TRINA A. HIGGINS, United States Attorney (#7349)
TODD C. BOUTON, Assistant United States Attorney (#17800)
Attorneys for the United States of America
Office of the United States Attorney
111 South Main Street, Suite 1800
Salt Lake City, Utah 84111-2176
Telephone: (801) 524-5682
Email: todd.bouton@usdoj.gov

SEALED

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH

UNITED STATES OF AMERICA, Plaintiff, vs. MUBARAK SULAIMAN UKASHAT, Defendant. Case: 2:23-cr-00111 Assigned To : Nielson, Howard C., Jr Assign. Date : 3/21/2023	INDICTMENT VIOLATIONS: COUNTS 1-4: 18 U.S.C. § 1343 Wire Fraud COUNT 5: 18 U.S.C. § 1028A Aggravated Identity Theft COUNTS 6-7: 18 U.S.C. § 1957(a) Money Laundering

The Grand Jury Charges:

I. BACKGROUND

At all times relevant to this Indictment:

1. Defendant MUBARAK SULAIMAN UKASHAT ("UKASHAT") was a resident of Taylorsville, Utah in the District of Utah.

2. UKASHAT had been a graduate student at ~~the~~ Utah State University ~~of Utah~~ and the president of the USUSA Muslim Students Club. As the actual or nominal club president,

UKASHAT had custody and control of the USUSA Muslim Students Club Account ("Club Account"), which was a bank account at America First ending in -5012.

3. UKASHAT had ownership and control over a bank account at America First Credit Union ("America First") ending in 9711 that he held jointly with Relative 1 ("Joint Bank Account").

4. UKASHAT's Relative 1 also had ownership and control over checking and savings accounts at Security Service Federal Credit Union ("Security Service") ending in -0000 (savings) and -0071 (checking).

The COVID-19 Pandemic and the EIDL Loan Program

5. By March 2020, the COVID-19 pandemic had threatened the United States economy. Offices, restaurants, and businesses began closing. In response, Congress acted to keep small businesses afloat—ultimately spending trillions of dollars to help protect millions of workers, business owners, and citizens from economic disruption caused by the pandemic.

6. To facilitate this economic rescue effort, on March 25, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, 15 U.S.C. § 9001 et seq. (the "CARES Act"). The CARES Act was designed to provide emergency financial assistance to millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic.

7. As part of the CARES Act, Congress authorized the U.S. Small Business Association ("SBA") to provide low-interest Economic Injury Disaster Loans ("EIDL Loans") of up to $2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to $10,000 to small businesses within three days of applying for an EIDL Loan.

How EIDL Loan Applications Were Processed

8. EIDL Loan applications were submitted directly to and processed by the SBA. The applications were received in cloud-based platforms. The location of the server through which EIDL Loan applications were submitted was based on the date a given application was processed by the SBA and the application number. During the time period relevant to this Indictment, the EIDL Loan applications and supporting documents were received in a cloud-based platform through SBA servers located in Des Moines, Iowa.

9. After an EIDL Loan was approved, the applicant business received the EIDL Loan proceeds through an electronic funds transfer directly from the SBA into a financial account reportedly under the control of the applicant business.

Required Certifications in EIDL Loan Applications

10. From March 2020 on, to obtain an EIDL Loan, a qualifying business was required to submit a loan application to the SBA and provide information about its business and ownership. Each EIDL Loan applicant was required to certify under penalty of perjury that all the information in the loan application was true and correct to the best of his or her knowledge.

11. This certified information included information about the borrower business's operations, such as the number of its employees, its gross revenues for the 12-month period preceding the disaster, and the cost of goods it sold in the 12-month period preceding the disaster. In the case of EIDL Loans for COVID-19 relief, the 12-month period was the year preceding January 31, 2020. The applicant also had to certify that all the information in the application was true and correct, and agree in the required Loan Authorization and Agreement that the EIDL Loan funds would be used solely as working capital to alleviate economic injury caused by disaster.

