ATTACHMENT A

STIPULATION OF FACTS

The undersigned parties stipulate and agree that the following facts are true and accurate and if this case had proceeded to trial, this Office would have proven the following facts beyond a reasonable doubt. The undersigned parties also stipulate and agree that the following facts do not encompass all of the evidence that would have been presented had this matter proceeded to trial.

Defendant Ahmed Sary, born March 1978, is a resident of Baltimore, Maryland. Beginning in April 2020 and continuing through January 2022 in the District of Maryland, Defendant, his co-conspirator H.D. and others conspired together and engaged in a scheme to defraud a financial institution, Cross River Bank, and the United States Small Business Administration (SBA), and other SBA-approved lenders to obtain numerous fraudulent Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDLs).

For the purpose of executing and attempting to execute this scheme to defraud, Defendant and his co-conspirators knowingly and willfully transmitted and caused to be transmitted by means of wire communications, in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, in violation of 18 U.S.C. §§ 1349, 1343.

Defendant prepared numerous false and fraudulent EIDL and PPP loan applications for purported businesses that did not exist in any legitimate capacity and that included false information concerning, among other things, number of employees, monthly payroll costs, and revenue. The PPP applications routinely included false and fraudulent Internal Revenue Service ("IRS") tax forms created by H.D. and that were provided to Defendant, along with fabricated bank statements prepared by Defendant. These forms were submitted by Defendant and his co-conspirators with the PPP applications to substantiate the false representations made in the applications.

Defendant received kickback payments from the loan borrowers in exchange for his assistance in connection with the submission of fraudulent PPP and EIDL applications, ultimately receiving $2,714,217.22 in kickbacks as a result of the scheme to defraud charged in Count One of the Information. These kickbacks amounted to, at times, up to 30% of the amount of the loan amount.

Defendant used the fraudulently obtained funds to travel to Dubai and Egypt on multiple occasions, to stay at luxury hotels (including the Four Seasons) while there, to purchase property in Egypt and to, among other things, open a beachfront restaurant in Alexandria, Egypt called Sary's Kitchen.

The conspiracy resulted in the disbursement of at least $14,807,609.37 in fraudulently obtained PPP funds in connection with more than 85 fraudulent PPP loans. More than 10 financial institutions were victims in connection with the scheme, and Defendant derived more than $1,000,000 in gross receipts from one or more financial institutions as a result of his offense.

The conspiracy likewise resulted in the disbursement of $3,093,670.50 in EIDL funds in connection with 57 EIDL applications.

In addition to the loan fee kickbacks, Defendant himself received $959,559.00 in PPP/EIDL funds for various purported businesses that he controlled. Defendant's crimes are discussed in further detail below.

Fraudulent Applications For Businesses Associated With Defendant

As an initial matter, in connection with the conspiracy and scheme to defraud, Defendant submitted multiple false and fraudulent EIDL and PPP loan application in connection with various purported businesses for which he owned or otherwise had an interest—a purported financial services business (AMEX Financial Group), a purported meatpacking business (Am Halal Meat), a purported clothing company (Exclusive Menswear) and a purported talent agency (Sary Stars). In fact, none of these businesses existed in any legitimate capacity.

The submission of these applications resulted in multiple interstate wires from Maryland to Virginia—the location of the SBA's servers.

Information about each of these fraudulently obtained loans are set forth in the below table:

Entity	**SBA Loan Type**	**Loan Amount**	**Funded Date**
Am Halal Meat Inc	PPP	$119,311	6/19/2020
Am Halal Meat Inc	EIDL Advance	$10,000	6/23/2020
Am Halal Meat Inc	EIDL	$40,000	6/24/2020
Am Halal Meat Inc	PPP	$119,310	2/20/2021
AMEX Financial Group Inc	EIDL	$145,000	6/11/2020
Sary Stars Inc	PPP	$102,000	5/27/2020
Sary Stars Inc	EIDL Advance	$8,000	6/23/2020
Sary Stars Inc	EIDL	$117,000	6/24/2020
Exclusive Menswear Inc.	EIDL Advance	$10,000	7/07/2020
Sary Stars Inc	PPP	$102,000	2/24/2021
Exclusive Menswear Inc.	PPP	$70,326	6/23/2020
Exclusive Menswear Inc.	PPP	$70,325	2/11/2021
Total		**$913,272**	

Defendant also submitted fraudulent loan applications for a purported pizza business (AMT Pizza) that he owned that resulted in the funding of a $65,000 EIDL loan and a $139,938 PPP loan. All of these loan funds were ultimately returned to the PPP lender and the SBA in light of suspected fraud.

