a particular FatWallet user name once the total orders associated with that name began to approach a value of \$3,000,000. This pattern of opening multiple accounts with FatWallet, compared to behavior of all other FatWallet members, is immediately suspicious.

76. At the same time, the CHIUs were employing fifty-eight different credit cards from approximately ten different financial institutions to facilitate processing of their fraudulent orders. Of the fifty-eight credit cards used by the CHIUs, thirty-three were issued to ALLEN and twenty-five were issued to ANDREW. The fifty-eight credit cards included four American Express, three Barclays Bank, one Capital One, fourteen JP Morgan Chase, seventeen Citibank, one Commerce Bank, four Discover, six Pentagon Federal Credit Union, two FIA Card Services, and six US Bank cards. Based on my training and experience conducting fraud investigations, I believe that the CHIUs were creating new user names and utilizing multiple credit card numbers to avoid detection and, specifically, to attempt to thwart any efforts by either Nordstrom or FatWallet personnel from linking their unusual levels of ordering activity.

1 77. The information above also indicates that in spite of the suspension of cash back
2 award payments in or about October 1, 2011, the CHIUs continued to attempt to submit large
3 amount of new orders at Nordstrom.com, but opening numerous different User IDs at FatWallet,
4 again apparently in an effort to circumvent the payment restrictions. These orders continued into
5 December 2011.

6 **G. Undercover FBI Contacts.**

7 78. On November 30, 2011, in an effort to establish law enforcement undercover
8 contact with either of the CHIUs, FatWallet personnel, at the FBI's request, issued an email
9 message to the CHIUs known user email accounts. The email advised the CHIUs that certain
10 accounting problems had been resolved and FatWallet was again in position to distribute "cash
11 back" awards. The CHIUs were requested to contact an undercover FBI agent, posing as a
12 FatWallet employee, at a covert cellular telephone number to discuss the payments.

13 79. After waiting a week without receiving any contact from the CHIUs, investigators
14 decided to reach out by telephone to contact ALLEN CHIU directly. On December 8, 2011, the
15 undercover FBI agent, using a FatWallet identity, reached ALLEN CHIU at his place of work
16 with AT&T. FBI investigators had confirmed through a source of information that ALLEN
17 CHIU worked at this location.

18 80. In the conversation, the undercover FBI agent confirmed ALLEN CHIU's identity,
19 that he currently resides at 8088 Park Lane in Dallas, Texas, and that he was still expecting a
20 large cash back award payment from FatWallet. The undercover FBI agent attempted to
21 schedule a face-to-face meeting with ALLEN CHIU but CHIU advised that he would have to
22 consult his calendar and call the undercover FBI agent back. No return call was ever received
23 nor was the undercover FBI agent able to reach ALLEN CHIU again at CHIU's office telephone
24 number.

25 81. On December 15, 2011, the undercover FBI agent attempted to contact ANDREW
26 CHIU at CHIU's cellular telephone number. ANDREW CHIU's cellular telephone number was
27 confirmed through bank records, Accurint records, and is listed as a contact number on a Gmail
28 account associated with ANDREW CHIU. A male answered the telephone but would not give

1 his name. The male asked the undercover FBI agent to identify himself. When the undercover
2 FBI agent provided the same undercover FatWallet name previously provided to ALLEN CHIU,
3 the male hung up the telephone. Further attempts to contact ANDREW CHIU at this telephone
4 number were unsuccessful.

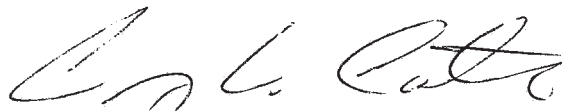
5 82. Based on this Affiant's training and experience, it is very unusual and highly
6 suspicious that two individuals who are supposedly owed hundreds of thousands of dollars from
7 FatWallet would avoid engaging in a conversation with the representative of FatWallet who
8 wanted to discuss the release of their funds. If this was a legitimate debt owed to the CHIUs
9 they would probably be extremely interested in obtaining payment. Notably, the CHIUs stopped
10 submitting orders to Nordstrom immediately following the undercover FBI agent's conversation
11 with ALLEN CHIU.

12 **VI. CONCLUSION.**

13 83. Based on the foregoing, there is probable cause to believe that properties sought to
14 be seized are involved in transactions or attempted transactions in violation of Title 18, United
15 States Code, Section 1956, are traceable to such property, and also constitutes gross proceeds
16 that are traceable to the gross receipts obtained, directly or indirectly, from a violation of the
17 wire fraud provisions at Title 18, United States Code, Section 1343.

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1 84. In addition, because the proceeds of the CHIUs' wire fraud scheme were
2 transferred into various investment accounts and then further used to purchase stocks, mutual
3 funds and other assets, I believe there is probable cause to conclude that all assets in the subject
4 investment accounts and associated brokerage accounts constitute property involved in money
5 laundering transactions. The fact that in the subject investment accounts fraud proceeds are
6 co-mingled with some legitimate funds does not negate the conclusion that the entirety of the
7 accounts themselves constitute property involved in money laundering transactions, and are
8 subject to forfeiture, as are the commingled funds in the accounts and any property traceable to
9 them. Therefore, the entirety of the subject properties are subject to seizure and forfeiture to the
10 United States pursuant to Title 18, United States Code, Sections 981(a)(1)(A), (a)(1)(C), and
11 (a)(1)(D)(vi).

12 

13 CORY L. COTE, Special Agent
14 Federal Bureau of Investigations

15
16 SUBSCRIBED and SWORN to before me this 30th day of December, 2011.

17
18 

19 JAMES P. DONOHUE
20 United States Magistrate Judge