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Riley/Ticse (x4959)

AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT AND ARREST WARRANT AND APPLICATION FOR SEARCH WARRANTS

Your Affiant, Daniel S. Parker, a Special Agent with the Federal Bureau of Investigation ("FBI") being first duly sworn, hereby deposes and states as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I make this affidavit in support of an application for a Criminal Complaint and Arrest Warrant, charging Ahmed M. Sary ("**SARY**") with Wire Fraud (18 U.S.C. § 1343), Wire Fraud Conspiracy (18 U.S.C. § 1349), and Money Laundering (18 U.S.C. § 1956).

2. I further make this affidavit in support of search warrants for the person of **SARY** (further described in Attachment A-1) and the entire premises located at the following locations: (1) **1600 S. Hanover Street, Baltimore, MD, 21230**, further described in Attachment A-2; (2) **1600 S. Hanover Street, Apt. B, Baltimore, MD, 21230**, further described in Attachment A-3; and (3) **5500 Magie Street, Brooklyn, MD, 21225**, further described in Attachment A-4; and a **black Range Rover Sport SUV, VIN#: SALWR2WF0EA372763, Maryland tags 23018CK,** registered to Black Diamond Sedan LLC, **1600 S. Hanover Street, Baltimore, MD 21230**, further described in Attachment A-5 (collectively, the "**TARGET LOCATIONS**").

3. I have been a Special Agent with the FBI since April 2005. I am currently assigned to the FBI's Baltimore Field Office where I conduct complex white-collar crime investigations in Maryland. I have duties that include investigations of, among other matters, mail fraud, wire fraud, aggravated identity theft, fraud against the government, public corruption, and money laundering. Through my 16-plus year career as a Special Agent, I have assisted and participated in the preparation and execution of multiple search and arrest warrants, including residential search warrants.

4. Based on your Affiant's investigation, and the facts set forth in this affidavit, there is probable cause to believe that violations of Wire Fraud (18 U.S.C. § 1343), Wire Fraud Conspiracy (18 U.S.C. § 1349), and Money Laundering (18 U.S.C. § 1956) (collectively the "**TARGET OFFENSES**") have been committed by **SARY** and that evidence, fruits, and instrumentalities of the **TARGET OFFENSES** are located within the **TARGET LOCATIONS** described in Attachments A-1 through A-5. There is also probable cause to search the locations described in Attachments A-1 through A-5 for evidence of the **TARGET OFFENSES**, as further described in Attachment B.

5. The facts in this affidavit come from my personal observations, my training and experience, and information obtained from other investigators and witnesses. This affidavit is intended to show merely that there is sufficient probable cause for the requested complaint and warrants and does not set forth all my knowledge about this matter.

6. Through my training and experience, I have become familiar with the methods and techniques used by criminals to commit financial crimes, and how those criminals conceal, and store information and assets related to and derived from such criminal activity.

7. Based on my training and experience, and participation in other fraud and money laundering investigations, your Affiant knows that individuals that commit or attempt to commit fraud schemes, including loan fraud schemes: maintain files and records related to their schemes and illegal activities; utilize electronic devices and mediums to transmit documents and records in furtherance of the scheme; and store those same records on electronic devices.

8. Indeed, based on my knowledge, training, and experience, I know that individuals who create and use fictitious or fraudulent documents such as the ones described here will often keep the documents utilized in the furtherance of their scheme in close proximity—usually at their

personal residence or other private area (including office or vehicle) to hide such items from law enforcement authorities. I further know that individuals involved in fraud schemes often maintain records, bank statements, receipts, notes, contact lists, money orders, correspondence, credit or debit cards, and other papers relating to their schemes in their homes.

9. I also know that individuals involved in fraud schemes often maintain and possess documents—in electronic form or otherwise—that contain evidence of their scheme and potential co-conspirators in their homes and offices, including, financial and banking records, loan records, tax records, and employment and payroll records. These records are frequently maintained over an extended period, including time periods long after any particular transaction is completed.

10. Based on my knowledge, training, and experience, I know that individuals carry their cellular phones with them virtually everywhere they go (including in vehicles when traveling) and, when not outside of their homes, keep their cellular phones in near proximity in their residence.

PROBABLE CAUSE

Background Regarding the U.S. Small Business Administration Paycheck Protection Program

11. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP").

12. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The applicant of a

PPP loan was required to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the applicant must state, among other things, its: (a) average monthly payroll expenses and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses. To qualify for eligibility, businesses applying for a PPP loan needed to be in operation before or on February 15, 2020.

13. A PPP loan application must be processed by a participating financial institution (the lender). If a PPP loan application is approved, the participating financial institution funds the PPP loan using its own monies, which are 100% guaranteed by the United States Small Business Administration ("SBA"). Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

14. PPP loan proceeds must be used by the business for certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain percentage of the PPP loan proceeds on payroll expenses.

15. In or around December 27, 2020, the Economic Aid to Hard-Hit Small Business, Nonprofits and Venues Act provided additional funding for the PPP program and extended the application deadline to March 31, 2021. The Act enabled borrowers to take a second draw PPP loan under the same general terms as their first PPP loan up to a maximum loan amount of $2 million. The Act reopened the program to borrowers who did not previously receive a first draw

PPP loan. To be eligible for a second draw, borrowers must employ no more than 300 employees, demonstrate a 25% reduction in gross receipts during a calendar quarter in 2020, and have expended the full amount of their initial PPP loan. Allowable expenses were expanded to include worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations. The expansion applies retroactively to first draw PPP loans that have not been forgiven by the SBA.

