

IN THE CIRCUIT COURT OF BENTON COUNTY, ARKANSAS

STATE OF ARKANSAS

PLAINTIFF

VS:

SONGHUA LIU
A/M 12/31/95
MA D.L.#S61269756

DEFENDANT

AFFIDAVIT OF PROBABLE CAUSE TO OBTAIN BOND

Comes now, Lieutenant David Undiano of the Benton County Sheriff's Office, Criminal Investigations Division, and under oath doth state:

The facts of this investigation are as follows:

On November 4, 2019, I, Lieutenant David Undiano of the Benton County Sheriff's Office- Criminal Investigations Division was contacted by Walmart Global Investigator, Brandon Rogers reference an on-going theft investigation. Investigator Rogers informed me Walmart Global Investigations was working collaboratively with the US Secret Service, Birmingham Field Office, on a fraud scheme involving a variety of phone and internet scams. Investigator Rogers stated he along with two other Walmart investigators had been surveilling a person of interest for the last several hours as the suspect traveled through the state of Arkansas. Based on the suspect's pattern of activity, investigators believed the suspect would be in possession/control of fraudulently obtained gift card numbers at a Walmart store in Benton County. Investigator Rogers asked for assistance from the Benton County Sheriff's Office; specifically, assistance with surveillance and apprehension. I was referred to case-agent, Global Investigator Clay Thrasher.

I called Clay and we spoke about the investigation. He explained the purpose of the scam is to convince, coerce, trick, or otherwise prompt a victim to buy Walmart gift cards. Once the card(s) are purchased, the victim is instructed to send pictures of the gift card number. Card numbers are disseminated around the country within a few hours. I was informed that this particular group/organization of scammers utilize Chinese Nationals as "runners" or carriers. The runners receive the gift card numbers from others who obtained them directly from the victim(s). Runners utilize their smartphones, as gift card information is received in the form of a UPC. The UPC is scanned by the runner at a Walmart register, and he/she liquidates the Walmart gift cards by purchasing prepaid debit cards (i.e. Visa/Mastercard Vanilla or AMEX) or other gift cards (i.e. iTunes cards, Google Play, Steam, etc.). Finally, the runner takes pictures of the prepaid debit cards and gift cards. Photos are sent to others involved in the scheme, who liquidate all those cards.

Victims are lured into a scam in one of three known ways, responding to a text message, responding to an email, or searching for a particular type of financial service on the internet, inputting basic info (name, phone), where someone contacts them back, presumably from a fraudulent website.

Walmart stores provided Global Investigations (GI) with receipts showing the gift card numbers used. Investigators were able to backtrack where the gift cards were originally purchased (usually in different states) and provide law enforcement with the names of each victim and the credit card information used to buy the gift cards. Additionally, investigators provided detailed fraudulent transaction information within one to two minutes of the suspect leaving the register. I was provided with still-shots of the suspect/suspect vehicle from surveillance video captured at Walmart stores.

Clay also mentioned he had been surveilling or trailing the suspect as he traveled from Ft. Smith, AR. to Fayetteville, AR. Investigators reported the suspect stopped at numerous Walmart Stores within proximity to the interstate highway. Each time the suspect stopped; investigators were able to confirm gift card transactions linked to the aforementioned fraud scheme were completed. According to Clay, the suspect completed a little over \$16k in gift card transactions that day (11/04/19). Clay estimated the suspect's transaction activity to be between \$500k to \$1,000,000 in the last month. Considering the above-mentioned suspect is one of many runners employed by the organization, operating throughout the United States, he is a part of a multi-million-dollar fraud scheme.

Later that evening, I was informed the suspect had checked into a hotel in Fayetteville for the night. I was advised the investigation would continue into the next day (11/05/19) as surveillance revealed the suspect routinely starts moving town to town, store to store, between 0930 and 1000 hours.

On November 5, 2019, I relayed investigation information to Benton County Sheriff's Office detectives. At approximately 0930 hours, I received a text message from Investigator Brandon Rogers informing me the suspect was leaving his hotel. Throughout the day, I communicated with Brandon as the suspect visited at least five Walmart stores between Fayetteville and Rogers. The suspect completed transactions ranging from \$1,000 to \$3,200 at a time. Furthermore, there were Walmart locations in which the suspect would complete transactions, exit the store, get into his vehicle and immediately get on his phone. A short time later, he would exit his vehicle, go back into the store and complete more transactions. Although it has not yet been confirmed through phone data, these actions support receiving correspondence and UPCs via phone with limited time to complete the transaction, forcing the suspect to go to the same store in succession.

In the afternoon, Detective Matthew Cline, Detective Aaron Rutledge, and I met with Secret Service- Special Agent Aaron Baker at a Walmart store in Rogers. I relayed case information and provided him with a contact number for detectives surveilling the suspect. Agent Baker subsequently left to assist with surveillance.

A short time later, I was contacted by Agent Baker who requested assistance with surveillance in Springdale. Upon arrival, we followed the suspect as he went to and completed transactions at three stores in Springdale before traveling to Rogers.

At approximately 1622 hours, the suspect arrived at Walmart in Rogers. Detective Cline and I waited inside the store, near the entrance/exits. I watched as the suspect, later identified as, Songhua Liu enter on the grocery side, near the self-checkout registers. Songhua selected gift cards from a display near the registers. He walked through the store and selected a red gift bag before entering the self-checkout area. I watched as Songhua scanned what appeared to be a UPC on his device before scanning multiple gift cards, exactly as described by Walmart Investigators. It should be noted, I was approximately 10-15 feet away from Songhua as he completed transactions and could see what he was doing.

After completing the transactions, Songhua attempted to leave the store. Detective Cline and I approached him, identified ourselves, and escorted him outside. Songhua was handcuffed and I took custody of the Walmart bag containing gift cards he was carrying. Additionally, I retrieved his phone and placed it on airplane mode. A short time later, Investigator Rogers informed me the transaction had been completed, totaling \$1,408.82. Songhua was informed he was being arrested for theft by deception. He was transported to the Benton County Detention Center to be held for a bond hearing.

Additionally, Agent Baker was on scene and confirmed the case in its entirety would eventually be turned over to the U.S. Secret Service for continued investigation. Meaning, Songhua would face federal prosecution for his involvement in the fraud scheme. Rogers Towing was contacted to collect Songhua's vehicle. The vehicle was subsequently transported to the Benton County Sheriff's Office at my request. The vehicle and cellphone were held at the sheriff's office as I was asked to apply for search warrants to recover any evidence related to the investigation on behalf of Agent Baker.

It should be noted, Songhua Liu is a Chinese National in the United States on a student visa. Records show he resides in Amherst, Massachusetts, supporting the investigative theory that his sole reason for being in Benton County was to participate in an elaborate multi-million-dollar fraud scheme. Songhua's vehicle registration information shows to be in New Hampshire. Agent Baker and Investigator Thrasher in a recorded interview room at the sheriff's office. Songhua acknowledged his existing knowledge of the gift card scheme being illegal. He confirmed visiting numerous stores in the state and completing gift card transactions as described above. Songhua confirmed he was in the United States to attend the University of Massachusetts.

Based on the nature of the crime, the likelihood of conviction, the possible severity of the penalty that could be imposed, the state joins me in requesting that **SONGHUA LIU: 12/31/95**, be bounded over on probable cause for the above listed offense(s) and that bond be set in the amount of \$ _____.

Lieutenant David Undiano
Benton County Sheriff's Office

STATE OF ARKANSAS
COUNTY OF BENTON

Subscribed and sworn to before me this _____ day of _____, 2019.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____
APPROVED: