UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. CONSTANTIN SANDU, aka Bobi Sandu, aka Ionut Mihai, Defendant.	Magistrate Case No. 23MJ0697-AHG COMPLAINT FOR VIOLATION OF Title 18, U.S.C. § 1349 and 1343 - Conspiracy to Commit Wire Fraud(Felony); Title 18 U.S.C. § 981(a)(1)(C) Criminal Forfeitures; Title 28, U.S.C. § 2461(c) Civil Forfeitures

The undersigned complainant being duly sworn states:

Count 1

1. Beginning in or about September 2020, and continuing to in or about August 2022, in the Southern District of California, and elsewhere, Defendant CONSTANTIN SANDU, Aka Bobi Sandu, Aka Ionut Mihai, conspired and agreed with other persons known and unknown, to commit an offense against the United States, that is, wire fraud in violation of Title 18, United States Code, Section 1343, all in violation of United States Code Section 1349.

Criminal Forfeiture Allegations

2. The allegations contained in Count 1 are re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

3. Upon conviction of the offense in violation of Title 18, United States Code, Section 1349 set forth in Count 1 of this Complaint, the defendant, CONSTANTIN SANDU, aka Bobi Sandu, aka Ionut Mihai, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real and or personal, which constitutes and is derived from proceeds traceable to the offenses. The property to be forfeited shall include but is not limited to, a money judgment in favor of the United States in an amount equal to the total amount of proceeds obtained directly or indirectly as a result of the offenses.

4. If any of the property described above, as a result of any act or omission of the defendants:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section

853(p), as incorporated by Title 28, United States Code, Section 2461(c). It is the intent of the United States of America, pursuant to Title 18, United States Code, Section 982(b), to seek forfeiture of substitute property up to the value of forfeitable property described above.

5. This complaint is based on the facts in the attached probable cause statement, which is incorporated herein by reference.

Scott Brady
Scott Brady
FBI Special Agent

Sworn and attested to under oath by telephone, in accordance with Federal Rule of Criminal Procedure 4.1, this 2nd day of March, 2023.

Allison H. Goddard
Honorable Allison H. Goddard
United States Magistrate Judge

Probable Cause Statement

1. I, Scott Brady, being duly sworn, declare under penalty of perjury that the following statement is true and correct: I am a Special Agent with the Federal Bureau of Investigation (FBI) and have been so employed since 2019. Prior to my appointment to the FBI, I served as a Surface Warfare Officer in the United States Navy. My formal education consists of an undergraduate degree from the University of Central Florida and a graduate degree from Northeastern University.

2. Prior to my current assignment with FBI San Diego, I completed the 20-week FBI Academy and was trained in investigative techniques, procedures, and strategies. I am currently assigned to the San Diego Field Office, Transnational Organized Crime - Global (TOC Global) squad, where I investigate various crimes that include, but are not limited to, narcotics trafficking, bulk cash smuggling, money laundering, and fraud, and I have been involved in numerous investigations involving individuals and criminal organizations involved in wire fraud, money laundering, and other financial crimes.

3. I have served as the case agent and co-case agent for multiple investigations targeting sophisticated money laundering organizations operating in the United States and other countries such as Colombia and Mexico. I have also received specialized training in transnational organized crime and money laundering techniques utilized by various criminal enterprises. I have also participated in investigations in which criminals relied heavily upon telephone communication to include the use of messaging applications such as WhatsApp, e-mail services, social media applications such as Facebook and Instagram, and cellular phones to communicate with associates and co-conspirators.

4. Through my investigations, my training and experience, and discussions with other law enforcement personnel, I have become familiar with the tactics and methods used by criminal enterprises to communicate, organize various schemes and frauds, and launder the proceeds. My knowledge of the matters contained in this affidavit is based upon my personal knowledge, the extensive review of financial records, search warrants, grand jury subpoenas, and information provided to me by other law enforcement officers/agents. The information contained below was learned during the course of my duties, as well as review of reports prepared by other law enforcement officers. The following does not contain all of the information known to myself or other federal agents and state and local officers regarding this investigation, but does contain those facts believed to be necessary to establish the requisite probable cause.