Background Regarding the U.S. Small Business Administration Economic Injury Disaster Loan Program

16. An Economic Injury Disaster Loan ("EIDL") is an SBA administered loan designed to provide assistance to small businesses that suffer substantial economic injury as a result of a declared disaster. An EIDL helps a business meet necessary financial obligations that could have been met had the disaster not occurred. It provides relief from economic injury that the disaster caused and permits a business to maintain a reasonable working capital position during the period that the disaster affected.

17. Additionally, the SBA offers an EIDL advance that is designed to provide emergency economic relief to businesses that are currently experiencing a temporary loss of revenue. This advance does not have to be repaid, and small businesses may receive an advance, even if they are not approved for an EIDL loan. The maximum advance amount is $10,000.00. The amount of the loan offered as well as the advance amount are determined by the SBA based on the information provided on the loan application.

18. EIDL funds are issued directly from the United States Treasury and applicants apply through the SBA via an online portal. The EIDL application process, which also uses certain outside contractors for system support, collects information concerning the business and the business owner, including information as to the gross revenues for the 12 months prior to the

disaster, the cost of goods sold, and information as to any criminal history of the business owner. Applicants electronically certify that the information provided is accurate and are warned that any false statement or misrepresentation to the SBA or any misapplication of loan proceeds may result in sanctions, including criminal penalties.

19. In March 2020, due to the COVID-19 pandemic, the SBA issued an EIDL declaration. The declaration made EIDL loans available nationwide to small businesses to help alleviate economic injury that COVID-19 caused. EIDL loans are usually limited to a maximum amount of $2 million, however, during the COVID-19 pandemic, EIDL loans were limited, for a period of time, to $150,000.00 per loan.

SBA Loans Obtained Directly by SARY

20. In September 2020, a Baltimore County Police Department ("BCPD") detective identified fraudulent PPP loan applications and loans associated with the targets of a criminal investigation being conducted by that agency. The targets of the BCPD investigation submitted loan applications on behalf of businesses that did not exist in any legitimate capacity. The loan applications contained false statements concerning the number of employees employed by the businesses, the financial earnings and payroll expenses of the businesses, and income taxes withheld by the businesses. Further, the loan applications were supported by false documents supplied by the applicants, which included purported Internal Revenue Service ("IRS") Form W-3 Transmittal of Wage and Tax Statements that were not consistent with IRS records.

21. A review of financial records, communications, and other information obtained by the BCPD detective led to the identification of several other individuals who also applied for and received SBA PPP loans and EIDLs in a similar manner, including **SARY**.

22. I have reviewed SBA records and identified several PPP and EIDL loans obtained by **SARY** for businesses that he owns and/or controls, as well as PPP and EIDL loans submitted for businesses and purported businesses owned by co-conspirators.

23. The PPP and EIDL applications submitted by **SARY** were found to contain false statements and misrepresentations regarding **SARY** and his respective businesses. Many of the applications were submitted on behalf of businesses that either did not exist in any legitimate capacity, and/or businesses that grossly over-represented their financial conditions and number of employees. Further, the wages and financial conditions represented in the loan applications were not consistent with IRS records. Likewise, the spending of the SBA loan proceeds was often inconsistent with typical payroll and other business expenses allowable under the SBA loan program parameters.

24. All the loan applications and supporting documents were submitted by **SARY** to the SBA (or through SBA authorized lenders) electronically via the internet, and loan proceeds were often disbursed via ACH transfers, causing interstate wire communications to be sent in furtherance of the scheme to defraud.

25. Your Affiant has identified nine (9) potentially fraudulent loan applications, totaling $949,559.00, submitted by **SARY**. Each of the PPP loans and EIDLs associated with **SARY** are summarized in the table and more fully discussed below.

Entity	SBA Loan Type	Loan Amount	Funded Date	SBA Loan #
Am Halal Meat Inc	PPP	$119,311.00	06/19/2020	8576977906
Am Halal Meat Inc	EIDL	$40,000.00	6/24/2020	2738168009
Am Halal Meat Inc	PPP	$119,310.00	2/20/2021	2051408503
AMEX Financial Group Inc	EIDL	$145,000.00	6/11/2020	2309567910
AMT Pizza Inc	EIDL	$65,000.00	6/24/2020	2737238004
AMT Pizza Inc	PPP	$139,938.00	6/30/2020	5473368007
Sary Stars Inc	PPP	$102,000.00	5/27/2020	2128967804

Sary Stars Inc	EIDL	$117,000.00	6/24/2020	2805928008
Sary Stars Inc	PPP	$102,000.00	2/24/2021	8680618409
Total		**$949,559.00**		

Am Halal Meat Inc EIDL and PPP Loans

26. Information obtained from the SBA indicated that a first draw PPP loan (# 8576977906) was submitted on behalf of the business Am Halal Meat Inc. According to the loan information, the address listed for the PPP loan application was **1600 S. Hanover Street, Baltimore, MD, 21230**, known to be associated with **SARY** and discussed further below. The email address associated with the loan was am.halal@yahoo.com and the associated telephone number was 202-255-6007, also known to be used by **SARY** and discussed further below.

27. SBA PPP loan # 8576977906 was issued to Am Halal Meat Inc in the amount of $119,311.00. On June 19, 2020, the loan proceeds were credited to a TD Bank account ending in 20371 and controlled by **SARY**.

28. SBA records also indicated that **SARY** applied for an EIDL on behalf of Am Halal Meat Inc on June 18, 2020. The SBA records identified **SARY** as the user submitting the application and included **SARY's** correct social security number ("SSN") and other personally identifiable information ("PII").