The SBA Clarified the Limits on Using EIDL Loan Proceeds, and Some Penalties for False Statements in Loan Applications and Agreements and for Misusing Proceeds

12. Starting March 30, 2020 through at least June 2020, the SBA made clear on its website that the SBA was offering EIDL Loans "for working capital to small businesses suffering substantial economic injury as a result of the Coronavirus (COVID-19)," and that these loans were intended "to help alleviate economic injury caused by the Coronavirus (COVID-19)." *Coronavirus (COVID-19) SBA Disaster Assistance in Response to the Coronavirus* (posted on SBA website on March 30, 2020 and May 4, 2020). During this same timeframe, the SBA further made it clear, that EIDL Loan proceeds could be used only "to pay fixed debts, payroll, accounts payable and other bills that [could not] be paid because of the [COVID-19] disaster's impact." *Id.* Any applicant who had any questions regarding the EIDL Loan program was directed to "contact the SBA disaster assistance customer service center at 1-800-659-2955 . . . or [to] e-mail [the SBA at] disastercustomerservice@sba.gov." *Id.* SBA customer service representatives were available to answer any questions an applicant might have about the EIDL Loan program.

13. From March 30, 2020 to at least July 8, 2020, EIDL Loan Agreements also included a specific provision entitled "USE OF LOAN PROCEEDS" which stated that:

> **Borrower will use all the proceeds of this loan <u>solely</u> as working capital to alleviate economic injury caused by disaster occurring in the month of January 31, 2020** and continuing thereafter . . . .

(emphasis added).

14. From March 30, 2020 to at least July 8, 2020, EIDL Loan Agreements also included a certification at the end of the Agreement that was signed by the Borrower and stated:

> The undersigned agree(s) to be bound by the terms and conditions herein during the terms of this Loan, and further agree(s) that no provision stated herein will be waived without prior written consent of SBA. **Under penalty**

> **of perjury of the United States of America, I hereby certify that I am authorized to apply for and obtain a disaster loan on behalf of Borrower, in connection with the effects of the COVID-19 emergency.**

(emphasis in original).

15. From March 30, 2020 to at least July 8, 2020, EIDL Loan Agreements also included a provision entitled "CIVIL AND CRIMINAL PENALTIES" that advised the Borrower of civil and criminal penalties for misapplying proceeds from an EIDL Loan and for making false statements on an EIDL Loan application.

II. THE SCHEME AND ARTIFICE TO DEFRAUD

16. Beginning in and around June 15, 2020, and continuing to and including August 2020, within the District of Utah and elsewhere, the defendant,

MUBARAK SULAIMAN UKASHAT,

knowingly devised and executed a scheme and artifice to defraud and sought to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and omissions of material facts.

17. In executing and attempting to execute the scheme and artifice to defraud, and in furtherance thereof, UKASHAT:

a. Submitted or caused to be submitted four fraudulent EIDL Loan applications to the SBA between June 15, 2020 and July 6, 2020:
   i. That listed as the loan applicants four persons and entities that never applied for any EIDL Loans; and
   ii. Directed the EIDL Loan proceeds to be sent to the Club Account (ending in -5012) which he controlled.

b. Applied for and obtained $333,900 in EIDL Loan proceeds and advances for the four listed applicant agricultural businesses even though he knew none of the businesses had applied for an EIDL Loan;

c. Made false certifications in four EIDL Loan Agreements between approximately June 19, 2020 and July 8, 2020 that:

i. The EIDL Loan proceeds would be used solely as working capital to alleviate economic injury caused by [COVID-19-related] disaster occurring in the month of January 31, 2020 and continuing thereafter;

ii. The listed loan applicants would be bound by the terms and conditions of the Loan Agreements that were signed under penalty of perjury; and

d. Knowingly and willfully misused approximately $333,900 of the EIDL Loan proceeds for personal expenses, wire transfers to Nigeria and Dubai, and the purchase of a GMC Yukon for approximately $45,900 in cash.

