U.S. Department of Justice

United States Attorney
District of Maryland

Paul A. Riley
Assistant United States Attorney
Paul.Riley@usdoj.gov

Suite 400
36 S. Charles Street
Baltimore, MD 21201-3119

DIRECT: 410-209-4959
MAIN: 410-209-4800
FAX: 410-962-3091

January 23, 2023

Honorable A. David Copperthite
United States Magistrate Judge
United States District Court
for the District of Maryland
101 W. Lombard St.
Baltimore, MD 21201

Re: *United States v. Ryan Dales*, Criminal No. 23-mj-00190-BAH

Dear Judge Copperthite:

We write on behalf of the government in the above-referenced matter to provide the Court and United States Probation and Pretrial Services ("Probation") additional information pertinent to the Government's request that the Defendant be detained pending trial in this matter.

As set forth in the Criminal Complaint and Affidavit in Support of Criminal Complaint and Arrest Warrant, ECF No. 1 (the "Complaint"), probable cause exists to believe that on or about December 15, 2020 Defendant committed Wire Fraud, in violation of 18 U.S.C. § 1343.

The Complaint arises out of Defendant's submission of fraudulent unemployment insurance (UI) benefit claims while living in a half-way house serving a federal sentence in connection with a November 2017 federal conviction in the District of Maryland for Bank Fraud conspiracy in violation of 18 U.S.C. § 1349 (Count One) and Aggravated Identity Theft (Count Five) in violation of 18 U.S.C. § 1028A(a)(1). *See United States v. Ryan Dales*, GLR-17-0060.[1]

That matter involved Defendant's use of the personal identity information (PII) of various victims to obtain counterfeit identification cards such "as driver's licenses or state-issued identifications, using the victim's PII but the picture of the Defendant or a co-conspirator." Crim. No. GLR-17-0060, ECF No. 37. Thereafter, "Defendant and/or his co-conspirator then traveled to a retail store which offered customers 'instant credit' if approved for a store-branded credit card. These credit cards were, in fact, issued by financial institutions, which extended credit for purchases made using these cards." *Id.* Defendant and his co-conspirators received actual extensions of credit of approximately $241,852 in connection with their scheme. *Id.*

On May 3, 2019, Defendant was sentenced to 38 months' imprisonment as to Count One and 24 months' imprisonment, consecutive, as to Count Five and, again, was still serving this sentence at the time of the offense conduct at issue in this case. As alleged in the Complaint, Defendant submitted fraudulent claims for UI benefits that were supported by a fake and fraudulent IRS Form, which indicated that Defendant was the sole member of a business that made nearly

[1] A Petition on supervised release has been filed in the 2017 matter. The Government and Probation are also seeking Defendant's detention pending the violation of supervised release hearing.

$100,000 profits in 2019, during a time frame when Defendant was still in federal Bureau of Prison custody. The business, in fact, was non-existent, and the IRS has confirmed that it has no record of any such Form being filed by Defendant or the purported business. Defendant ultimately received more than $25,000 as a result of his fraudulent UI claims.

The Criminal Complaint further alleges that Defendant attempted to obtain a fraudulent Economic Injury Disaster Loan (EIDL) for a purported agricultural business, as well as a fraudulent Paycheck Protection Program (PPP) loan; however, neither loan ultimately closed.

Regarding information not alleged in the Complaint that bears upon the Government's request that Defendant be detained, on January 20, 2023, Defendant was arrested and, that same day, search warrants were executed at Defendant's residence, located within a luxury apartment building in the Locust Point area of Baltimore City.[2] During the execution of the search warrants, law enforcement located and seized multiple items of evidence indicating that Defendant was using his apartment to manufacture and package drugs for street-level distribution, such as: (1) two firearms,[3] including a privately-made "ghost gun" Polymer80 firearm with no serial number; (2) ammunition; (3) numerous packages of suspected controlled dangerous substances—including suspected fentanyl;[4] (4) multiple digital scales; (5) a jack; (6) eight sifters; (7) assorted drug packing materials, including empty gel-caps and assorted baggies; and (8) a respirator and goggles.

Law enforcement also located and seized items related to fraud and identity theft, as well as items that can be used to manufacture counterfeit identity documents, including: (1) six cell phones; (2) multiple computers; (3) an embosser; (4) an ID card printer; (5) laminate sheets with security holograms; (6) gift cards in various denominations; (7) bulk packages of shrink-wrapped white PVC cards; (8) three purported South Carolina identification cards containing apparent PII of individuals but Defendant's photograph.

Under 18 U.S.C. § 3142(e), a defendant shall be ordered detained pending trial if the Court finds that "no condition or combination of conditions will reasonably assure the appearance of the [defendant] as required and the safety of any other person and the community." 18 U.S.C. § 3142(e). Detention is required if the Court finds that either the defendant poses a risk of flight or a danger to the community (or both).

Because Defendant poses a danger to the community and a risk of flight, the Government will be seeking Defendant's detention in this matter.

Very truly yours,

Erek L. Barron
United States Attorney

By: _____
Paul Riley
Assistant United States Attorney

[2] Defendant did not tell United States Probation that he resided at this address.

[3] Defendant is of course prohibited from possessing firearms, given his past convictions.

[4] During a post-*Miranda* interview after his arrest, Defendant told law enforcement that at least some of the CDS in his apartment was probably fentanyl.