A. Background on Sandu and Romanian Organized Crime Group

5. In September 2021, Romanian law enforcement provided information to the FBI regarding various organized crime groups, going to the United States from Romania, to commit various frauds, swindles, and schemes, to obtain as much money as possible and then launder the funds back to Romania. In November of 2021, the San Diego Police Department (SDPD) became aware of a series of felony theft related crimes targeting the elderly population in San Diego. Throughout SDPD’s investigation, detectives determined many Romanian organized crime groups conducted numerous jewelry thefts, frauds, and swindles throughout the Southern District of California and the United States.

6. Through a series of custodial interviews and search warrants to Facebook accounts utilized by members of Romanian organized crime groups, investigators discovered a separate but overlapping wide-spread

conspiracy to conduct wire fraud and fraudulently obtain unemployment benefits in California. This conspiracy was perpetrated by hundreds of members of Romanian organized crime groups, and was facilitated by Sandu.

B. Background on California EDD

7. The Social Security Act established the dual program of federal and state unemployment benefits. Under the Act, each state administered its own unemployment program through their State Workforce Agency, within the guidelines of federal law.

8. State unemployment benefits were financed in part by state payroll taxes, which were held in trust by the United States Department of Treasury's Unemployment Trust Fund.

9. The Insurance Program "UI Program" was a joint federal-state partnership administered on behalf of the U.S. Department of Labor by agencies in each state. In the State of California, the UI Program is administered by California's Employment Development Department ("California EDD").

10. On March 13, 2020, President Donald J. Trump declared a nationwide emergency due to COVID-19, as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, PL 100-707, which amended the Disaster Relief Act of 1974, PL 93-288, codified at 42 U.S.C. 5121 et seq.b. The Unemployment.

11. In March 2020, the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided additional funding for state UI agencies to respond to the COVID-19 pandemic. The CARES Act allowed states to expand the scope of workers who were eligible to receive state UI benefits, to extend the period of time for which workers could be eligible for UI benefits, and

to allow workers who may have exhausted UI benefits under traditional programs to receive benefits.

12. The CARES Act further expanded the ability of states to provide benefits to unemployed workers by creating three new unemployment programs, namely, the Pandemic Unemployment Assistance (PUA) program, which permitted states to provide benefits to individuals who were self-employed, seeking part-time employment, or otherwise would not qualify for regular unemployment benefits, the Federal Pandemic Unemployment Compensation (FPUC) Program, which provided an additional benefit, initially in the amount of $600 and later, in the amount of $300, in federal benefits to individuals collecting traditional UI program benefits, and the Pandemic Emergency Unemployment Compensation (PEUC) program, which provided additional weeks of benefits for individuals who had otherwise exhausted their entitlement to regular UI benefits (collectively referred to herein as "expanded pandemic UI benefits") PUA and FPUC benefits were 100% federally funded benefits paid through state UI agencies.

13. To receive UI, PUA, PEUC, and FPUC benefits from a state UI agency, an applicant could file a claim, via the internet, with the state UI agency from which he was eligible to seek benefits.

14. California EDD provided unemployment insurance benefits for regular UI and expanded UI pandemic benefits to individuals whom California EDD determined were entitled to receive such benefits through debit cards, which were funded by California EDD and issued by Bank of America N.A.

15. California EDD's determination of whether the individuals were entitled to receive unemployment insurance benefits relied, in part, on confirmations from the employer (from which the individual has

been recently unemployed) that the employee had worked with the employer.

16. Once a debit card for unemployment insurance benefits was issued, California EDD funded those debit cards by having funds drawn from the United States federal treasury in Washington, D.C., and wired those funds to Bank of America N.A.