III. <u>THE OBJECT OF THE SCHEME AND ARTIFICE TO DEFRAUD</u>

18. It was the object of the scheme and artifice to defraud for defendant UKASHAT to obtain money from the SBA in the form of EIDL Loan proceeds through false statements, misrepresentation, deception, and omissions of material facts, and thereafter to divert the money for his own use to make unauthorized purchases unrelated to any of the ostensible loan applicants and to transfer EIDL Loan proceeds to Nigeria and Dubai.

19. The fraudulently obtained EIDL Loan proceeds were used by defendant UKASHAT for his own personal benefit, including:

a. Purchasing an approximately $45,900 GMC Yukon in cash;

b. Using EIDL Loan proceeds to pay personal expenses, including at least $27,000 to electronic retailers, at least $21,000 to pay off a car loan, at least $20,000 in apparent debt payments, at least $10,000 in earnest money to buy a house, at least $5,200 for college expenses, and other cash withdrawals, wires, and miscellaneous household purchases;

c. Wiring at least $15,000 to someone in Nigeria; and

d. Wiring at least $20,000 to someone in Dubai.

20. It was further part of the scheme and artifice to defraud that UKASHAT used wire transfers to move the EIDL Loan proceeds into accounts under his control and the control of Relative 1 and Unnamed Abettor 1, to then use the EIDL Loan proceeds—which were intended for other ostensible borrowers who, in fact, never applied for the loans—to pay for UKASHAT's own unauthorized personal expenses and international wires to Nigeria and Dubai.

IV. OVERT ACTS IN FURTHERANCE OF THE SCHEME AND ARTIFICE TO DEFRAUD

21. It was part of the scheme and artifice to defraud that UKASHAT knowingly attempted to and did, without lawful authority, transfer, possess and use a means of identification of another person as indicated below; and did knowingly transmit or cause to be transmitted the following EIDL Loan applications on behalf of persons and entities who never applied for such loans and had no association with UKASHAT:

DATE (on or about)	MEANS OF IDENTIFICATION	INTERSTATE WIRE
6/15/20	Used name and SSN of L.K.	Submitted EIDL Loan Application No. -3787 ostensibly on behalf of Apex Farms, Inc. and ostensibly through L.K. (for $81,200 Loan and $10,000 EIDL Advance)
6/22/20	Used name and SSN of A.S.	Submitted EIDL Loan Application No. -1028 ostensibly on behalf of Swanstrom Farm, LLC and ostensibly through A.S. (for $48,800 Loan and $6,000 EIDL Advance)
7/02/20	Used name and SSN of G.N.	Submitted EIDL Loan Application No. -4952 ostensibly on behalf of DBA Nelson Farms and ostensibly through G.N. (for $125,500 Loan)
7/06/20	Used name and SSN of M.L.	Submitted EIDL Loan Application No. -3694 ostensibly on behalf of DBA Lambright and ostensibly through M.L. (for $62,400 Loan)

All of these EIDL Loan applications were submitted through a server located in West Des Moines, Iowa, and the loan funds were deposited into an account in Utah.

COUNTS 1-4
18 U.S.C. § 1343)
(Wire Fraud)

22. The allegations set forth above are incorporated herein by reference and realleged as though fully set forth in this Count.

23. Beginning around June 15, 2020 and continuing in and through at least August 2020, in the District of Utah and elsewhere, the defendant,

MUBARAK SULAIMAN UKASHAT,

having devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property from the SBA (ostensibly on behalf of persons and entities with whom UKASHAT had no connection) by means of false and fraudulent pretenses, representations, promises, and omissions of material facts, for the purpose of executing said scheme and artifice to defraud, caused the following items to be transmitted by means of wire communication in interstate commerce described below for each count, each transmission constituting a separate count:

COUNT	DATE (on or about)	WIRE COMMUNICATIONS
1	6/15/20	Submitted EIDL Loan Application No. -3787 ostensibly on behalf of Apex Farms, Inc. and ostensibly through L.K. (for $81,200 Loan +$10,000 EIDL Advance)
2	6/22/20	Submitted EIDL Loan Application No. -1028 ostensibly on behalf of Swanstrom Farm, LLC and ostensibly through A.S. (for $48,800 Loan and $6,000 EIDL Advance)
3	7/02/20	Submitted EIDL Loan Application No. -4952 ostensibly on behalf of DBA Nelson Farms and ostensibly through G.N. (for $125,500)

4	7/06/20	Submitted EIDL Loan Application No. -3694 ostensibly on behalf of DBA Lambright and ostensibly through M.L. (for $62,400 Loan)

All in violation of 18 U.S.C. § 1343.

COUNT 5
18 U.S.C. § 1028A
(Aggravated Identity Theft)

24. The allegations set forth above are incorporated herein by reference and realleged as though fully set forth in this Count.

25. On or about the dates alleged below, in the Central Division of the District of Utah, and elsewhere, the defendant,

MUBARAK SULAIMAN UKASHAT,

knowingly attempted to and did, without lawful authority, transfer, possess and use a means of identification of another person, to wit, the name and Social Security number of "G.N." which is associated with an actual person, used in an EIDL Loan application on July 2, 2020, during and in relation to a felony violation, to wit, Wire Fraud in violation of 18 U.S.C. § 1341, as alleged in Count 4 of this Indictment, incorporated herein by reference. All in violation of 18 U.S.C. § 1028A(a)(1).

COUNTS 6-7
18 U.S.C. § 1957(a)
(Money Laundering)

26. The allegations set forth above are incorporated herein by reference and realleged as though fully set forth in this Count.

27. On or about the dates alleged below, in the District of Utah, and elsewhere, the defendant,

MUBARAK SULAIMAN UKASHAT,

did knowingly engage and attempt to engage in the following monetary transactions by, through, and to, a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000.00, that was derived from a specified unlawful activity that constitutes a violation of 18 U.S.C. § 1343, in instances, including but not limited to each count below:

COUNT	**DATE** (On or About)	**MONETARY TRANSACTIONS**
6	July 8, 2020	UKASHAT used his America First Club Account (-5012), his America First Joint Account (-9711), and Relative 1's Security Service Savings Account (-0000) to transfer $15,000 to an account in Nigeria the same day.
7	July 13, 2020	UKASHAT used his America First Club Account (-5012) to transfer $40,000 to Unnamed Abettor 1's America First Account (-8097) and then arranged to have Unnamed Abettor 1 transfer $20,000 to an account in Dubai the same day.

All in violation of Title 18 U.S.C. §§ 1957 and 2:

NOTICE OF INTENT TO SEEK FORFEITURE

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), upon conviction of any offense violating 18 U.S.C. § 1343, the defendant(s) shall forfeit to the United States of America any property, real or personal, that constitutes or is derived from proceeds traceable to the scheme to defraud. The property to be forfeited includes, but is not limited to:

- A money judgment equal to the value of any property not available for forfeiture as a result of any act or omission of the defendant(s) for one or more of the reasons listed in 21 U.S.C. § 853(p).
- Substitute property as allowed by 28 U.S.C. § 2461(c) and 21 U.S.C. § 853(p).

Pursuant to 18 U.S.C. § 982(a)(1), upon conviction of any offense in violation of 18 U.S.C. § 1957, the defendants shall forfeit to the United States of America any property, real or personal, involved in such violations, and any property traceable to such property. The property to be forfeited includes, but is not limited to:

- A money judgment equal to the value of all property not available for forfeiture as a result of any act or omission of the defendant(s) for one or more of the reasons listed in 21 U.S.C. § 853(p); and
- Substitute property as allowed by 18 U.S.C. § 982(b) and 21 U.S.C. § 853(p).

A TRUE BILL:

/s/

FOREPERSON OF GRAND JURY

TRINA A. HIGGINS
United States Attorney

TODD C. BOUTON
Assistant United States Attorney