29. The email address associated with the EIDL application was am.halal@yahoo.com. The business address was listed as **1600 S. Hanover Street, Baltimore, MD, 21230**. **SARY's** residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**, was also listed on the loan application. The telephone number listed on the application was 202-255-6007, the same phone number referenced above.

30. The EIDL application information indicated that Am Halal Meat Inc had ten (10) employees and gross revenue of $750,000.00 for the twelve months prior to January 31, 2020.

31. On June 24, 2020, SBA EIDL # 2738168009 was issued to Am Halal Meat Inc in the amount of $40,000.00. The loan proceeds were disbursed via ACH transfer to the same TD Bank account ending in 20371 and controlled by **SARY**. **SARY** also received an additional payment of $10,000.00, possibly an EIDL advance payment, on June 23, 2020.

32. Information obtained from TD Bank indicated that **SARY** also applied for a second draw PPP loan on behalf of the business Am Halal Meat Inc on January 29, 2021. The loan application identified **SARY** as the business owner and included his correct SSN and other PII.

33. The business address was listed as **1600 S. Hanover Street, Baltimore, MD, 21230**, the same address referenced above. **SARY'S** residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**, was also listed on the loan application. Telephone number 202-384-0110 was listed for both the business and **SARY**.

34. In the SBA second draw PPP loan application information provided by TD Bank, **SARY** indicated that Am Halal Meat Inc had seven (7) employees and paid over $570,000.00 in wages. The loan application also contained a certification that the business "*was in operation on February 15, 2020...or had employees for whom it paid salaries and payroll taxes or paid independent contractors*" which was acknowledged affirmatively by **SARY**.

35. Additional TD Bank records concerning the loan application indicated that the business had a gross annual revenue of $1,347,302.00 as of December 2019. The records also indicated the business had filed business taxes within the last 18 months.

36. On February 20, 2021, SBA PPP loan # 2051408503 was issued to Am Halal Meat Inc in the amount of $119,310.00. On February 24, 2021, the loan proceeds were credited to the same TD Bank account ending in 20371 and controlled by **SARY**.

37. Maryland State Department of Assessments & Taxation ("Maryland SDAT")

records indicated that Articles of Incorporation for Am Halal Meat Inc were filed on August 16, 2016. The document identified **SARY** as the resident agent of the business and listed the business address of **1600 S. Hanover Street, Baltimore, MD, 21230**. The document identified the purpose of the corporation as *"wholesale and retial* [sic] *halal meat"*.

38. The TD Bank account number ending in 20371 was opened on January 30, 2018, for the business Am Halal Meat Inc. **SARY** is the sole individual listed on the account opening documents. The business address is listed as **1600 S. Hanover Street, Baltimore, MD, 21230**. The bank account opening documents listed the principal line of business as *"Meat and meat product merchant wholesalers"*.

39. The proceeds of the Am Halal Meat Inc first and second draw PPP loans and EIDL were all deposited into the TD Bank account ending in 20371. Bank account records for the account showed transactional activity inconsistent with the purported business revenue, employee wages, and other information supplied on the SBA loan applications.

40. In addition to the banking activity being inconsistent with the business's financial activity represented on the loan applications, bank records indicated several payments to other individuals and transfers to other accounts controlled by **SARY** were made from the account following the deposits of the loan proceeds.

41. Surveillance was conducted at **1600 S. Hanover Street, Baltimore, MD, 21230** on multiple occasions. Based on your Affiant's training and experience, the property was not consistent with the type of location used for the retail and/or wholesale processing or sale of meat products. The property is described as a mixed use residential/commercial property located in a primarily residential neighborhood in Baltimore City, Maryland. The property consists of a street level commercial style storefront with an attached apartment unit accessed via a side entrance.

During surveillance, there were no observations made by investigators that indicated the property was being used for a meat product business. There were no company signs, no employees or customers were seen coming or going, and there were no other indications that the business was operating at the location. Additional surveillance observations of the location are described further below.

42. Open-source investigation of Am Halal Meat Inc revealed no online business presence consistent with an active business. Investigators were unable to identify a business website, customer reviews, advertisements, telephone listing, social media presence, or other open-source information commonly found for retail and wholesale food product businesses.

43. IRS records also indicated that there was no record of IRS Form 1120 US Corporation Income Tax Return filings for Am Halal Meat Inc for the tax years 2019 or 2020.

AMEX Financial Group Inc EIDL

44. SBA records indicated that **SARY** applied for an EIDL on behalf of AMEX Financial Group Inc on April 4, 2020. The SBA records identified **SARY** as the user submitting the application and included **SARY's** correct SSN and other PII as well as an uploaded image of his genuine Maryland Driver's License.

45. The email address associated with the EIDL application was amexgroup2@gmail.com. The business address was listed as **1600 S. Hanover Street, Baltimore, MD, 21230**, the same address referenced above and known to be associated with **SARY**. **SARY's** residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**, was also listed on the loan application.

46. The EIDL application indicated that AMEX Financial Group Inc had five (5) employees and gross revenue of $500,000.00 for the 12 months prior to January 31, 2020. The

application listed a business category of "Tax Return Preparation Services."

47. On June 11, 2020, SBA EIDL # 2309567910 was issued to AMEX Financial Group Inc in the amount of $145,000.00. The loan proceeds were disbursed via ACH transfer to a Bank of America bank account ending in 77096 and controlled by **SARY**.