17. Bank of America N.A. utilized debit processing services located in Colorado and Virginia to create accounts, load funds, and post payments for unemployment insurance debit cards. When a withdrawal was made from an account using a debit card, information was sent electronically to servers in Colorado and Virginia to post a debit to the account.

C. Implementation of ID.me Verification Process:

18. After the initial rollout of PUA benefits, the system became overburdened with applications, many of which needed to be manually processed for applicant verification, creating a large backlog and a stall in getting benefits to California's workforce.

19. Between March and October 2020, over 8 million Californians filed for unemployment benefits. In July, 2020, California Governor Gavin Newsom appointed a team to modernize EDD'S process and improve the customer experience with the intention of getting benefits to Californians faster.

20. In September 2020, the EDD system temporarily stopped accepting new applications so that EDD could roll out a new verification process, partnering with an internet-based verification company headquartered out of Virginia, ID.me. ID.me was a company that was already established and had many partnerships with numerous federal, state, and local government agencies as well as private sector companies for identity verification processes.

21. On October 5, 2020, the new ID.me verification process was activated for EDD. ID.me provided an automated process with a virtual in-person session with an ID.me representative, known as a "trusted referee", to quickly handle the verification process for EDD claims.

ID.me's roll in the benefits process was exclusively to verify the identity of the applicant through a multi-step process using Artificial Intelligence and Human Intelligence together.

22. With the addition of ID.me, each applicant needed to complete a verification process before applying for benefits. One the verification process was completed, they could re-enter the EDD portal and apply for benefits. The applicant would be given a "Confirmation Number" connected to their application for future reference.

23. Once approved for pandemic benefits, the recipient of the benefits would be required to periodically recertify under the penalties of perjury that, among other things, the recipient was unemployed due to the COVID-19 pandemic and therefore remained eligible to receive pandemic benefits.

24. Many applicants who had applied before October 2020, were required to complete the ID.me process in order to re-apply or continue to receive benefits.

D. <u>ID.me Device Fingerprint</u>

25. A device fingerprint is a unique identifier (aggregated hash value) associated with a user's device, from the hardware to the operating system to the audio stack and its configuration. Browser fingerprinting refers to the process of collecting information through java script to create a fingerprint of a device. The fingerprinting conducted by ID.me delivers a robust item of investigative importance. Comparing device fingerprints with applications known to be submitted by Sandu, investigators were able to connect four devices to Sandu and his brother, unnamed co-conspirator #11. On several occasions, Sandu and the unnamed co-conspirator #11 are seen in the background of recorded ID.me video sessions for various co-conspirator EDD applications.

26. According to the California Franchise Tax Board, the following entities are not established businesses in the State of California: Kraftsman Construction Co., Bless Tires & Auto Repair, TLC Cleaning, Hood Cleaning Service, LB Construction Co., Jaggar's Service,

Lincoln Maids, Mic Carpet & Tile Cleaning, Alvarez Construction Co., Reliable Honest Mechanic, etc.

E. The Means and Manner of the Conspiracy

27. The object of the conspiracy, to fraudulently obtain as much money as possible from California EDD, was carried out as follows:

28. Beginning in July 2021, Sandu and unnamed co-conspirator #11 sent public announcements via social media to a large network of co-conspirators, offering services or meetings to conduct the fraud. Sandu learned and developed a process to receive the most benefits possible by using fraudulent identifications, falsified utility bills, falsified earnings statements, falsified W2s, and fraudulent Health Insurance cards. Additionally, Sandu learned to "backdate" or modify their EDD application with an earlier unemployment start date to generate additional fraudulent income.

29. Beginning on or about September 2020, and continuing through at least August 2022 co-conspirators across California would share information, knowledge and resources with Sandu, for Sandu to file claims for regular UI and expanded pandemic UI benefits from California EDD.

