



CITY COUNCIL REPORT

Meeting Date: 01/29/2019
Agenda Item: City Council Consent Agenda
Subject: Resolution denying massage therapy business permit for Asian Style Spa Inc. (formerly Bamboo Massage Inc.), 1826 North 2nd Street, Clinton

To: Mayor Vulich and the City Council
From: Lisa Frederick, City Clerk

PURPOSE

To present a massage therapy business application to the Council for Asian Style Spa Inc., 1826 North 2nd Street.

BACKGROUND

On September 7, 2017, an inspection by Battalion Fire Chief Chapman occurred for 724 North 2nd Street, at the property owner's (Thomas Dodd) request. During the course of the inspection, it was discovered that a massage therapy business establishment under the name of Rainbow Massage was operating without a City license to do so. Additionally, a remodel construction was completed without a permit and no Certificate of Occupancy was obtained for the building. In the course of completing the inspection, information was provided to Battalion Fire Chief Chapman that the owner of the establishment was Yinshan Wu. On September 8, 2017, Battalion Fire Chief Chapman accompanied by Police Chief Gyrion and Assistant Police Chief Greenwalt, returned to the establishment to conduct a fire inspection in preparation for a Certificate of Occupancy inspection. During the inspection, several City Ordinance and Fire Code violations were observed, including signs that employees were sleeping in the establishment. The business was closed as a result of the violations and lack of proper licensing. The business did not reopen.

During the course of the inspection on September 8, 2017, Battalion Fire Chief Chapman spoke with Dan Hoover (Herman Daniel Hoover) who stated he owned another establishment at 1824 North 2nd Street. On September 8, 2017, Battalion Fire Chief Chapman accompanied by Police Chief Gyrion and Assistant Police Chief Greenwalt went to the establishment at 1824 North 2nd Street for an inspection. This establishment also did not have proper City licensing or a Certificate of Occupancy. During the course of the inspection, Battalion Fire Chief Chapman observed a kitchen area and living area in the establishment – noncompliant with City Code. Battalion Fire Chief Chapman observed a room with a single bed and a set of bunk beds. Upon attempting to speak with staff about the Code violations, Battalion Fire Chief Chapman was referred to Yinshan Wu and Dan Hoover. Violations were written up and a re-inspection was completed October 16, 2017. The issues present were resolved and re-inspection passed on October 16, 2017.

On October 12, 2017, Yinshan Wu, accompanied by Herman Daniel Hoover, applied for a massage establishment City permit (for the 2017 calendar year). Pursuant to Ms. Wu's application, she stated her home address was 2501 W. 36th Street, Chicago, Illinois. Ms. Wu listed 916 Grand Avenue, West Des Moines, IA as the address of the office for Bamboo Massage &

Spa Inc. with the Iowa Secretary of State in 2016, later updating the address of the business to 1826 North 2nd Street, Clinton, IA.

Ms. Wu listed she was the sole officer for Bamboo Massage Inc., with a location of 1826 North 2nd Street, Clinton. Ms. Wu listed herself as a licensed therapist for the location and Yufen Fan. Ms. Fan's driver's license indicated her address was 932 W. 35th Street, Floor 1, Chicago, IL.

On February 19, 2018, Yinshan Wu, accompanied by Herman Daniel Hoover, applied for a massage establishment City permit (for the 2018 calendar year). Pursuant to Ms. Wu's application, she stated her home address was 2501 W. 36th Street, Chicago, Illinois. On Ms. Wu's 2018 biennial report with the Iowa Secretary of State (filed on February 19, 2018) for Bamboo Massage & Spa Inc., Ms. Wu listed her address as 13409 Blakely Dr., Plainfield, IL.

On January 3, 2019, Herman Daniel Hoover submitted a massage therapy business permit application to the Clerk's office for 1826 North 2nd Street. Mr. Hoover advised the Clerk that he and his wife, Yinshan Wu, had sold the business to Ronghui Jiang d/b/a Asian Style Spa Inc. Ronghui Jiang has an address of 23105 SW 112th Ct., Apt. 23150, Miami, Florida. Ronghui Jiang has never been in the Clerk's office and the Clerk has had no contact with Ms. Jiang. No phone number was provided for Ms. Jiang.