48. Maryland SDAT records indicated that Articles of Incorporation for AMEX Financial Group Inc were filed on April 7, 2014. The document identified **SARY** as the resident agent of the business. On November 10, 2015, a corporate resolution changing the business address to **1600 S. Hanover Street, Baltimore, MD, 21230** was filed with Maryland SDAT.

49. The Bank of America account number ending in 77096 was originally opened on April 7, 2014, for the business AMEX Financial Group Inc. **SARY** is the sole individual listed on the account opening documents.

50. The Bank of America account records for account ending in 77096 showed transactional activity inconsistent with the purported business revenue, employee wages, and other information supplied by **SARY** on the SBA loan applications. Further, bank records indicated payments to individuals associated with **SARY** and transfers to other accounts controlled by **SARY** were made from the account following the deposit of the loan proceeds.

51. Surveillance was conducted at **1600 S. Hanover Street, Baltimore, MD, 21230**, as previously referenced. Based on your Affiant's training and experience, the property was not consistent with an operating tax preparation or financial services business. During surveillance, there were no observations made by investigators that indicated the property was being used for a tax preparation or financial services business. There were no company signs, no employees or customers were seen coming or going, and there were no other indications that the business was

operating at the location. Additional surveillance observations of the location are described further below.

52. Open-source investigation of AMEX Financial Group Inc revealed minimal available information, none of which appeared consistent with an operating business. Investigators were able to locate a company website that represented the business provided various financial and tax services, but did not list an address, phone number, email address, or other means of contact for the business.

53. IRS records also indicated that there was no record of IRS Form 1120 U.S. Corporation Income Tax Return filings for AMEX Financial Group Inc for the tax years 2019 or 2020.

AMT Pizza Inc EIDL and PPP Loan

54. SBA records indicated that **SARY** applied for an EIDL on behalf of AMT Pizza Inc, trade name Full House Pizza, on June 18, 2020. The SBA records identified **SARY** as the user submitting the application and included **SARY's** correct SSN and other PII.

55. The business address associated with the application was listed as 81 Shipping Place, Dundalk, MD, 21222. **SARY's** residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**, was also listed on the loan application.

56. The EIDL application information indicated that AMT Pizza Inc had fifteen (15) employees and gross revenue of $600,000.00 for the twelve months prior to January 31, 2020. The application listed a business category of "Restaurant – Fast Food & Carry Out."

57. On June 24, 2020, SBA EIDL # 2737238004 was issued to AMT Pizza Inc in the amount of $65,000.00. The loan proceeds were disbursed on June 26, 2020, via ACH transfer to an M&T Bank account ending in 88242 and controlled by **SARY**.

58. Maryland SDAT records indicated that Articles of Incorporation for AMT Pizza Inc were filed on March 28, 2017. The document identified **SARY** as the resident agent of the business and listed his residential address. Articles of Amendment for the corporation and a Corporate Resolution regarding change of address of the resident agent were filed with Maryland SDAT on February 1, 2019. The documents identified Rehab Saad ("Saad") as the company director and indicated a change of address from **SARY's** residential address to **1600 S. Hanover Street, Baltimore, MD, 21230.**

59. The M&T Bank account number ending in 88242 was opened on June 18, 2020, for the business AMT Pizza Inc. Saad is the signatory on the account opening documents. The business address is listed as 81 Shipping Place, Baltimore, MD, 21230. Saad's address is listed as **1600 S. Hanover Street, Apt. B, Baltimore, MD, 21230**, the same address referenced above, and known to be associated with **SARY**.

60. On August 18, 2020, approximately two months after the proceeds of the AMT Pizza Inc EIDL were deposited into the M&T Bank account ending in 88242, the funds were reversed out of the account and returned to the SBA from the bank. Notes in the SBA loan records indicate that was possibly due to an inability to verify that the bank account was associated with the business. The loan was later declined, and the loan proceeds were never accessed.

61. IRS records indicated that there was no record of business tax filings for AMT Pizza Inc for the tax years 2019 or 2020.

62. Records from Kabbage, Inc. ("Kabbage"), an SBA approved lender, indicate that **SARY** applied for a first draw PPP loan on behalf of AMT Pizza Inc on June 30, 2020. The application, signed by **SARY**, noted that the business had six (6) employees and an average monthly payroll of $55,976.00.

63. The requested PPP loan (SBA loan # 5473368007) in the amount of $139,938.00 ultimately did not close, however, as W-2 tax forms for all of AMT Pizza Inc's purported employees that were requested by Kabbage to substantiate the content of the application were never provided.

Sary Stars Inc EIDL and PPP Loans

64. Information obtained from the SBA indicated that a first draw PPP loan (# 2128967804) was submitted on behalf of the business Sary Stars Inc. The business address associated with the loan was listed as **1600 S. Hanover Street, Baltimore, MD, 21230**, the same address referenced above and known to be associated with **SARY**. Telephone number 202-352-2924, subscribed to by AMEX Financial Group Inc, an entity controlled by **SARY**, was listed on the SBA loan records.

65. On May 27, 2020, SBA PPP loan # 2128967804 was issued to Sary Stars Inc in the amount of $102,000.00. On May 27, 2020, the loan proceeds were credited to an M&T Bank account ending in 99296 and controlled by **SARY**.

66. SBA records also indicated that **SARY** applied for an EIDL on behalf of Sary Stars Inc on June 18, 2020. The SBA records identified **SARY** as the user submitting the application and included **SARY's** correct SSN and other PII.

67. The business address associated with the loan application was listed as **1600 S. Hanover Street, Baltimore, MD, 21230,** the same address referenced above and known to be associated with **SARY**. **SARY's** residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**, was also listed on the loan application.