The EIDL applications associated with each of the above EIDLs contained multiple material misrepresentations concerning each purported business's existence, gross revenues and operating expenses, and each application resulted in the disbursement of funds to bank accounts controlled by Defendant.

Likewise, the PPP applications associated with each of the above PPP loans contained multiple material misrepresentations concerning, among other things, each purported business's existence, number of employees, and wages paid, and each application resulted in the disbursement of funds to bank accounts controlled by Defendant.

The PPP applications likewise contained false and fraudulent IRS Forms 1120 (Corporation Income Tax Return), 941 (Employer's Quarterly Federal Tax Return), 944 (Employer's Annual Federal Tax Return) and W-3 (Transmittal of Wage and Tax Statements), which contained multiple material misrepresentations including the number of employees of each purported business and the wages paid; this information was used to substantiate information in the PPP loan applications.

IRS records indicated that there was no record of business tax filings for any of Am Halal Meat, AMEX Financial Group, AMT Pizza, and Sary Stars for the tax years 2019 or 2020.

Loan Kickback Scheme

In addition to obtaining fraudulent PPP and EIDL funds for his own purported businesses, Defendant engaged in a scheme with co-conspirator H.D. to assist other co-conspirators with obtaining EIDL and PPP loans for various purported businesses that did not exist in any legitimate capacity in exchange for a kickback payment. Sary would receive a kickback (typically 20% to 30% of the fraudulent loan amount) in exchange for his services and, at times, would give H.D. a small portion of that fee (typically 2% to 5% of the fraudulent amount) if H.D. assisted with the fraudulent application.

These applications grossly inflated the numbers of employees and grossly inflated monthly payroll costs of the purported businesses. The PPP applications contained various false and fraudulent IRS records prepared by H.D. and provided to Defendant to support the payroll figures included in the fraudulent PPP applications, including false United States Internal Revenue Service ("IRS") Forms 940 (Employer's Annual Federal Unemployment Tax Return, 941 (Employer's Quarterly Federal Tax Return), and 944 (Employer's Annual Federal Tax Return) for the purported businesses.

The purpose of the false IRS and fraudulent Forms 940, 941, and 944 was to circumvent Cross River Bank's requirement and the requirement of other SBA-approved lenders that prospective borrowers submit documentation to support the payroll figures that served as the basis for the PPP loan amount.

The PPP applications likewise contained false and fraudulent February 2020 bank statements prepared by Defendant, which were meant to circumvent Cross River Bank's requirement and the requirement of other SBA-approved lenders that prospective borrowers submit documentation to support the certification that the business was in operation on February 15, 2020.

Regarding Defendant's receipt of kickbacks in exchange for his work on the fraudulent PPP and EIDL applications, in order to conceal the nature of his scheme, Defendant laundered the payments through bank accounts he controlled but that were in the names of various associates and more than 15 shell companies controlled by Defendant, including the following entities: Am Halal Meat, AMEX Financial Group, AMT Pizza, Sary Stars, Black Diamond Sedan, Diva Productions, Vertical Payment Processing, Holand Livestock, NR1 Transport, and Exclusive Menswear.

The kickback payments were structured by Defendant and 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—including by containing memos that indicated falsely that the payments were for business related purposes.

Defendant typically demanded that the loan recipient pay him for his services in connection with the fraudulent loan application. After the loan funds were received by the recipient, the recipient would typically provide Defendant multiple (sometimes up to seven) checks that were signed by the loan recipient and that listed a payment amount and date but that left the payee name blank. Defendant would then write a payee name on each of those checks and deposit them.