Mr. Hoover advised that Yinshan Wu would be the only individual at the business performing massage therapy services. According to the documentation provided by the applicant, Ms. Wu's residence is in Chicago, Illinois. Hours listed online for the Asian Style Spa indicate the establishment is open from 9:30 AM to 10:00 PM seven days per week.

Yinshan Wu and Herman Daniel Hoover have numerous massage establishments across the State of Iowa:

Clinton Locations:

1. Rainbow Massage, 724 North 2nd Street, Clinton

- Corporate Name: Rainbow Massage, Inc.; Sole Owner: Yinshan Wu

- Closed in 09/2017. **Multiple City Code violations, including no City license, no permit for remodeling, no Certificate of Occupancy, and having living quarters at the establishment.**

2. Bamboo Massage, 1824 North 2nd Street, Clinton

- Corporate Name: Bamboo Massage & Spa Inc.; Sole Owner: Yinshan Wu

- **Numerous City Code violations found in 09/2017, including having living quarters at the establishment.**

- Advertisements/reviews on cityxguide, modelsreviews, rubmaps (a user-driven website that lists massage businesses offering illicit sex and allows users to review their experiences – the Clinton location has 30 reviews), usasexguide, escortwiz, bestescortsreviews.li, backpage24 (advertisement/s state: "Asian Massage" with heart symbols and suggestive photos of Asian women), and bodyrubshop (advertisement/s state: "Excellent Service", "Young Sexy Hot Beautiful Sweet Nice" "call and tell her that you see the ads at bodyrubshop.com").

Davenport Locations:

1. Pearl Massage, 1910 Washington Street, Davenport

- Corporate Name: Pearl Massage Inc.; Sole Owner: Herman Hoover

- Advertisements/reviews on rubmaps (23 user reviews), adultlook, grainbeltnews (site has user reviews of sexual services received from massage establishments), and backpage24 (advertisement/s state: "Asian girl just arrived", "We have nice, beautiful Asian massage therapists

waiting for you. We also have table showers.” – has numerous suggestive photos of Asian women).

- Business website has three images of an Asian woman in lingerie in suggestive poses.
- Facebook page has a photo of an Asian woman in a suggestive pose.

2. Asian Garden Massage, 3119 Brady Street, Davenport

- Corporate Name: Asian Garden Massage Inc.; Sole Owner: Yinshan Wu
- Advertisements/reviews on cityxguide (states: “where your Asian dreams come true”, “comfortable”, “private”, “free table shower”), rubmaps (38 reviews), backpage24 (advertisement/s state: “comfortable”, “private”, “table sho”, “where your Asian dreams come true”), original backpage (advertisement/s state: “free table shower”, “sweet new staff”), adultlook, omgpage, and bodyrubshop.

3. Spa Magic, 730 W. 3rd Street, Davenport

- Corporate Name: Rainbow Massage, Inc.; Sole Owner: Yinshan Wu
- Advertisements/reviews on rubmaps (10 reviews), adultlook, backpage24 (advertisement/s state: “New Asian girl”, “free table shower” – has numerous suggestive photos of Asian women), and bodyrubshop (advertisement/s state: “100% discrete!”, “table shower” with a kiss symbol).
- Business website has two images of an Asian woman in lingerie in suggestive poses.

Cedar Rapids Locations:

1. Spa Magic, 2323 Mount Vernon Rd. SE, Cedar Rapids

- Corporate Name: Rainbow Massage, Inc.; Sole Owner: Yinshan Wu
- Zhang Hongli **arrested for prostitution** – employed at Spa Magic (03/15/2018 – KCRG news article).

2. Relax'n Asian Spa, 576 Boyson Rd. NE, Ste. 100, Cedar Rapids

- Corporate Name: Relax N Inc.; Sole Owner: Yinshan Wu
- Advertisements/reviews on rubmaps (13 reviews), bodyrubshop (advertisement/s state: “Sweet Asian Girls” with heart symbols), and rubratings (advertisement/s state: “new young beautiful masseuse just arrived!”).

