

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon. Steven C. Mannion
: :
v. : Mag. No. 14-6058
: :
AFZAL KHAN, :
a/k/a "Bobby Khan" : **CRIMINAL COMPLAINT**

I, Richard Sluszka, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

In violation of Title 18, United States Code, Section 1343.

I further state that I am a Special Agent with the Federal Bureau of Investigation, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Richard Sluszka, Special Agent
Federal Bureau of Investigation

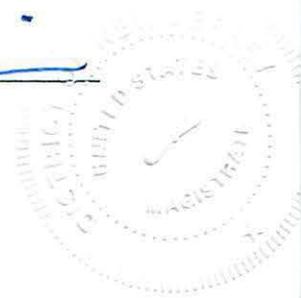
Sworn to before me, and
subscribed in my presence

October 21, 2014 at
Newark, New Jersey

HONORABLE STEVEN C. MANNION
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer



ATTACHMENT A

From at least in or about December 2013 through in or about September 2014, in the District of New Jersey and elsewhere, defendant AFZAL KHAN, a/k/a "Bobby Khan," did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud lenders to, and customers of, his auto dealership, Emporio Motor Group, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises concerning the purchase and sale of automobiles, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, namely, loan approval applications for automobiles.

ATTACHMENT B

I, Richard Sluszka, am a Special Agent with the Federal Bureau of Investigation ("FBI"). I am familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, and my review of reports, documents, and other evidence. Because this complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where statements of others are related herein, they are related in substance and in part unless otherwise indicated. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

Background

1. At all times relevant to this Complaint:
 - a. Defendant AFZAL KHAN, a/k/a "Bobby Khan" ("KHAN"), was a resident of Egg Harbor Township, New Jersey, and the owner and President of Emporio Motor Group ("Emporio").
 - b. Emporio was a car dealership located in Ramsey, New Jersey, that bought and sold used cars, typically high-end vehicles. Emporio submitted loan applications by wire to banks and other lenders on behalf of its customers. These applications typically included the purchaser's name, the make and model of car being financed, and the Vehicle Identification Number ("VIN Number") of the car.
 - c. Finance Company A was an entity that provided, among other things, retail auto finance services to car dealerships like Emporio. In this regard, Emporio electronically submitted loan applications to Finance Company A, which were reviewed by employees working out of Finance Company A's offices in Michigan and Texas. If Finance Company A approved the loan application, which normally occurred within thirty minutes, Finance Company A would notify Emporio, who would then submit further loan documentation, including the contract signed by the purchaser of the vehicle. Finance Company A then reviewed the additional information and, if satisfied, funded the loan by electronically sending the requested funds to an Emporio bank account. In undertaking its review, Finance Company A worked with the knowledge that if it approved the application and funded the loan, the dealer was bound by agreement to deliver the vehicle and title to the purchaser, who would then be liable for the loan.

Defendant KHAN's Fraudulent Activity

2. In or about September 2014, a representative of Finance Company A alerted the FBI that Finance Company A had uncovered at least twenty-one fraudulent loans obtained by Emporio and defendant KHAN. Specifically, Finance Company A believed that defendant KHAN, through Emporio: (1) obtained loans for cars that he never delivered, but for which the purchaser/victim was still technically responsible; and (2) obtained loans for cars that he delivered, but for which he did not have title (thus the purchaser was liable for the loan but could not register the car). The representative further stated that Finance Company A was exposed to a potential loss of more than \$1,700,000 concerning these twenty-one fraudulent loans.

3. At approximately the same time, a number of individuals filed complaints with local law enforcement stating that they had been defrauded by defendant KHAN and Emporio. In general, these complaints alleged that defendant KHAN either: (1) offered to sell a car for them on consignment and then did not return the car or provide any money from the sale of the car; (2) sold cars to individuals without providing titles; and/or (3) got approval for loans on cars that were never delivered, but for which the purchaser/victim was still responsible for the loan.

4. For example, a representative of Finance Company A stated that on February 21, 2014, Emporio submitted a loan application to Finance Company A for approximately \$150,000 in connection with the sale of a 2013 Rolls Royce. Finance Company A, after reviewing and approving the application, sent the loan amount (approximately \$150,000) by wire to an Emporio bank account controlled by defendant KHAN on February 25, 2014.

5. Records obtained from Finance Company A reveal that defendant KHAN, and not the purported purchaser, made approximately four monthly payments, each approximately \$3,200, on this loan. When questioned about the loan on September 8, 2014, defendant KHAN informed Finance Company A that he had sent Finance Company A a certified check paying off the loan in full. While defendant KHAN did send numerous business checks to Finance Company A to pay off the balance of the loan, Finance Company A never received a certified check and the business checks that defendant KHAN sent to pay off the balance of the loan were either stopped by defendant KHAN prior to Finance Company A cashing them or were returned due to insufficient funds.

