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EASTERN DISTRICT OF CALIFORNIA

SEALED

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

SHAHRIAR "SEAN" LOLOEE,
KARLA MONTOYA,
MIRWAIS SHAMS, and
AHMAD "SHAH" SHAMS,
Defendants.

CASE NO. 2:23-CR-320 KJM

18 U.S.C. § 371 – Conspiracy to Defraud the Department of Labor, to Commit Immigration Document Fraud, and to Obstruct Justice; 18 U.S.C. § 371 – Conspiracy to Defraud the Internal Revenue Service; 18 U.S.C. § 1546(a) – Possession of False Immigration Documents (14 counts); 18 U.S.C. § 1546(a) – Possession, Acceptance and Receipt of False Immigration Documents (6 counts); 18 U.S.C. § 1505(c) – Obstruction of Agency Proceedings (2 counts); 18 U.S.C. § 1519 – Falsification of Records (3 counts); 26 U.S.C. § 7202 – Willful Failure to Collect or Pay Over Tax (16 counts); 26 U.S.C. § 7206(1) – False Tax Return (7 counts); 18 U.S.C. § 1343 – Wire Fraud (3 counts); 18 U.S.C. § 1956 – Money Laundering (3 counts); 18 U.S.C. § 1623(a) – Perjury (2 counts); 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), and 28 U.S.C. § 2461(c) – Criminal Forfeiture

S U P E R S E D I N G I N D I C T M E N T

INTRODUCTORY ALLEGATIONS

At all relevant times:

Entities and Individuals

1. Viva Supermarkets was a chain of Sacramento-area grocery stores that included:
 - (a) SL One Global, Inc., doing business as Viva Supermarket #1, which was

1 incorporated on or about January 2, 2008, and located at 4211 Norwood Avenue,
2 Sacramento, California;

3 (b) Uni Foods, Inc., doing business as Viva Supermarket #2, which was incorporated
4 on or about August 28, 2008, and located at 925 North Adams Street, Dixon,
5 California, until on or about September 3, 2021, when the store was sold;

6 (c) SMF Global, Inc., doing business as Viva Supermarket #3, which was
7 incorporated on or about June 13, 2014, and located at 3845 Marysville
8 Boulevard, Sacramento, California; and

9 (d) Nari Trading, Inc., doing business as Viva Supermarket #4, which was
10 incorporated on or about June 24, 2014, and located at 10385 Folsom Boulevard,
11 Rancho Cordova, California.

12 2. Viva Supermarkets maintained a corporate office in an office park with the addresses
13 4750 and 4758 Duckhorn Drive, Sacramento, California.

14 3. Fresh Pak Produce, LLC, was a corporate entity, described as in the business of "produce
15 wholesale," located in Sacramento, California, which was dissolved on or about April 1, 2020.

16 4. Food Plus, LLC, was a corporate entity located in Sacramento, California.

17 5. SHAHRIAR "SEAN" LOLOEE was an owner and managing shareholder of each of the
18 corporate entities identified in paragraphs 1 through 4 above. LOLOEE solely owned each corporation,
19 with the exception of Nari Trading, of which one of his family members owned 10%, and LOLOEE
20 owned the remaining 90%. As an owner and managing shareholder of the corporations, LOLOEE was
21 responsible for setting employee wages and hours, and had the authority to hire and fire employees.

22 6. KARLA MONTOYA was the General Manager of each of the Viva Supermarkets
23 identified in paragraph 1 above. Her job responsibilities included hiring, firing, and disciplining
24 employees, determining work schedules, and employment practices. MONTOYA began working at the
25 Viva Supermarkets in or about November 2008, when LOLOEE employed her.