Marion Location:

1. Pearl Massage, 450 Marion Blvd., Marion

- Corporate Name: Pearl Massage Inc.; Sole Owner: Herman Hoover
- Advertisements/reviews on adultlook and bodyrubshop (advertisement/s state: “New Asian Girl” and “Beautiful Sweet Nice”).

West Des Moines Location:

1. Bamboo Massage, 916 Grand Avenue, West Des Moines

- Corporate Name: Bamboo Massage & Spa Inc.; Sole Owner: Yinshan Wu
- Advertisements/reviews on rubmaps (13 reviews) and rubratings (advertisement/s state: “Today come three new young beautiful girls free table shower & sauna”).
- **Bunk beds, mattress and other items found by fire inspector indicating employees were working and living at establishment** (04/16/2015 – KCCI news article).

Urbandale Location:

1. Rainbow Massage, 2646 100th Street, Urbandale

- Corporate Name: Rainbow Massage, Inc.; Sole Owner: Yinshan Wu
- Advertisements/reviews on adultlook, escortwiz, and bestescortsreviews.li.

Ronghui Jiang is the owner of at least one other massage establishment in Iowa:

Burlington Location:

1. Eternal Massage, 3220 Division Street, Burlington

- Corporate Name: Eternal Massage Inc.; Incorporator: Xing Mei Chen; Agent changed to Ronghui Jiang, President on 06/20/2018

- Advertisements/reviews on backpage24 (advertisement states: "We are new lovely girls. Clean and friendly young masseurs will treat you like a king."), bodyrubshop (advertisement states: "Where your Asian dreams come true. New. Comfortable. Private. Sweet Asians. Come get a massage from beautiful Asian therapists."), and adultlook. Business website lists "table shower available".

RECOMMENDATION

That the Council deny the massage therapy business application for Asian Style Spa Inc. pursuant to City Code Section 115.05(C)(1)(d): "A statement that the applicant is of good moral character."

ATTACHMENT

1. 12-26-2018 Building & Neighborhood Services/Fire Department Memo on Rainbow Massage and Bamboo Massage.

2. 09-08-2017 Building & Neighborhood Services/Fire Department violation letter on Rainbow Massage.

3. Supporting documentation evidencing website advertisements are available at the Clerk's office for review.



City of Clinton Building and Neighborhood Services

To: Lisa Frederick
From: Jeff Chapman
CC: Recipient names
Date: December 26, 2018
Re: Bamboo Massage Inspection from September 2017

Comments: In regards to the Asian Massage Parlor located at 1824 North 2nd Street the following are my recollection of the inspection on September 7, 2017. I was contacted by Thomas Dodd, the owner of 724 North 2nd Street. Mr. Dodd requested our assistance with an issue that he was having with a new tenant at the above location. Mr. Dodd stated that he had leased a suite to a Mr. Daniel H. Hoover and Ms. Yinshan Wu for the purposes of a massage establishment. Mr. Dodd stated that soon after he began to receive complaints from a fellow tenant in a rear apartment. The tenant states that she is concerned about the foot traffic to the building since the leasing of the business to Mr. Hoover. Mr. Dodd went to the massage establishment to discuss the complaint he received. Mr. Dodd went into the establishment to find that a complete remodel had been done without his permission, and after seeing it, he is concerned that this establishment may be more than what he was told. Upon getting this information, I pulled up our history and found that we had no record of a building permit for any work, and we did not have any record of a request for a certificate of occupancy for this suite. Upon receiving this information, I went to 724 North 2nd Street to investigate the complaint. I arrived to find a neon sign that stated open, and a business sign that stated Rainbow Massage. I opened the front door and proceeded into the business. I was met in the waiting area by a lady of Asian descent. I attempted to identify myself, however, it was clear that the female subject didn't speak English. I was in full uniform and pointed to my badge. The female subject dialed a phone number from her Cellular phone, began to speak in what I assumed was Cantonese. After a minute or two she handed me the phone. I identified myself to the subject on the other end and explained why I was at the business. The person on the other end of the line was a female that identified herself as Yinshan Wu, and stated that she was the owner of the massage establishment. I explained the situation, told her that I was closing the business down due to a lack of a valid certificate of occupancy, as well as placing a stop work order for the construction that was done without a valid building permit. I was concerned with what I encountered, as it didn't feel right to me. The Asian female that I encountered was unable to produce any identification, and wouldn't speak to me as I attempted to use Google interpreter to bridge the language barrier. I contacted the City Clerk and Deputy Chief Greenwalt of the Clinton Police Department. It was decided that we would visit the establishment the next day to conduct a Fire Inspection in preparation for a Certificate of Occupancy inspection.