6. Law enforcement has spoken with the victim who attempted to purchase the Rolls Royce ("Victim 1"). Victim 1 stated that: (a) Victim 1 spoke to defendant KHAN concerning the purchase of the Rolls Royce from Emporio; (b)

defendant KHAN sent Victim 1 pictures of the Rolls Royce that defendant KHAN claimed to be selling to Victim 1; (c) defendant KHAN had Victim 1 sign the necessary paperwork for the purchase and financing of the Rolls Royce; (d) defendant KHAN submitted or caused the loan application to be submitted to Finance Company A; (e) defendant KHAN never delivered the Rolls Royce to Victim 1; and (f) defendant KHAN provided numerous excuses concerning the non-delivery of the automobile. Among other statements, defendant KHAN sent Victim 1 a text message on March 25, 2014, stating that defendant KHAN was picking up the Rolls Royce the next day. Law enforcement has spoken to the true owner of the Rolls Royce as of March 25, 2014, who stated that defendant KHAN never purchased the vehicle and that the vehicle never left the owner's possession on or around March 25, 2014.

7. As a result of defendant KHAN's actions and inactions, including those described in paragraphs four through six: (a) defendant KHAN, through Emporio, received more than \$150,000 from Finance Company A; (b) Victim 1 never received the Rolls Royce; (c) Victim 1 was liable for the outstanding loan until it was written off by Finance Company A; and (d) Finance Company A has suffered a loss of more than \$150,000.

8. Law enforcement interviewed another victim ("Victim 2") concerning Victim 2's interactions with defendant KHAN. Victim 2 stated that: (a) Victim 2 spoke with defendant KHAN about selling Victim 2's vehicle ("the Audi") on consignment; (b) on May 13, 2014, Victim 2 entered into an agreement with defendant KHAN for Emporio to sell the Audi on consignment; and (c) Victim 2 and defendant KHAN agreed that the proceeds of the sale would be split in the following manner: (i) \$40,000 would be used to pay off an existing loan on the Audi; (ii) Victim 2 would receive the next \$95,000; and (iii) Emporio would receive any additional funds. Victim 2 further stated that on September 15, 2014, Victim 2 asked defendant KHAN to return the Audi and that defendant KHAN falsely stated in a September 16, 2014, text message that the Audi was being repaired and that Victim 2 could pick up the Audi after the repairs were completed. As discussed below, defendant KHAN had already fraudulently conveyed the Audi to another individual ("Victim 3").

9. A representative of Finance Company A stated that on May 15, 2014, Finance Company A received a loan application for the Audi from Emporio. The application stated that the Audi was to be sold to Victim 3 and sought a loan in the approximate amount of \$120,000. After reviewing and approving the application, Finance Company A wired the loan amount (approximately \$120,000) to an Emporio bank account controlled by defendant KHAN on May 16, 2014. The Finance Company A representative further stated that: (a) Victim 3 made payments on the loan until Finance Company A wrote off the loan; (b) defendant KHAN never made any payments on the loan; and (c) although

defendant KHAN stated he would file the title paperwork for the Audi on September 8, 2014, no title paperwork has been filed as of October 17, 2014.

10. Law enforcement interviewed Victim 3 concerning Victim 3's purchase of the Audi. Victim 3 stated that: (a) Victim 3 spoke with defendant KHAN about the purchase of the Audi; (b) defendant KHAN agreed to sell Victim 3 the Audi on May 15, 2014; (c) defendant KHAN had Victim 3 sign paperwork concerning the purchase of the Audi and the application for financing the purchase of the Audi; (d) defendant KHAN submitted or caused to be submitted a loan application; (e) defendant KHAN caused the Audi to be delivered to Victim 3 on May 17, 2014 (about four months before defendant KHAN told Victim 2 that Victim 2 could retrieve the Audi after repairs were completed); (f) neither defendant KHAN nor Emporio ever delivered title for the Audi to Victim 3, thus Victim 3 could not register the Audi. Based upon my training and experience, neither defendant KHAN nor Emporio would be able to provide the title because Victim 2's loan was not satisfied and the lienholder would not therefore have released the title.

11. As a result of defendant KHAN's actions and inactions, including those described in paragraphs eight through ten: (a) defendant KHAN, through Emporio, received more than \$115,000; (b) Victim 2 is liable for the \$40,000 loan of the Audi; (c) Victim 2 never received the agreed upon money from the sale of the Audi; (d) Victim 3 was liable for the outstanding loan of approximately \$120,000 until Finance Company A wrote off the loan; (e) Victim 3 possesses the Audi, but cannot register the car; and (f) Finance Company A has suffered a loss of more than \$100,000.

12. To date, more than seventy-five people have filed complaints with local and/or state law enforcement concerning alleged fraudulent activity by defendant KHAN at Emporio, and the potential loss to Finance Company A alone exceeds \$1,700,000.