26 7. MIRWAIS SHAMS (M. SHAMS) was the Controller and Financial Auditor of the Viva
27 Supermarkets entities. His job responsibilities included overseeing the Viva Supermarkets general
28 ledgers, accounting, resolving any issues relating to employee paychecks, and serving as a Viva

1 Supermarkets representative with Heartland Payroll. M. SHAMS began working at the Viva
2 Supermarkets in or about June 2016, eventually becoming the sole controller, and continued working at/
3 the Viva Supermarket Duckhorn corporate offices through in or about March 2024.

4 8. AHMAD "SHAH" SHAMS (S. SHAMS) was employed in various capacities at Viva
5 Supermarkets, including as the Human Resources director at the Viva Supermarkets corporate office, as
6 a store manager at the Rancho Cordova location, as the Information Technology (IT) professional for
7 Viva Supermarkets, and as the Customer Service manager. His job responsibilities included
8 interviewing applicants for employment at the Rancho Cordova Viva Supermarket and serving as
9 company representative with TimeClock Plus and Heartland Payroll. S. SHAMS and M. SHAMS are
10 brothers. S. SHAMS began working at the Viva Supermarkets in or about July 2016, and continued to
11 work at the Rancho Cordova location and the Duckhorn corporate office through in or about March
12 2024.

13 9. Across all Viva Supermarket locations and the corporate headquarters, LOLOEE
14 employed approximately 150 individuals at any given time.

15 10. Each of the Viva Supermarkets was an authorized agent of Western Union Financial
16 Services, Inc. ("Western Union"), and maintained an embedded Western Union office at each store
17 location. LOLOEE was the authorized signatory for each of the Western Union offices.

18 11. TimeClock Plus was a company that offered payroll services to businesses across the
19 United States, including Viva Supermarkets, from at least in or about 2012 through in or about March
20 2024. TimeClock Plus collected Viva Supermarkets employee punch-in and punch-out data via
21 terminals in each Viva Supermarket store location. That data was then transmitted to TimeClock Plus,
22 which then gave its clients, including Viva Supermarkets, the ability to edit that data manually or
23 automatically before transmission to a payroll processing company.

24 12. Heartland Payroll (previously, Ovation Payroll) was a payroll processing corporation
25 with headquarters in New Jersey and later Georgia that offered payroll and tax services to businesses
26 across the United States, including Viva Supermarkets, for substantial periods of time from 2014
27 through 2016, and again from at least in or about March 2017 through at least in or about March 2024.
28 For Viva Supermarkets, Heartland Payroll received the timekeeping data of employee hours and pay

1 rates, and then calculated tax withholdings, calculated any owed overtime payments, prepared preview
 2 reports to be approved by Viva Supermarkets, and once approved, printed paychecks that they then
 3 mailed back to the Viva Supermarkets corporate office in Sacramento, California. Heartland Payroll
 4 also prepared W2 Wage and Tax Statements and electronically filed tax returns, including Form 941
 5 Employer's Quarterly Federal Tax Return with state and federal tax agencies.

6 13. The United States Department of Labor ("Department of Labor") was a United States
 7 government agency with authority to investigate potential labor violations under the Fair Labor
 8 Standards Act of 1938 ("Fair Labor Standards Act"), among other statutes. The Wage and Hour
 9 Division of the United States Department of Labor ("Wage and Hour Division") had authority to
 10 investigate, among other things, whether employees were being paid properly according to applicable
 11 federal labor laws. The Fair Labor Standards Act required, among other things, overtime pay for hours
 12 worked over 40 in a workweek at a rate not less than one and a half times an employee's regular rate of
 13 pay, except for certain exempt workers.

14 14. The Internal Revenue Service ("IRS") was an agency of the United States within the
 15 Department of Treasury responsible for administering the tax laws of the United States and collecting
 16 taxes owed to the United States. The Internal Revenue Code (Title 26 of the United States Code)
 17 contained statutes and laws of the United States concerning, among other things, tax liability. "Federal
 18 income tax" referred to the tax due to the United States under the Internal Revenue Code.