68. The EIDL application information indicated that Sary Stars Inc had eight (8) employees and gross revenue of $750,000.00 for the twelve months prior to January 31, 2020. The

application listed a business category of "Entertainment Services" and "Event Planning."

69. On June 24, 2020, SBA EIDL # 2805928008 was issued to Sary Stars Inc in the amount of $117,000.00. The loan proceeds were disbursed via ACH transfer to the same M&T Bank account ending in 99296 and controlled by **SARY**'s wife, Izabela Sary.

70. Information obtained from the SBA indicated that a second draw PPP loan (# 8680618409) was also submitted on behalf of the business Sary Stars Inc. According to the SBA records, the business address was listed as **1600 S. Hanover Street, Baltimore, MD, 21230**, the same address referenced above, and known to be associated with **SARY**.

71. On February 24, 2021, SBA PPP loan # 8680618409 was issued to Sary Stars Inc in the amount of $102,000.00. On February 24, 2021, the loan proceeds were credited to the same M&T Bank account ending in 99296 and controlled by **SARY**'s wife, Izabela Sary.

72. Maryland SDAT records indicated that Articles of Incorporation for Sary Stars Inc were filed on July 25, 2011. The document identified **SARY** as the resident agent of the business. Articles of Revival were filed with Maryland SDAT on August 16, 2016, and listed the principal address of **1600 S. Hanover Street, Baltimore, MD, 21230**. The records also reflect **SARY**'s residential address of **5500 Magie Street, Brooklyn Park, MD, 21225**.

73. The M&T Bank account number ending in 99296 was originally opened on May 2, 2019, for the business Sary Stars Inc. **SARY**'s wife, Izabela Sary, is listed on the account's opening documents.

74. The proceeds of the Sary Stars Inc first and second draw PPP loans and EIDL were deposited into the M&T Bank account ending in 99296, controlled by **SARY**'s wife. Bank account records for the account showed minimal banking activity between the opening of the account in May 2019 and the deposit of the first draw PPP loan in May 2020. The records did not show any

payroll activity or other transactional activity consistent with the business revenue and employee wages represented on the loan applications.

75. In addition to the banking activity being inconsistent with the business financial activity represented on the loan applications, bank records indicated several payments were made directly from the account to **SARY** and his wife following the deposit of the loan proceeds. The payments from the account directly to **SARY** totaled more than $48,000.00 and the payments from the account directly to Izabela Sary totaled more than $50,000.00

76. Surveillance was conducted at **1600 S. Hanover Street, Baltimore, MD, 21230,** as previously referenced. Based on your Affiant's training and experience, the property was not consistent with an operating event planning business. During surveillance, there were no observations made by investigators that indicated the property was being used for an event planning business. There were no company signs, no employees or customers were seen coming or going, and there were no other indications that the business was operating at the location. Additional surveillance observations of the location are described further below in the SBA Loan Fraud Kickback Scheme section.

77. IRS records also indicated that there was no record of business tax filings for Sary Stars Inc for the tax year 2019.

SBA Loan Fraud Kickback Scheme

78. In addition to the SBA loans obtained directly by **SARY** for entities he controlled, there is probable cause to believe **SARY** and others engaged in a scheme to recruit and assist business owners with the submission of fraudulent PPP and EIDL loan applications in exchange for a portion of the loan proceeds. **SARY** represented to business owners that he could assist in

the preparation of documents and the submission of loan applications to the SBA in order to secure loans for the business loan applicants.

79. Law enforcement has identified numerous relevant EIDL and PPP loans disbursed to businesses located throughout the United States that resulted in apparent kickback payments to **SARY** and his associates or entities they controlled. The loans were disbursed based on loan applications and supporting documents submitted to SBA approved PPP lenders, and EIDL applications and supporting documents submitted directly to the SBA. Individual principals associated with each of the businesses were listed on the loan applications ("loan applicants"). The approved loans were disbursed to bank accounts associated with each of the businesses or loan applicants.

80. The PPP loan and EIDL applications associated with the businesses and loan applicants receiving the loans contained false statements and misrepresentations regarding the individuals and their respective businesses. The applications frequently misrepresented the number of employees employed by the businesses, payroll expenses of the businesses, or were submitted on behalf of businesses that either did not exist in any legitimate capacity, and/or businesses that grossly over-represented their financial conditions and gross revenue. Further, the loan applications were frequently supported by altered or forged bank statements and tax related documents that were not consistent with IRS records. Likewise, the spending of the SBA loan proceeds was often inconsistent with typical payroll and other expenses allowable under the SBA loan program parameters.

81. All the loan applications and supporting documents were submitted by, or on behalf of, the loan applicants to the SBA (or through SBA authorized lenders) electronically via the

internet, and loan proceeds were often disbursed via ACH transfers, causing interstate wire communications to be sent in furtherance of the scheme to defraud.

82. Shortly after the SBA loans were disbursed, the loan applicants used a portion of the loan proceeds to make kickback payments to **SARY**, his co-conspirators, or entities they controlled. The payments originated from accounts controlled by the businesses receiving the loan proceeds or the individual loan applicants, and were funded by the recently disbursed SBA loan funds.

83. The kickback payments were frequently structured or made in a manner to conceal the nature and total amount of the payments and created the appearance that the payments were for legitimate business purposes. This included: memos indicating the payments were for business related purposes, loan applicants structuring multiple payments to different entities controlled by **SARY** and his associates, and the use of different banking institutions to reduce the possibility of alerts of suspicion.

