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NEWS RELEASE –

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Seven Individuals Indicted for Operating a Sophisticated International Human Trafficking Operation

DENVER—A Grand Jury has indicted seven individuals and 12 business on 33 felony counts resulting from a year-long investigation known as “Bad Apple.” At the core of the indictment is an alleged international human trafficking operation involving illicit massage parlors and illegal marijuana grow operations and violations of Colorado’s Organized Crime Control Act.

In early 2019, the Denver District Attorney’s Office was contacted by the Manager of Tax and Licensing with the City of Aurora and informed that illicit massage parlors that had been shut down in Aurora had possibly reopened in Denver. Based on that report, the Denver Police Department and Denver District Attorney’s Office began a year-long investigation resulting in the indictment which involves Denver Apple Spa, Tulip Spa, 21 Spa, Mojo Massage, Ocean Foot Massage and other entities. Individuals indicted are: Mr. Chen Liang Kuo (age 45), Ms. Yi Ting Mo (age 42), Mr. Manqui Xu (age 57), Mr. Le Zhang (age 46), Ms. Ying Guo (age 49), Ms. Xiong Xie (age 54) and Ms. Xuelin Chen (age 33). According to the indictment that was unsealed this morning, the defendants are accused of engaging in a pattern of racketeering in which the massage parlors were the nexus for running a complex pimping, prostitution, money laundering and tax evasion operation that generated millions of dollars.

“We believe that the defendants were hiding in plain sight as they trafficked women from China to engage in sex acts with customers of their massage businesses,” said Denver District Attorney Beth McCann. “The excellent collaboration between our local, state and federal law enforcement agencies has led to the closure of these businesses and to the dismantling of an international human trafficking operation.”

The indictment documents how business records, real estate records, banking records, utility records, and transportation records demonstrate the association between the defendants and businesses. Throughout the course of this investigation, the Denver Police Department and Denver District Attorney’s Office developed evidence to show that the enterprise and its members allegedly profited from these criminal acts and used those profits as untaxed income.

“This illicit massage parlor network, coupled with several illegal marijuana grow houses, were operating in plain sight under the guise of legitimate business operations,” said Attorney General Phil Weiser. “The criminal enterprise extended across the Front Range and profited off of the

exploitation of vulnerable people. From our investigation, we also tracked criminal proceeds through a network of bank accounts to support the money laundering charges in the indictment. Furthermore, illegally operated grow houses diverted revenue from the state. We will continue to work hard to eradicate these illegal operations from Colorado.”

“I am incredibly proud of the investigators and multi-agency collaboration that resulted in these arrests,” said Denver Chief of Police Paul Pazen. “These indictments reflect our community’s commitment to ending the appalling crime of human trafficking, holding alleged offenders accountable, and removing victims from these terrible situations.”

The alleged behavior occurred in the City and County of Denver, Douglas County, Arapahoe County, Routt County, and in Jefferson County and also outside of Colorado into Oklahoma, California and Louisiana.

“Human trafficking is a crime that has horrific consequences for people that far too often come from vulnerable populations,” said U.S. Attorney Jason Dunn. “As this investigation demonstrates, law enforcement in Colorado works well together to hold traffickers accountable. Thanks to the hard work of the Denver Police Department, the Denver District Attorney’s Office, the Attorney General’s Office, and other law enforcement agencies, all but two of these traffickers have been arrested and this criminal enterprise has been put to a stop.”

The seven defendants will be tried individually in Denver District Court and their case numbers are: Chen Liang Kuo - 20CR15133; Yi Ting Mo - 20CR15134; Manqui Xu - 20CR15135; Le Zhang - 20CR15136; Ying Guo - 20CR15137; Xiong Xie - 20CR15138, and Xuelin Chen - 20CR15139.