19 ***Employment of Undocumented Workers at the Viva Supermarkets***

20 15. Background on I-9 Verification. Federal law required employers to verify a job
 21 candidate's eligibility to work in the United States before employment could commence. This
 22 verification was accomplished by an employer and employee completing a United States Citizenship
 23 and Immigration Services Form I-9, Employment Eligibility Verification. In addition to the form,
 24 applicants were required to submit to the employer documents as evidence of their identity and
 25 employment authorization. Among the acceptable list of documents to verify employment authorization
 26 were a Permanent Resident Card and a Social Security card with an accompanying identity document.
 27 Employers were required to examine the documents to determine whether they appeared genuine and
 28 record the document information on the employee's Form I-9. The employer also was required to

1 certify, among other things, that it reviewed the documents, the documents appeared genuine, and, to the
2 best of its knowledge, the employee was authorized to work in the United States.

3 16. Use of Fraudulent Documents at Viva Supermarkets. Beginning at least in or about
4 November 2008, LOLOEE and MONTOYA hired and employed workers at the Viva Supermarkets who
5 used fraudulent documents to satisfy the I-9 employment verification requirement.

6 17. Montoya Herself Used Fraudulent Documents. MONTOYA herself lacked employment
7 eligibility to work in the United States until October 2023, but her personnel file at the Viva
8 Supermarkets contained a fraudulent Permanent Resident Card, in order to give the appearance of
9 employment eligibility. In addition, MONTOYA's personnel file contained a Social Security card
10 bearing a Social Security number that belonged to a United States citizen who had passed away in
11 September 2007, for the purpose of giving the appearance that she was eligible to work in the United
12 States.

13 18. Purpose of Hiring Undocumented Workers. MONTOYA and others, at LOLOEE's
14 direction, regularly hired undocumented workers at the Viva Supermarkets because it was LOLOEE's
15 view that undocumented workers were easier to control. LOLOEE had knowledge of the practice of
16 hiring undocumented workers and himself reviewed job applicants. By maintaining a workforce of
17 undocumented workers, LOLOEE enriched himself in various ways, including by not paying them
18 overtime wages that would otherwise be required and by avoiding paying payroll tax that he would owe
19 if he correctly reported the labor of these workers.

20 19. LOLOEE and MONTOYA used various means of controlling the undocumented
21 workforce at the supermarkets, including (a) stating that LOLOEE knew who was "illegal," to create an
22 atmosphere of intimidation; (b) threatening workers with adverse immigration consequences if they
23 acted against LOLOEE's interest; (c) requiring attendance at all-hands meetings at which adverse
24 immigration consequences were threatened; (d) requiring employees who did not speak English to sign
25 untranslated documents as a condition of employment, and then threatening the employees with the
26 content of the signed documents; (e) stating that they knew personal information such as where
27 undocumented workers lived, in order to suggest that these workers were vulnerable to being turned in
28 to immigration authorities; and (f) stating that LOLOEE knew many important people who could

1 investigate the members of the workforce in order to intimidate them.

2 20. LOLOEE, MONTOYA, and others acting at LOLOEE's direction, hired undocumented
3 workers at the Viva Supermarkets to reduce labor costs illegally, among other reasons. LOLOEE
4 deployed this system of maintaining an undocumented labor force in all Viva Supermarkets across many
5 years and through at least in or about October 2023.

6 21. Methods of Hiring Undocumented Workers. In some instances, MONTOYA directed job
7 candidates who admitted that they did not possess lawful employment authorization documents to obtain
8 fraudulent documents from locations in South Sacramento. In at least one instance, MONTOYA herself
9 obtained a fraudulent document for an undocumented applicant. In other instances, MONTOYA
10 accepted for verification purposes documents that she knew were fraudulent.

11 22. In or about October 2023, fraudulent employment authorization information, including
12 fraudulent Social Security cards and fraudulent Permanent Resident cards, were contained in the
13 personnel files of at least 289 Viva Supermarket employees.