On September 8, 2017 myself, Deputy Chief Greenwalt, and Chief Gyrion arrived to the establishment to conduct a fire inspection. I requested CPD to assist as witness to my inspection. We encountered an unlocked door and again the Open sign was illuminated. We were met by two Asian females that were unable to speak English. We attempted Google interpreter with minimum success. We identified ourselves and advised them of the inspection. We had the placard in place and the stop

work order was also present. We turned the open sign off and closed the business for lack of proper licensing and no valid Certificate of Occupancy present. During our inspection we found several violations of City Ordinance, as well as Fire Code to include no proper licensing and signs that the employees were sleeping in the establishment in violation of City of Clinton ordinance. We also observed a room that was labeled table shower, and observed a shallow bath that looked like a morgue table that is used to shower clients. I again attempted to explain the situation to the workers without much success. Again the worker dialed a number from a cellular phone and connected me a person who identified himself as Dan Hoover. Mr. Hoover was given the details of our visit, and he stated that he would be visiting our office the next day. During our conversation with Mr. Hoover, we were informed that he also owned another establishment at 19th Avenue North and North 2nd Street. It was decided that in light of the numerous violations we had here, that we would inspect the establishment on North 2nd Street as well. We drove to 1824 North 2nd Street and entered through the back parking entrance. I noticed right away that there was a kitchen area set up, and it was not compliant with current codes. We walked into the common hallway and were met by a female of Asian descent. She spoke very broken English, however was able to understand that we were there for a fire inspection. This lady attempted to block me physically, and as she was doing so, a male subject was dressing and walking out the front door while doing so. I observed two massage rooms and a room that was set as a living space. The room had a single bed, and a set of bunk beds. The living space was also a code violation. I advised the female that we had multiple violations and we needed to speak to someone about it. We were again directed to Yinshan Wu and Mr. Hoover. Mr. Hoover stated he would be coming into the office to discuss the matter. We wrote up the violations and scheduled a re-inspection for 30 days. This information was reported to the City Clerk and the City Administrator.



CLINTON FIRE DEPARTMENT | BUILDING & NEIGHBORHOOD SERVICES DIVISION

September 8, 2017

Herman Daniel Hoover
Yinshan Wu
13409 Blakely Drive
Plainfield, IL 60585

Re: City ordinance violations at Rainbow Massage

Dear Mr. Hoover:

This letter is in regards to your business located at 724 North 2nd Street Suite A. I received a complaint that a business was operating without a Certificate to Occupy the building. I made a visit, requested to inspect, and was granted permission from staff, through a supervisor over the phone. A preliminary inspection was conducted, and the following violations were found:

1. Occupancy of a structure without a Certificate of Occupancy.
2. Building Construction was conducted without proper permits and no inspections were conducted.
3. Business sign was attached to the building without proper permit.
4. No business permit is on file with the City Clerk.
5. No state Massage License present.

These Violations are contrary to law, and must be addressed prior to any business being conducted from this address. It is imperative that you contact this office, schedule an appointment, and file for all required permits and licenses. Failure to do so, will result in added citations and penalties.

Please contact this office at your earliest convenience to remedy this situation.

Jeff Chapman

Fire Marshal

City of Clinton, Iowa

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