AO 91 (Rev. 02/09) Criminal Complaint

United States District Court

for the
Western District of New York

UNITED STATES DISTRICT COURT
FILED
MAY 28 2021
MARY C. LOEWENGUTH, CLERK
WESTERN DISTRICT OF NY

United States of America

v.

Case No. 21-mj-5134

ADAM D. ARENA and AMANDA J. GLORIA

Defendants

CRIMINAL COMPLAINT

I, the affiant in this case, state that the following is true to the best of my knowledge and belief.

Count One
Conspiracy to Commit Bank Fraud

From at least in or around May 2020 through at least in or around October 2020, in the Western District of New York and elsewhere, the defendants,

ADAM D. ARENA and AMANDA J. GLORIA,

knowingly and willfully, and with intent to defraud, conspired and agreed together and with others known and unknown, to execute and attempt to execute a scheme and artifice to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, by means of materially false and fraudulent pretenses, representations, and promises.

In violation of Title 18, United States Code, Section 1349.

Count Two
Conspiracy to Engage in Monetary Transactions with Criminally Derived Proceeds

From at least in or around May 2020 through at least in or around October 2020, in the Western District of New York and elsewhere, the defendants,

ADAM D. ARENA and AMANDA J. GLORIA,

knowingly and willfully, conspired and agreed together and with others known and unknown, to engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, such property having been derived from specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344(2), in violation of Title 18, United States Code, Section 1957.

In violation of Title 18, United States Code, Section 1956(h).

Count Three
Bank Fraud

On or about the date set forth below, in the Western District of New York and elsewhere, the defendants,

ADAM D. ARENA and **AMANDA J. GLORIA**,

knowingly, and with intent to defraud, executed and attempted to execute a scheme and artifice to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, a financial institution, by means of materially false and fraudulent pretenses, representations, and promises.

Count	Approximate Date	Description of Execution
3	August 13, 2020	The submission from within the Western District of New York of an electronically signed Paycheck Protection Program loan agreement for ARENA's business, ADA Auto Group LLC, to Bank-1.

In violation of Title 18, United States Code, Sections 1344(2) and 2.

Count Four
Engaging in Monetary Transactions with Criminally Derived Proceeds

On or about the date set forth below, in the Western District of New York and elsewhere, the defendants,

ADAM D. ARENA and **AMANDA J. GLORIA**,

knowingly engaged in and attempted to engage in a monetary transaction, by, through, and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, as described below, such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344(2).

Count	Approximate Date	Description of Monetary Transaction
4	September 11, 2020	Transfer from within the Western District of New York of approximately $24,135 from Bank-2 via check sent by ARENA for deposit in the bank account of GLORIA's business, WildWest Trucking LLC, at Bank-3.

In violation of Title 18, United States Code, Sections 1957 and 2.

Engaging in Monetary Transactions with Criminally Derived Proceeds

On or about the dates set forth below, in the Western District of New York and elsewhere, the defendant,

ADAM D. ARENA,

knowingly engaged in and attempted to engage in a monetary transaction, by, through, and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than $10,000, as described below, such property having been derived from specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344(2).

Count	Approximate Date	Description of Monetary Transaction
5	September 23, 2020	Transfer from within the Western District of New York of approximately $35,391 from Bank-2 via check toward purchasing a 2018 Chevrolet Colorado.
6	September 30, 2020	Transfer from within the Western District of New York of approximately $12,500 from Bank-2 via check toward purchasing a 2018 Chevrolet Traverse.

In violation of Title 18, United States Code, Sections 1957 and 2.

This Criminal Complaint is based on these facts:

☒ Continued on the attached sheet.

Affiant's signature

Chad W. Atrip
Special Agent
Federal Bureau of Investigation
Printed name and title

Sworn to and signed telephonically.
Date: May 28, 2021

Judge's signature

Honorable Michael J. Roemer
United States Magistrate Judge
Printed name and title

City and State: Buffalo, New York

AFFIDAVIT

STATE OF NEW YORK)
COUNTY OF ERIE) SS:
CITY OF BUFFALO)

Chad W. Artrip, being duly sworn, deposes and says:

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI"). I am currently assigned to the FBI's Buffalo Division, Jamestown Resident Agency. This affidavit is based upon your affiant's personal knowledge, information provided by other law enforcement personnel, and evidence obtained during this investigation. Because this affidavit is submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and inclusive, and all statements or representations described in this affidavit are related in substance and in part.

2. I respectfully submit this affidavit in support of a Criminal Complaint charging **ADAM D. ARENA** and **AMANDA J. GLORIA** with violations of Title 18, United States Code, Section 1349 (Conspiracy to Commit Bank Fraud); Title 18, United States Code, Section 1956(h) (Conspiracy to Engage in Monetary Transactions with Criminally Derived Proceeds); Title 18, United States Code, Sections 1344 and 2 (Bank Fraud); and Title 18, United States Code, Sections 1957 and 2 (Engaging in Monetary Transactions with Criminally Derived Proceeds) (collectively, the "Enumerated Offenses"), and respectfully request that the Court issue arrest warrants for these individuals.

Overview

3. From at least in or around May 2020 through at least in or around October 2020, the Defendants, Adam D. Arena ("ARENA") and Amanda J. Gloria ("GLORIA"), acted together to fraudulently obtain and misuse at least one COVID-19 emergency relief loan for approximately $1 million. To obtain this loan, ARENA and GLORIA submitted a materially false and fraudulent loan application to a U.S. Small Business Administration-approved lender on behalf of a business owned and controlled by ARENA. This loan application contained materially false and fraudulent representations and certifications about ARENA's business and how the loan would be used. After fraudulently obtaining the loan, ARENA and GLORIA misused the loan proceeds, including by ARENA transferring approximately $25,000 to GLORIA that she spent on personal expenses, and by ARENA transferring approximately $50,000 to a car dealership toward the purchase of two cars.

Background

The Paycheck Protection Program

4. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 to provide emergency financial assistance to Americans suffering economic harm related to the COVID-19 pandemic. One form of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain other expenses, through a program called the Paycheck Protection Program ("PPP").

5. To obtain a PPP loan, a qualifying business was required to submit a loan application signed by an authorized representative of the business. The loan application required the authorized representative to acknowledge the PPP rules and make certain affirmative certifications in order to be eligible to obtain the loan. In the loan application, the authorized representative was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing payroll expenses.

6. A PPP loan application was processed by a financial institution serving as a participating lender. If an application was approved, the participating lender funded the loan using its own money, which was one hundred percent guaranteed by a United States federal agency called the U.S. Small Business Administration ("SBA"). Data from the application, including information about the business, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

7. PPP loans were required to be used on certain permissible business-related expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules, the interest and principal on the loan were eligible for forgiveness if the business used the loan on these items within a designated period of time and used at least a certain portion of the loan towards payroll expenses.

The Defendants & Related Entities

8. ARENA was a resident of Great Valley, New York. ARENA owned and controlled ADA Auto Group LLC ("ADA Auto Group"), a Florida-based business.

9. GLORIA was a resident of Altus, Oklahoma. GLORIA owned and controlled WildWest Trucking LLC ("WildWest Trucking"), an Oklahoma-based business.

Relevant Banks

10. Bank-1 was a financial institution as that term is defined under 18 U.S.C. § 20 and 31 U.S.C. § 5312, and a PPP participating lender with a branch in Minnesota.

11. Bank-2 was a financial institution as that term is defined under 18 U.S.C. § 20 and 31 U.S.C. § 5312, with a branch in Florida where ADA Auto Group held a business account.

12. Bank-3 was a financial institution as that term is defined under 18 U.S.C. § 20 and 31 U.S.C. § 5312, with a branch in Oklahoma where WildWest Trucking held a business account.