30. Co-conspirators communicated with Sandu via Facebook or other electronic means, or met with him in person to provide their PII. Sandu used Personal Identifying Information ("PII") from co-conspirators to create or have others create fraudulent documents which Sandu then submitted in support of EDD applications.

31. A significant number of consistencies were identified across numerous documents in applications reflected Sandu's reuse of resources in support of the scheme, to included, but not limited to, the name of the business and EIN on the fraudulent W2, the same ID numbers on fraudulent Blue Cross Blue Shield ID cards, and the same password "Romania221$" for almost all email addresses required for the EDD application. According to the California Franchise Tax Board, none of the companies in the various W2's submitted for conspirators' EDD applications were real companies. According to Blue Cross Blue Shield,

none of the member ID's submitted for conspirators EDD applications were real.

32. In total, Sandu conspired with unnamed 214 co-conspirators to fraudulently obtain no less than $5,207,687.00 in California Unemployment Insurance benefits. Below is a representative sample of the overt acts that Sandu and his co-conspirators committed. Given that there are 215 total co-conspirators it is not practical to list the overt acts involving each of them.

F. Overt Acts

33. Beginning in and around September 2020, Sandu created email addresses for EDD applications, registered ID.me accounts, created fraudulent and falsified documents, submitted documents and photographs to ID.me and EDD, submitted applications for EDD, participated in or assisted with ID.me video verification sessions, and "backdated" EDD claims for other co-conspirators. Sandu himself applied for EDD four separate times, on 9/18/2020, 7/10/2021, 7/13/2021, and 6/5/2022. In the application submitted on 9/18/2020, Sandu received $3,600.00. This application was prior to the ID.me verification process. On this application, Sandu listed his SSN as 655-88-9415, which the Social Security Administration Office of the Inspector General confirmed is associated with Sandu. Sandu used different, and fraudulent, SSN's in each subsequent application.

34. In the application submitted on 7/10/2021, Sandu submitted a photograph of himself, a Maryland ID, and a W2 showing he worked for Kraftsman Construction Co. As stated previously, Kraftsman Construction Co. does not exist. Sandu participated in an ID.me verification session where he confirmed he was applying for California EDD benefits. Sandu received $24,600.00 for this application. In the application submitted on 7/13/2021, under the alias Ionut Mihai, Sandu submitted a photograph of himself, a Washington state ID, a California state ID, and another W2 from Kraftsman Construction Co. Sandu

participated in an ID.me verification session where he confirmed he was applying for California EDD benefits. Sandu received $26,250.00 for this application. In the application submitted on 6/5/2022, Sandu filed with a different SSN than previously, submitted another W2 from Kraftsman Construction Co., and a Maryland ID. Sandu participated in an ID.me verification session where he confirmed he was applying for California EDD benefits. Sandu received $0 for this application.

35. Unnamed Conspirator #1 communicated directly with Constantin Sandu regarding EDD on behalf of his wife, Unnamed Conspirator #2. On 7/14/2021, Unnamed Conspirator #2 participated in a recorded video interview with ID.me, in which Unnamed Conspirator #2 identified herself by name and date of birth, and confirmed that she was applying for California EDD. A fraudulent Anthem Blue Cross Blue Shield member ID were added to Unnamed Conspirator #2's ID.me account. On 7/15/2021, Unnamed Conspirator #1 sent Sandu a Facebook message with the phone number 669-2239-5640. Following this, Sandu sent Unnamed Conspirator #1 a screenshot of an EDD application confirmation screen for Unnamed Conspirator #2, confirmation number 38022946. On 7/15/2021, Sandu sent Unnamed Conspirator #1 the email marta22121m@gmail.com and the password Romania221$.

36. According to EDD, an application was submitted for Unnamed Conspirator #2 on 7/15/2021, under the email address of marta22121m@gmail.com. The phone number connected to the application was 669-239-5640, the same as the number provided by Unnamed Conspirator #1 above. Also on 7/15/2021, Sandu received a falsified W2 for Unnamed Conspirator #2 from another unnamed conspirator. Investigators know that the W2 is fraudulent as the business listed does not exist, according to the California Franchise Tax Board.