84. Your Affiant has identified more than 40 potentially fraudulent SBA loans, totaling at least $10 million that resulted in kickback payments of more than $2.5 million to **SARY** and his associates.

85. Many of the SBA loan applications originated from IP addresses associated with **SARY's** purported business, AMEX Financial Group Inc. For example, according to records provided by Comcast, IP address 69.140.17.191 was assigned to the subscriber AMEX Financial Group Inc from January 25, 2021 to March 16, 2021. Both the service and billing address for the account was **1600 S. Hanover St, Baltimore, MD 21230**, an address associated with **SARY**.

86. Records obtained from Cross River Bank indicate that IP address 69.140.17.191 was used to submit applications for eighteen (18) PPP loans during the period of March and April 2021.

87. Moreover, records from the SBA indicate that IPv6 address 2603:3003:1366:2000 was used to submit applications for fifty-four (54) EIDL loans during the period of June 2020 to December 2021. This IPv6 address was assigned to the subscriber AMEX Financial Group Inc from July 23, 2021 to January 3, 2022. Both the service and billing address for the account was **1600 S. Hanover St, Baltimore, MD 21230**, an address associated with **SARY**. Comcast had no subscriber information for the period prior to July 23, 2021; however, EIDL applications submitted in June 2020 for Sary Stars, Inc and AMT Pizza Inc—both associated with **SARY** (as discussed above)—were submitted using IPv6 address 2603:3003:1366:2000.

88. Additionally, records from SBA indicate that IP address 151.196.245.252 was used to submit applications for two (2) EIDLs on April 6, 2020, including one for AMEX Financial Group Inc. Records provided by Verizon Internet Services indicate that IP address 151.196.245.252 was subscribed to **SARY** From January 23, 2020 to December 1, 2020. The account address was **5500 Magie St., Brooklyn, MD 21225, SARY**'s home address.

89. An example of one of the identified loans and payments in connection with the fraud and kickback scheme is discussed in further detail below. The misrepresentations on the loan application, misuse of the loan proceeds, and use of a portion of the loan proceeds to make kickback payments is consistent with other loans identified during the investigation but not specifically described below.

Applicant 1's PPP Loan, Loan Spending, and Kickback Payments

90. Information obtained from Cross River Bank, an authorized SBA lender, indicated that a PPP loan application was submitted for the business of Applicant 1 on March 24, 2021. The loan application identified Applicant 1 as the business owner and included the applicant's correct SSN and other PII as well as an image of a genuine Maryland Driver's License issued to Applicant 1.

91. On the loan application, the following items were selected under the loan purpose section: Payroll, Rent/Mortgage Interest, Utilities, and Covered Operations Expenditures.

92. The business address listed on the PPP loan application was the address of a United States Post Office in Baltimore, Maryland.

93. The PPP loan application information indicated that Applicant 1's business was established in April 2012, had thirteen (13) employees, and an average monthly payroll of $104,900.87 (equivalent to more than $1,250,00.00 annually). The loan application also contained a certification that the business "*was in operation on February 15, 2020...or had employees for whom it paid salaries and payroll taxes or paid independent contractors*" which was acknowledged affirmatively.

94. Supporting documents submitted along with the loan records from Cross River Bank included an image of a cancelled check from a JPMorgan Chase Bank account ending in 00052 with a payor of Applicant 1's business, digital PDF files of a purported February 2020 statement for the JPMorgan Chase Bank account ending 00052, and a purported IRS Form 940 for 2019: Employer's Annual Federal Unemployment Tax Return.

95. The JPMorgan Chase Bank statement contained a number of alterations including mismatched sizing and fonts, spacing errors, and incorrect formatting. Moreover, I have reviewed

records from JPMorgan Chase Bank for the account ending in 00052 which reflect that the account was not opened by Applicant 1 until March 6, 2021—just weeks before the PPP loan application was submitted, and well after the date of the purported February 2020 statement. The document properties associated with the falsified digital PDF file also indicated it was created in Microsoft Word on January 22, 2016, and last modified on March 19, 2021 (just five days before the PPP loan application for the business was submitted).

96. The purported IRS Form 940 for 2019 indicated that Applicant 1's business paid $1,258,810.53 in employee wages in 2019. But records provided by the IRS indicated that there was no record of any business tax filings for the business for the tax years 2019 or 2020.

97. On March 26, 2021, SBA PPP loan # 6451248609 was issued to Applicant 1's business in the amount of $262,252.00. The loan proceeds were disbursed on March 26, 2020, via ACH transfer to the JPMorgan Chase Bank ending in 00052 and controlled by Applicant 1.

98. From the opening of the JPMorgan Chase Bank account on March 6, 2021, until the deposit of the PPP loan on March 26, 2021, there was no banking activity associated with the account ending in 00052. There were no payroll expenses debited from the account or other activity consistent with the employee wages represented on the PPP loan application. The first activity in the account was the deposit of the PPP loan proceeds.

99. Within one week of the date the PPP loan funds were credited to the JPMorgan Chase Bank ending in 00052, kickback payments totaling $78,000.00 were made to entities controlled by **SARY** and one of his associates. More specifically, check # 2351, dated March 31, 2021, and payable to the business "Am Halal Meat" for the amount of $40,000.00, was drawn on Applicant 1's JPMorgan Chase Bank account ending in 00052 and deposited into an Am Halal Meat Inc account at TD Bank, controlled by **SARY**. Also, a check for $38,000.00, was drawn on

the JPMorgan Chase Bank account ending in 00052 and deposited into an account associated with one of **SARY's** associates.