The Conspiracy and Scheme to Defraud

13. To qualify for a PPP loan, every application was required to certify that the business seeking the loan "was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC."

14. In or around May 2020, from within the Western District of New York, ARENA reinstated his previously inactive business, ADA Auto Group, which had been inactive since in or around 2018. Similarly, in or around May 2020, GLORIA reinstated her previously inactive business, WildWest Trucking, which had been inactive since in or around 2017.

15. On or about July 25, 2020, GLORIA emailed an individual whose identity is known to your affiant. In the email, GLORIA attached a document purporting to be a tax form for ADA Auto Group, and wrote, "941 and 940," which your affiant knows to be an employer's quarterly federal tax return (Form 941) and an employer's federal unemployment tax return (Form 940), respectively.

16. On or about July 27, 2020, this individual responded to GLORIA. In the email, this individual attached four documents purporting to be ADA Auto Group's 2019 quarterly Form 941 filings, and a document purporting to be ADA Auto Group's 2019 Form 940 filing. All of these purported filings were false and fraudulent because ADA Auto Group was not operating in 2019, and was not reinstated until in or around May 2020.

17. Later on or about that same day, using an email address known to your affiant, GLORIA emailed a PPP loan application to Bank-1 seeking an approximately $954,000 PPP loan for ADA Auto Group (the "Application"). Among other contact information, the Application named ARENA as the contact name, and listed "arenaadam@yahoo.com" as the contact email address. Among other supporting documentation, the Application included the four materially false and fraudulent documents purporting to be ADA Auto Group's 2019 quarterly Form 941 filings, and the materially false and fraudulent document purporting to be ADA Auto Group's 2019 Form 940 filing. Among other certifications, the Application

falsely and fraudulently certified that ADA Auto Group had been in operation on February 15, 2020, and further certified that the loan would be used for business-related purposes, and that if it were used for "unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud."

18. On or about July 30, 2020, GLORIA emailed another individual whose identity is known to your affiant. In the email, with the subject "Companies I need employee breakdown wages[,]" GLORIA wrote, "I need it to show that none of them received $100K" and listed various companies, including "Ada Auto Group." GLORIA then wrote, "I will send each one in separate emails[.]"

19. Later on or about that same day, GLORIA emailed this same individual. In the email, with the subject "Ada Auto Group[,]" GLORIA attached the same documents purporting to be tax forms for ADA Auto Group that GLORIA had submitted to Bank-1 three days earlier, and wrote, "Need [fourth quarter] payroll breakdown and [first quarter] 2020 payroll breakdown. Let me know the cost for the breakdown."

20. On or about August 6, 2020, the individual responded to GLORIA. In the email, this individual attached five documents responsive to GLORIA's prior email purporting to be ADA Auto Group's payroll reports. Later on or about that same day, GLORIA supplemented the Application by submitting these documents to Bank-1. Again, all of these documents were materially false and fraudulent because ARENA's company was not operating in the fourth quarter of 2019 or the first quarter of 2020, and was not reinstated until in or around May 2020.

21. The tax forms and payroll reports submitted by GLORIA on behalf of ADA Auto Group were also materially false and fraudulent in other ways. For example, these documents claimed that ADA Auto Group employed 50 people in 2019 with an annual payroll of more than $4.4 million. Again, this was materially false and fraudulent because ADA Auto Group was not operating in 2019, and was not reinstated until in or around May 2020.

22. On or about August 10, 2020, Bank-1 emailed "arenaadam@yahoo.com." In the email, Bank-1 requested additional documentation for the loan, including wire instructions for the bank account where Bank-1 was to send the PPP loan proceeds. Bank-1 wrote that once it received the requested additional documentation, it would send loan documents to ARENA using a third-party electronic platform.

23. Later on or about that same day, from within the Western District of New York, ARENA responded to Bank-1. In the email, ARENA provided wire instructions for the bank account where Bank-1 was to send the PPP loan proceeds. Having reviewed these wire instructions, your affiant knows that ARENA provided the bank account for ADA Auto Group's business account at Bank-2.