37. On 7/25/2021, Unnamed Conspirator #2 began receiving EDD benefits, totaling $27,000.00. On 9/17/2021, Unnamed Conspirator #1 asked Sandu what was put for the address and employer, presumably on the EDD application that Sandu had done. On 9/18/2021, Sandu sent Unnamed Conspirator #1 a screenshot of a portion of a W2, containing a partial EIN, employer name, address and zip code of TLC CLeaning, 600 S Gilbert Street, Fullerton CA 92833, and employee name of Unnamed Conspirator #2. As stated previously, TLC Cleaning does not exist.

38. On 10/4/2021, Unnamed Conspirator #1 sent Sandu a photo of a W2 for Unnamed Conspirator #2 with the SSN 216-01-6289. 216-01-6289 is the SSN used on Unnamed Conspirator #2's EDD application. In October 2021, Unnamed Conspirator #1 told Sandu he would be in San Diego, and they discussed money. Bank of America records show the money fraudulently obtained by Unnamed Conspirator #1 and Unnamed Conspirator #2 was withdrawn at ATMs in the SOUTHERN DISTRICT OF CALIFORNIA, as well as in Oregon and other parts of California, including a $400.00 ATM withdrawal in Escondido, CA on 8/4/2021. Unnamed Conspirator #1 was captured on Bank of America ATM footage withdrawing money from Unnamed Conspirator #2's EDD account in California by himself and with Unnamed Conspirator #2. Unnamed Conspirator #2 was captured on Bank of America ATM footage withdrawing money from her EDD account in California.

39. Unnamed Conspirator #3 communicated directly with Constantin Sandu. On 5/19/2021, Unnamed Conspirator #3 was encountered at the US border in Texas with his wife and son, Unnamed Conspirator #4. On 7/14/2021, Unnamed Conspirator #4 participated in a recorded video interview with ID.me, during which he confirmed that he was applying for California EDD benefits, and presented a fraudulent California driver's license. According to the California DMV, this drivers license

number belongs to someone else. On 7/15/2021, Sandu sent Unnamed Conspirator #3 a Facebook message indicating that Sandu needed a W2. That same day, Unnamed Conspirator #3 responded with a W2 for Unnamed Conspirator #4, SSN 216-35-4671, as well as a photograph with the email address gioninebunuo@gmail.com, the password Romania221$, and the phone number 714-837-3249.

40. On 7/15/2021, an application for unemployment benefits was submitted to EDD for Unnamed Conspirator #4, SSN 216-35-4671, claiming to be a US Citizen, and being employed by Kraftsman Construction. As stated previously, this company does not exist. On 7/15/2021, Unnamed Conspirator #3 sent Sandu the ID.me verification codes for both Unnamed Conspirator #3 and Unnamed Conspirator #4. On 7/15/2021, Sandu sent Unnamed Conspirator #3 a Facebook message with a confirmation screen from EDD for Unnamed Conspirator #4, confirmation number 38029477. On 8/9/2021, Unnamed Conspirator #4 began receiving $6,000.00 in EDD benefits. On 8/29/2021, Unnamed Conspirator #3 began receiving $27,000.00 in EDD benefits. Bank of America records confirm Unnamed Conspirator #3 withdrew $26,950 from the ATMs in the Southern District of California, including $900 in Escondido, CA on 9/23/2021, and other parts of California. ATM footage confirms Unnamed Conspirator #3 was withdrawing the funds on at least one occasion. As of 12/29/2022, the account has a balance of $8.27.

