

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

- - - - - X
:
UNITED STATES OF AMERICA :
:
- v. - : **INDICTMENT** :
: 22 Cr. :
KONRAD BICHER, :
:
Defendant. :
:
- - - - - X

COUNT ONE
(Wire Fraud)

The Grand Jury charges:

The Rental Property Scheme

1. From at least in or about February 2019, up to and including at least April 2022, KONRAD BICHER, the defendant, engaged in a scheme to defraud landlords of various apartment units (the "Units") at residential buildings in Manhattan by entering into lease agreements (the "Lease Agreements") to rent the Units with no intention of abiding by the terms of the Lease Agreements, including the prohibition on renting the Units on a short-term basis and the obligation to make rental payments.

2. Specifically, beginning in or about February 2019, KONRAD BICHER, the defendant, and/or individuals working in concert with BICHER, entered into at least 18 Lease Agreements for Units in Manhattan. The Lease Agreements required the lessee to make monthly rental payments. The Lease Agreements

also included either clauses that prohibited the lessee from renting the Units to third parties on a short-term basis and/or clauses that prohibited the lessee from subletting the Units to third parties without written consent of the owner.

3. Despite the requirement to make monthly rental payments, KONRAD BICHER, the defendant, failed to make payments as required by the Lease Agreements. For many of the Units, BICHER also refused to vacate the Units after the expiration of the Lease Agreements. During the period of time that BICHER failed to make required rental payments, including the period of time after a Lease Agreement expired and the premises had not been vacated, BICHER derived income by renting the Units on a short-term basis, including by posting the Units for rent on various online marketplaces, including Airbnb, Inc. ("Airbnb").

4. Between in or about July 2019 and in or about April 2022, KONRAD BICHER, the defendant, and his associates, failed to make more than \$1,000,000 in payments pursuant to the Lease Agreements or, for the period of time after the expiration of the Lease Agreements, based on the estimated fair market value for the Units. During this period, BICHER caused the Units to be listed for short-term rent on Airbnb and at least one other online marketplace for short-term rentals, resulting in at least \$1,170,000 in rental income to BICHER and his associates.

5. Throughout the course of this scheme, the lessors of

the Units made numerous efforts to recover rental payments from KONRAD BICHER, the defendant, and/or to stop BICHER from continuing to rent the Units on a short-term basis, including by initiating civil litigation against BICHER. Despite these efforts, BICHER continued to rent certain of the Units on a short-term basis. At the same time BICHER generated revenue from renting the Units, he hid behind rules designed to protect tenants during the Covid-19 pandemic, and claimed that he could not make monthly rental payments during the pandemic.

6. During the course of the scheme, KONRAD BICHER, the defendant, referred to himself as the "Wolf of Airbnb," and explained to media outlets that this nickname referred to the fact that he was "hungry and ruthless enough to get on top of the financial ladder" and had the "ferocity..of a wolf, because wolves are territorial, vicious and show no mercy when provoked."

STATUTORY ALLEGATIONS

7. From at least in or about February 2019, up to and including at least April 2022, in the Southern District of New York and elsewhere, KONRAD BICHER, the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio,

and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, BICHER entered into Lease Agreements for Units in apartment buildings in Manhattan with the intent to violate the Lease Agreements by failing to make required monthly rental payments and posting the Units for short term rental on Airbnb and at least one other online marketplace.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT TWO
(Wire Fraud)

The Grand Jury further charges:

The Paycheck Protection Program Loan Scheme

8. From at least in or about April 2021 until in or about July 2021, KONRAD BICHER, the defendant, engaged in a scheme to obtain Government-guaranteed loans through a loan program of the United States Small Business Administration ("SBA") designed to provide relief to small businesses during the Covid-19 pandemic, namely the Paycheck Protection Program (the "PPP").

9. In furtherance of this scheme, between in or about April 2021 and in or about July 2021, at least three companies controlled by KONRAD BICHER, the defendant, specifically, the Konrad Foundation LLC (the "Konrad Foundation"), NY Approved Rentals LLC ("NY Approved Rentals"), and Luxe Vita Group LLC

("Luxe Vita"), submitted at least four applications for PPP loans (the "PPP Applications") to a particular lender ("Lender-1"), and obtained over \$565,000 in loan proceeds.

10. The PPP Applications submitted by KONRAD BICHER, the defendant, contained fraudulent documents and false information. For example, in connection with the PPP Application for NY Approved Rentals, and in response to the request of Lender-1 to submit a copy of the company's 2019 income tax return, BICHER submitted a 2019 tax return which was purportedly filed with the Internal Revenue Service ("IRS") by NY Approved Rentals and identified "gross receipts" of \$1,200,000 (the "Purported NY Approved Rentals Tax Return"). The Purported NY Approved Rentals Tax Return was signed by a particular accountant ("Accountant-1") located in the state of Florida. However, in truth and fact, NY Approved Rentals did not file a tax return of any kind in 2019, and BICHER only asked Accountant-1 to prepare a tax return for NY Approved Rentals after Lender-1 requested a copy of the tax return. After BICHER obtained a draft tax return for NY Approved Rentals from Accountant-1, he submitted it to Lender-1 for purposes of obtaining the PPP loan, but did not file it with the IRS.

11. Similarly, in connection with the PPP Applications submitted by the Konrad Foundation and Luxe Vita, KONRAD BICHER, the defendant, submitted purported copies of 2019 IRS Schedules

C for each company, each of which identified "gross receipts or sales" of exactly \$1,220,400. In truth and fact, the Schedules C submitted with the PPP Applications for those companies were not actually filed or otherwise reported to the IRS and the "gross receipts or sales" listed thereon were not otherwise reported to the IRS by BICHER.

12. The loan proceeds obtained by the companies controlled by KONRAD BICHER, the defendant, pursuant to the PPP, were not used for lawful purposes. Instead, BICHER used the proceeds for his own personal benefit, including by transferring funds to bank accounts held in his name and withdrawing cash.

STATUTORY ALLEGATIONS

13. From at least in or about April 2021 through at least in or about July 2021, in the Southern District of New York and elsewhere, KONARD BICHER, the defendant, knowingly having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, BICHER engaged in a scheme to obtain Government-guaranteed loans by means of false and fraudulent pretenses, representations, and documents, for

companies controlled by BICHER, through a loan program of the SBA designed to provide relief to small businesses during the COVID-19 pandemic, namely the PPP.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT THREE

(Aggravated Identity Theft)

The Grand Jury further charges:

14. The allegations contained in paragraphs 8 through 12 of this Indictment are repeated and realleged as if fully set forth herein.

15. In or about April 2021, in the Southern District of New York and elsewhere, KONRAD BICHER, the defendant, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, BICHER used the name of Accountant-1 in connection with a fraudulent loan application made to Lender-1 during and in relation to the fraud charged in Count Two of this Indictment.

(Title 18, United States Code, Section 1028A(a)(1), 1028A(b), and 2.)

FORFEITURE ALLEGATION

16. As a result of committing the offenses alleged in Counts One and Two of this Indictment, KONRAD BICHER, the defendant, shall forfeit to the United States, pursuant to Title

18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses.

Substitute Asset Provision

17. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- 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; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant

up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981 and 982;
Title 21, United States Code, Section 853;
Title 28, United States Code, Section 2461.)



Damian Williams
DAMIAN WILLIAMS
United States Attorney

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INDICTMENT

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(18 U.S.C. §§ 1343, 1028A.)

DAMIAN WILLIAMS

United States Attorney