In connection with some of the fraudulently obtained PPP loans for purported businesses, Defendant also assisted the loan recipients with setting up payroll services with Payroll Processor 1 to make it appear that the fraudulently obtained PPP loan funds were being used for permissible purposes when they, in fact, were not.

Defendant was aware that proceeds from a PPP loan were required to be used only for certain permissible business expenses, including payroll costs, mortgage interest, rent, and utilities. Defendant was aware that, under the applicable PPP rules, interest and principal on a legitimate PPP loan were eligible for forgiveness, if the business spent the loan proceeds on permissible items within a designated period of time and used a certain portion of the loan toward payroll expenses.

The purpose of establishing payroll services for the loan recipients after receipt of the fraudulently obtained PPP loan funds was to facilitate the creation of documentation that could be used to substantiate a request for each respective PPP loan to be forgiven.

Nutscola Street Promotions

For example, on March 21, 2021, Defendant submitted a fraudulent PPP loan application to Cross River Bank for Nutscola Street Promotions (Nutscola), a business for which co-conspirator L.W. was the owner and resident agent and which had no employees at the time and was not in operation. The submission of the PPP loan application caused an interstate wire from Maryland to Cross River Bank's servers in Pennsylvania.

The PPP loan application contained multiple material misrepresentations, including that Nutscola had 13 employees and an average monthly payroll of $104,900.87. In support of the loan application, a fabricated Internal Revenue Service (IRS) Form 940—Employer's Annual Federal Unemployment Tax Return—was submitted, which falsely indicated that Nutscola's "[t]otal payments to all employees" in 2019 was $1,258,810.53.

The IRS Form 940 was not legitimate, and the information within it was false; Nutscola did not pay any wages to or withhold federal income tax from any employees during the 2019 tax year—as confirmed by IRS records.

Additionally, L.W. gave Defendant documents to be submitted with the PPP loan application, including photographs of his driver's license, and a voided check from a J.P. Morgan Chase ("Chase") bank account in the name of Nutscola and controlled by L.W., which was opened just weeks before the PPP loan application for Nutscola was submitted, for the purpose of receiving the PPP loan funds by fraud.

Defendant also submitted with the application a fake and fraudulent February 2020 bank statement he prepared that purported to be from the Nutscola Chase account.

Based on the false representations and fraudulent submissions, on March 26, 2021, the PPP loan funded, and approximately $262,252 was distributed by Cross River Bank to the Chase account controlled by L.W.

L.W. agreed to pay Defendant a kickback payment for his work in submitting the false application and obtaining the fraudulent PPP loan. After the PPP loan funds were received by L.W., he provided Defendant with two checks totaling $78,000—one in the amount of $40,000 and one in the amount of $38,000—or approximately 30 percent of the PPP loan amount.

On each of those checks, L.W. left the payee name blank, and Defendant wrote the payee name on the checks. Defendant made the $40,000 check out to Am Halal Meat, and he made the $38,000 check out to Diva Productions—both entities Defendant controlled—in order to conceal the nature of his scheme. Defendant deposited both of the checks, and they were drawn on the bank account controlled by L.W.

Shortly thereafter, Defendant assisted L.W. with establishing payroll services for Nutscola with Payroll Processor 1 to facilitate the creation of documentation that could be used to substantiate a request for the PPP loan to be forgiven. In total, $159,000 in sham payroll payments were made using funds traceable to the PPP loan obtained by L.W. and Nutscola.

Yazee, Inc.

Likewise, on March 14, 2021, Defendant submitted a fraudulent PPP loan application to Cross River Bank for Yazee, Inc. (Yazee), a business for which co-conspirator A.Q. was the owner and resident agent. The submission of the PPP loan application caused an interstate wire from Maryland to Cross River Bank's servers in Pennsylvania.