41. Unnamed Conspirator #5 communicated directly with Constantin Sandu regarding EDD fraud on behalf of himself and Unnamed Conspirator #6. On 6/24/2021, Unnamed Conspirator #6 participated in a recorded video interview with ID.me, during which she confirmed that she was applying for California EDD benefits, and presented a fraudulent Colorado driver’s license. The Colorado DMV has no record of this

license number. Also uploaded to Unnamed Conspirator #5's ID.me account was a W2 from Clean Net USA Inc. According to the California Franchise Tax Board, this company does not exist. Unnamed Conspirator #5 also participated in an ID.me interview under an alias, but the interview did not record properly. A fraudulent Colorado driver's license in Unnamed Conspirator #5's alias was submitted to Unnamed Conspirator #5's ID.me account. Unnamed Conspirator #5 also submitted a fraudulent Anthem Blue Cross Blue Shield member ID and a W2 from Premier Construction. According to the California Franchise Tax Board, this company does not exist. This Colorado driver's license had the same license number as the one uploaded to Unnamed Conspirator #6's ID.me account.

42. On 10/21/2021, Unnamed Conspirator #5 sent Sandu a photo of handwritten PII, including Unnamed Conspirator #5's alias, the email address gstoica989@yahoo.com, the phone number 352-678-8636, and the confirmation number 37819826. The same day, Unnamed Conspirator #5 sent Sandu another photo of handwritten PII, including the name of Unnamed Conspirator #6, the email address dmustata46@yahoo.com, the phone number 626-691-8664, and the confirmation number 37819912. Bank of America records show $27,740 was withdrawn from Unnamed Conspirator #5's alias's EDD account from ATMs in the CDCA. A balance inquiry was conducted in the Southern District of California. ATM footage confirms Unnamed Conspirator #5 was the subject withdrawing the funds on several occasions. As of 12/29/2022 his account has a $10 balance.

43. Some conspirators, named and unnamed, were identified as having conspired with Sandu through the digital fingerprint[1] associated to the device used to create, log in or manipulate their ID.me accounts[2]. Four devices were associated to applications conducted by members of the conspiracy. Devices 1-4 were attributed to Sandu through conversations and applications. Device 2 was used to create/manipulate the ID.me accounts for Unnamed Conspirator #7, Unnamed Conspirator #8, Unnamed Conspirator #9 and Unnamed Conspirator #10. Bank of America records confirm $28,340 was withdrawn from Unnamed Conspirator #7's account, from ATMs and tellers in the Southern District of California and elsewhere in California. As of 12/29/2022, the account has a balance of $1,577.65.

44. Bank of America records confirm $48,300 was withdrawn from Unnamed Conspirator #8's account, from ATMs and tellers in the Southern District of California, elsewhere in California, and Texas. As of 12/29/2022, the account has a balance of $0. Bank of America records confirm $26,220 was withdrawn from Unnamed Conspirator #9's account from ATMs and tellers in the Southern District of California, elsewhere in California, Texas, Nevada, and Arizona. As of 12/29/2022, the account has a balance of $50. Bank of America records confirm over $19,000 was withdrawn from Unnamed Conspirator #10's account, from ATMs and tellers in the Southern District of California and elsewhere in California. As of 12/29/2022, the account remains open and has a balance of $7,119.

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[1] A device fingerprint is a unique identifier (aggregated hash value) associated with a user's device, from the hardware, operating system, audio stack, and its configuration. Browser fingerprinting refers to the process of collecting information through java script to create a fingerprint of a device.

[2] On October 5, 2020, EDD partnered with an internet-based verification company, ID.me, to verify the identity of EDD applicants. The EDD application would prompt applicants to create an ID.me profile, upload identification documents, and undergo a live video verification session with an ID.me representative.

G. Conclusions

45. Between September 2020 and August 2022, Sandu conspired with 214 known persons and others unknown to commit wire fraud. Sandu was the center of the conspiracy enabling the State of California to be defrauded by hundreds of millions, with a total loss of no less than $5,207,687.00. Therefore, I do believe there is substantial probable cause for a criminal complaint to be filed against defendant Sandu for Title 18, United States Code, Sections 1343 and 1349, Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code Section 2461(c).