100. Bank records provided by JPMorgan Chase Bank and payroll records provided by "Payroll Processor 1"—a payroll processor—identified ten (10) purported employees of Applicant 1's business. A review of wage records provided by the State of Maryland Department of Labor, Licensing and Regulation ("Maryland DLLR") revealed that only one of the ten purported employees received wages in Maryland from the business. Records from Payroll Processor 1 further reflect that it started payroll processing for the business on or about April 9, 2021. Its records reflect that a services agreement was signed by Applicant 1 on March 30, 2021—four days after Applicant 1 received the PPP loan funds. According to records provided by Maryland DLLR, Applicant 1 has never received wages from his business.

101. Furthermore, according to records provided by Mercedes-Benz Financial, on January 19, 2021, Applicant 1 purchased a Mercedes-Benz S550V4 luxury automobile—making a $1,400.00 deposit and financing the balance of $76,690.65.

102. Law enforcement likewise learned that on April 25, 2021, Applicant 1 signed a lease to rent an apartment at a luxury high rise in downtown Baltimore. Lease records indicated that the security deposit was $1,845.00 and the monthly rent payments owed were $1,845.00. The initial lease term was from May 1, 2021 through April 30, 2022.

103. According to information provided by the property manager, Applicant 1's lease was extended until May 2023. In addition, Applicant 1 made several large payments which appear to be advance payments for future months' rent. On July 19, 2021, the apartment building posted a cashier's check in the amount of $20,200.00 from Applicant 1 from a Wells Fargo Bank account. However, this cashier's check was returned on August 12, 2021. On August 27, 2021, another

cashier's check in the amount of $18,333.94 from Applicant 1, drawn on a Wells Fargo Bank account, was posted to Applicant 1's account at the building. As of March 2, 2022, there was a positive balance on the account in the amount of $8,788.33. This amount would cover more than the next four rent payments of $1,845.00, which would run through July 31, 2022.

104. On April 26, 2022, law enforcement executed a search and seizure warrant at Applicant 1's residence in Baltimore, Maryland and seized multiple electronic devices, as well as approximately $30,000.00 in U.S. currency. After voluntarily waiving his *Miranda* rights, Applicant 1 agreed to speak with law enforcement. Applicant 1 stated, among other things, that (1) someone known as "Adam" whose office was on Hanover Street in Baltimore, Maryland submitted the PPP loan application on Applicant 1's behalf; (2) Applicant 1 had never seen the IRS Form 940 (Employer's Annual Federal Unemployment Tax Return) or February 2020 bank statement that were submitted in connection with the PPP application for Applicant 1's business, and that neither the tax form nor the bank statement were accurate; (3) Applicant 1 had never seen the PPP loan application itself; and (4) "Adam" assisted Applicant 1 with setting up payroll services with Payroll Processor 1.

105. I further know, from my review of call records, that a phone number associated Applicant 1 contacted **SARY** the same day the warrant was executed at Applicant 1's residence.

Search Warrant for Electronic Accounts Associated With SARY

106. On March 9, 2022, the Honorable Matthew J. Maddox, United States Magistrate Judge authorized a warrant for, among other things, various electronic account information associated with **SARY**, including the Google LLC accounts amexgroup2@gmail.com and mynucredit@gmail.com.

107. A review of the returns for the search warrant revealed the existence of more than

30 emails attaching a document titled "PPP Submission" form—all of which were filled out. To date, I have located completed PPP Submission forms for 26 businesses. The form included fields for "Borrower Information" such as first name, last name, social security number, address, email address, date of birth, phone number, and email address. It also included fields for "Business Information" such as business name, address, phone, business start date, EIN, as well as bank account and routing information.

108. The "PPP Submission" form contained no fields associated with the businesses' financial condition, such as, business payroll or number of employees.

109. A review of the returns for the search warrant also revealed the existence of multiple emails between amexgroup2@gmail.com and Payroll Processor 1 concerning 35 businesses across the United States—all of which received PPP loans—and for which AMEX Group Financial Inc served as Payroll Processor 1's "Affiliate Partner." One of those emails included a Microsoft Excel spreadsheet titled "Amex Financial Group Account List 2" that listed 35 businesses that had received payroll services from Payroll Processor 1. AMEX Financial Group is listed in the column for "Affiliate Name" in the row for each business. Applicant 1's business is among the entities on the list.

110. As noted above, Applicant 1 noted that someone known as "Adam" submitted the PPP loan application on Applicant 1's behalf. My review of the returns for the search warrant revealed emails to the amexgroup2@gmail.com in which **SARY** is referred to as "Adam Sary." For example, in an email dated July 29, 2021, an employee of Payroll Processor 1 emailed another employee, copying amexgroup2@gmail.com, and noted "I received this text from Adam Sary. He wants to Terminate these employees from the following companies. I do not know who the Payroll Specialists are for these companies." The email attaches a photograph of a phone displaying a text

sent by a contact listed as "Adam" or "AS" that attaches a driver's license of two individuals and which notes, "Can you please take both of them off of the payroll Sary stars / Amex / am halal." Later emails in the email thread sent by an employee of Payroll Processor 1 to amexgroup2@gmail.com address **SARY** as "Ahmed" and "Sary."

111. Search history for the amexgroup2@gmail.com account revealed multiple searches and visits to websites discussing PPP fraud and PPP fraud enforcement, including searches for "state union PPP," "ppp fraud arrests 2021," and "sba fraud arrests" and a visit to a Department of Justice's website linking to an indictment charging two individuals in the Western District of North Carolina with Wire Fraud and Wire Fraud Conspiracy based on their submission of allegedly fraudulent PPP loans.