The PPP loan application contained multiple material misrepresentations, including that Yazee had 16 employees and an average monthly payroll of $100,289. In support of the loan application, a fabricated IRS Form 940—Employer's Annual Federal Unemployment Tax Return—was submitted, which falsely indicated that Yazee's "[t]otal payments to all employees" in 2019 was $1,203,471.52. The IRS Form 940 was not legitimate, and the information within it was false; Yazee did not pay any wages to or withhold federal income tax from any employees during the 2019 tax year.

Based on the false representations and fraudulent submissions made on behalf of A.Q. as the owner of Yazee, on March 22, 2021, the PPP loan funded, and approximately $250,723.00 was distributed by Cross River Bank to the Wells Fargo account controlled by A.Q.

A.Q. agreed to pay Defendant a kickback for his work in submitting the false application and obtaining the fraudulent loan. After the PPP loan funds were received by A.Q., he provided Defendant with eight checks totaling $75,000, or approximately 30 percent of the PPP loan. On each of those checks, A.Q. wrote the amount, but left the payee name blank. Attempting to conceal the nature of the payments, Defendant then wrote a payee name on each of the checks, making the checks out to entities that Defendant controlled—AMEX Financial Group, Am Halal Meat, Black Diamond Sedan, Diva Productions, Exclusive Menswear, and NR1 Transport. Defendant further attempted to create the appearance that the payments were for legitimate business purposes when they in fact were not—including by writing memos that indicated the payments were for business related purposes.

For example, the $5,000 check to Exclusive Menswear contained a memo written by Defendant falsely indicating that the check was for "uniforms." The $10,000 check to Diva Productions contained a memo written by Defendant falsely indicating that the check was for "marketing." The $10,000 check to NR1 Transport contained a memo written by Defendant falsely indicating that the check was for "transportation." The $10,000 check to AMEX Financial

Group contained a memo written by Defendant falsely indicating that the check was for "financial planning."

Defendant also assisted A.Q. with establishing payroll services for Yazee with Payroll Processor 1 to facilitate the creation of documentation that could be used to substantiate a request for the PPP loan to be forgiven, which it ultimately was. In total, $144,647.21 in sham payroll payments were made using funds traceable to the PPP loan obtained by A.Q. and Yazee.

In total, Defendant's conspiracy with H.D. resulted in the disbursement of $14,807,609.37 of fraudulently obtained funds in connection with more than 85 fraudulent PPP loans.

Moreover, as noted above, Defendant submitted numerous fraudulent EIDL applications in connection with his scheme. Ultimately, $3,093,670.50 in EIDL funds were disbursed in connection with 57 EIDL applications which contained material misrepresentations concerning, among other things, each purported business's existence, gross revenues and operating expenses.

Federal Search Warrant

Defendant was arrested on April 29, 2022 and, that same day, search warrants were executed at the office of AMEX Financial Group located at 1600 Hanover Street in Baltimore, an apartment adjoining the office, and Defendant's residence. From Defendant's office and the apartment adjoining Defendant's office, law enforcement seized numerous pieces of evidence related to Defendant's scheme.

Law enforcement seized over 90 hard copies of files related to the submission of PPP/EIDL applications for various entities. These files contained large amounts of personal identifying information—copies of driver's licenses, social security cards and numbers, bank statements, as well as copies of checks, and PPP application paperwork.

Some of the files contained the false and fabricated bank statements and tax documents submitted by Defendant in connection with fraudulent PPP applications. Law enforcement likewise seized numerous kickback checks from entities that received PPP loans. The checks were signed and a payment amount was listed, but the payee was blank. Law enforcement also seized pre-signed blank checks from a number of the entities used by Defendant to launder the kickback payments from the PPP loan recipients.

Defendant executed the various fraud schemes discussed herein, in part, through the use of mobile phones, computers, the internet, multiple email accounts, and bank deposits and transfers, all of which involved interstate wires, and Defendant and H.D., were in Maryland when they transmitted wires to execute the scheme.

SO STIPULATED:

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Paul A. Riley
Assistant United States Attorney

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Ahmed Sary

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Defendant

Julie Reamy, Esq.
Counsel to Defendant