24. On or about August 13, 2020, from within the Western District of New York, ARENA electronically signed and submitted the closing loan documents to Bank-1 using the instructed third-party electronic platform. These documents included a material certification that the PPP loan proceeds would be used for specified business-related purposes.

25. On around August 14, 2020, having received the closing loan documents from ARENA, Bank-1 transferred the PPP loan proceeds—approximately $954,000—to ADA Auto Group's business account at Bank-2.

26. Before ADA Auto Group's business account at Bank-2 received the PPP loan proceeds, the account had a balance of approximately $10,000. After the approximately $954,000 in PPP loan proceeds were transferred to this account, ARENA conducted a series of financial transactions of a value greater than $10,000 from within the Western District of New York, including at least one transaction for GLORIA's benefit and at least two transactions for ARENA's benefit toward the purchase of two cars.

27. On or about September 11, 2020, from within the Western District of New York, ARENA mailed a check for approximately $24,135 from Bank-2 for deposit in the bank account of WildWest Trucking at Bank-3. After receiving this money, GLORIA spent nearly all of it. For example, on or about September 21, 2020—the day before the check was deposited—the WildWest Trucking account at Bank-3 had a balance of approximately $21,000. After the check was deposited, the WildWest Trucking account at Bank-3 had a balance of approximately $46,000. From on or about September 22, 2020 through on or about October 25, 2020, GLORIA spent approximately $43,000 from the WildWest Trucking account at Bank-3, nearly all of which appears to have been for personal purchases, including spa services, nail salons, gym memberships, clothing and retail stores, online retailers, dine-in restaurants, and fast food.

28. On or about September 23, 2020, from within the Western District of New York, ARENA drew a check for approximately $35,000 from Bank-2 toward purchasing a car—a 2018 Chevrolet Colorado—from a car dealership in Depew, New York.

29. On or about September 29, 2020, from within the Western District of New York, ARENA drew another check for approximately $12,500 from Bank-2 toward purchasing another car—a 2018 Chevrolet Traverse—from the same car dealership in Depew, New York.

30. Investigators observed both cars parked at ARENA's residence in Great Valley, New York.

31. On or about October 17, 2020, from within the Western District of New York, ARENA received messages from, and sent messages to, GLORIA, including:

GLORIA:	Adam this is Amanda the one who handled your ppp. What is going on with the last payment.
GLORIA:	Is this Adam Arena with Ada Auto Sales
GLORIA:	If this is Adam it would be in your best interest to reply back. I am the processor that handled your ppp
ARENA:	This is Adam
GLORIA:	Hey Adam my name is Amanda and I handled your ppp processing. I also hv [sic] you approved for other sba funding but I am needing to see where the remaining balance of the fees are.

32. Also on or about October 17, 2020, using an email account known to your affiant, GLORIA emailed ARENA at "arenaadam@yahoo.com." In the email, GLORIA wrote, "Adam[,] what is going on with the last payment??"

33. A review of the relevant accounts held at Bank-2 and Bank-3 indicates that none of the fraudulently obtained PPP loan proceeds appear to have been used for business-related expenses for ADA Auto Group.

Conclusion

34. Wherefore, based upon the foregoing, your affiant respectfully submits that there is probable cause to believe that **ADAM D. ARENA** and **AMANDA J. GLORIA** have committed the Enumerated Offenses in the Criminal Complaint and for the Court to issue the requested arrest warrants for these individuals. To allow law enforcement personnel to coordinate the execution of the arrest warrants and other related law enforcement activities, I respectfully request that the Court seal the Criminal Complaint, this affidavit, and the arrest warrants until further order of the Court.

Chad W. Atrip
Special Agent
Federal Bureau of Investigation

Sworn and subscribed to telephonically
this 28th day of May, 2021.

Honorable Michael J. Roemer
United States Magistrate Judge
for the Western District of New York