Surveillance

112. I understand that the building located at **1600 S. Hanover Street, Baltimore, MD, 21230** has an office accessed from the front of the property, and an apartment in the rear of the property. The apartment is accessible by a separate door on the side of the building accessed along West Randall Street. While there are second and third floors of the property visible from the exterior, I understand that there is no access to the upper floors from the office or the apartment. On December 30, 2021, investigators conducted surveillance and observed **SARY** open the door on the side of the building, which had a mailbox marked "Apt. B" next to it (as further described in Attachment A-3), and entered the apartment.

113. On April 27, 2022, investigators conducted surveillance at **1600 S. Hanover Street, Baltimore, MD, 21230** and **5500 Magie Street, Brooklyn, MD, 21225.** At approximately 5:00 p.m., law enforcement observed **SARY** leave his home at **5500 Magie Street, Brooklyn, MD, 21225** and travel to **1600 S. Hanover Street, Baltimore, MD, 21230** and enter the building.

SARY was observed at the office location until approximately 8:30 PM. **SARY** drove from **5500 Magie Street, Brooklyn, MD, 21225** to **1600 S. Hanover Street, Baltimore, MD, 21230** in a **Range Rover Sport SUV, VIN: SALWR2WF0EA372763, Maryland tags 23018CK.** According to Maryland Motor Vehicle Administration (MVA) records, the vehicle with Maryland tags 23018CK was registered to Black Diamond Sedan LLC, **1600 South Hanover Street, Baltimore, MD, 21230.** Articles of Organization filed in the State of Maryland by Black Diamond Sedan LLC on February 20, 2015 reflect **SARY**'s signature as an authorized person, as well as the signature of others. Further, a Certificate of Reinstatement filed by the business on December 22, 2020 names **SARY** as the resident agent of the business.

FORENSIC EVIDENCE

114. This application seeks permission to locate not only electronic and computer files that might serve as direct evidence of the crimes described on the warrant, but also for forensic electronic evidence that establishes how computers and devices containing the files were used, the purpose of their use, who used them and when. There is probable cause to believe that this forensic electronic evidence will be on any storage medium found in the **TARGET LOCATIONS** described in Attachments A-1 through A-5 because:

a. Data on the storage medium can provide evidence of a file that was once on the storage medium but has since been deleted or edited or of a deleted portion of a file (such as a paragraph that has been deleted from a word processing file). Virtual memory paging systems can leave traces of information on the storage medium that show what tasks and processes were recently active. Web browsers, e-mail programs, and chat programs store configuration information on the storage medium that can reveal information such as online nicknames and passwords.

Operating systems can record additional information, such as the attachment of peripherals, the attachment of USB flash storage devices or other external storage media, and the times the computer was in use. Computer file systems can record information about the dates files were created and the sequence in which they were created, although this information can later be falsified.

b. Forensic evidence on a computer or storage medium can also indicate who has used or controlled the computer or storage medium. This "user attribution" evidence is analogous to the search for "indicia of occupancy" while executing a search warrant at a residence. For example, registry information, configuration files, user profiles, e-mails, e-mail address books, "chat," instant messaging logs, photographs, the presence or absence of malware, and correspondence (and the data associated with the foregoing, such as file creation and last-accessed dates) may be evidence of who used or controlled the computer or storage medium at a relevant time.

c. A person with appropriate familiarity with how a computer works can, after examining this forensic evidence in its proper context, draw conclusions about how computers were used, the purpose of their use, who used them, and when.

d. The process of identifying the exact files, blocks, registry entries, logs, or other forms of forensic evidence on a storage medium that are necessary to draw an accurate conclusion is a dynamic process. While it is possible to specify in advance the records to be sought, computer evidence is not always data that can be merely reviewed by a review team and passed along to investigators. Whether data stored on a computer is evidence may depend on other information stored on the computer and the application of knowledge about how a computer behaves. Therefore,

contextual information necessary to understand other evidence also falls within the scope of the warrant.

e. Further, in finding evidence of how a computer was used, the purpose of its use, who used it, and when, sometimes it is necessary to establish that a particular thing is not present on a storage medium. For example, the presence or absence of counter-forensic programs or anti-virus programs (and associated data) may be relevant to establishing the user's intent.

CONCLUSION

115. Based on your Affiant's investigation to date, there is probable cause to believe that evidence, fruits, and instrumentalities of the **TARGET OFFENSES** are located within the **TARGET LOCATIONS** described in Attachments A-1 through A-4. Accordingly, I respectfully request that the Court issue the arrest warrant and warrants to search the locations listed in Attachments A-1 through A-5 and to seize any items located pursuant to the search as described in Attachment B

116. Further, based on the infonnation in this affidavit, there is probable cause to believe thift SARY has committed Wire Fraud, in violation of 18 U.S.C. § 1343; Wire Fraud Conspiracy, in violation of 18 U.S.C. § 1349; and Money Laundering,in violation of18 U.S.C. § 1956, between in or about June 2020 to in or about December 2021 in the District of Maryland. Accordingly, I respectfully request the Court authorize a Criminal Complaint and Arrest Warrant for SARY.

Respectfully submitted,

Special Agent Daniel S. Parker
Federal Bureau of Investigation

Affidavit submitted by email and attested to me as true and accurate by telephone consistent with Fed. R. Crim. P. 4.1 and 41(d)(3) this 28th of April 2022.

THE HONORABLE J. MARK COULSON
UNIIBD STATES MAGISTRATE JUDGE