14 ***Off-the-Books Payments of Viva Supermarkets Employees***

15 23. LOLOEE's employment of undocumented employees allowed him to pay them in
16 irregular ways and off-the-books, because LOLOEE understood that these employees were vulnerable
17 and lacked negotiating leverage regarding the method of payment. The purpose of paying
18 undocumented employees in irregular ways and off-the-books was it allowed LOLOEE to avoid paying
19 overtime wages, and to reduce payroll tax obligations, among other benefits. LOLOEE facilitated his
20 off-the-books payments schemes primarily through M. SHAMS on the accounting side, and S. SHAMS
21 on the human resources side.

22 24. LOLOEE evolved the methods by which he paid undocumented workers over time to
23 adapt to changing circumstances, but always with the goal of minimizing the expense of his labor force
24 and tax obligations.

25 25. Payment in Cash. From at least in or about 2018 through in or about March 2020,
26 LOLOEE paid certain undocumented workers their wages in cash, and typically without providing a
27 paystub.

28 26. Payment From a Different Corporate Entity. From at least in or about January 2017

1 through in or about May 2017, LOLOEE paid certain Viva Supermarket workers, including
2 MONTOYA, with checks from Food Plus, LLC, the entity that provided administrative services to each
3 of the Viva Supermarkets, even though those employees did not work at or for Food Plus, LLC, but
4 rather worked at one of the Viva Supermarket locations.

5 27. Green Checks. From at least in or about May 2017 through in or about January 2020,
6 certain employees received wages via Fresh Pak Produce, LLC. Viva Supermarket employees referred
7 to these checks as "green checks" for the green paper on which they were printed. From in or about
8 May 2017 through in or about December 2017, the Fresh Pak Produce green checks were real bank
9 checks that could be remitted in a financial institution. Beginning in or about January 2018, LOLOEE
10 directed M. SHAMS and others to void the checks at the time of issuance to employees, resulting
11 generally in employees' inability to remit the green checks at a financial institution.

12 28. LOLOEE and MONTOYA instructed Viva Supermarket employees that the green checks
13 were like receiving cash and had to be cashed at the Western Union offices within the Viva
14 Supermarkets. As a means of maintaining secrecy over this irregular payment method, LOLOEE and
15 MONTOYA told certain employees that the green checks were not real paystubs and were not to be
16 photocopied or presented at any office.

17 29. Employees were charged 2% to cash their checks at the Viva Supermarket Western
18 Unions as a surcharge that benefitted LOLOEE. No taxes or withholdings were withheld from the green
19 checks.

20 30. None of the green checks were reported as wages on any of the employment tax returns
21 filed for any of LOLOEE's businesses.

22 31. Payment in Store Vouchers. LOLOEE occasionally required that a portion of employees'
23 pay be redeemed as a store voucher that could be used only for purchases at Viva Supermarkets.
24 LOLOEE carried out this directive by requiring green checks or cash pay to be facilitated via the
25 embedded Western Union franchises, which would distribute the vouchers as a portion of the
26 employees' pay.

27 32. Payment in Part in Check and in Part in Cash. LOLOEE evolved his payment method
28 over time to include paying employees their regular hours per pay period via on-the-books bank check,

1 and then any additional hours in cash or other off-the-books methods, to avoid documentation of any
 2 overtime hours. LOLOEE would often continue to pay only regular time wages for hours worked in
 3 excess of 40 hours per workweek, even when pay at the one-and-a-half rate was required.

4 33. Salary Payments. In or about 2020, in an effort to avoid paying overtime wages, among
 5 other purposes, LOLOEE transitioned some employees who were previously paid hourly to “salary”
 6 positions. The purportedly salaried employees were assigned no higher than the hourly wage the
 7 employees were making, and, in some instances, the salaried wage was lower. LOLOEE deemed these
 8 positions to be “salary” positions even if the employee job responsibilities did not correspond to job
 9 duties exempted from the overtime pay requirements of the Fair Labor Standards Act. By reassigning
 10 employees to a salaried position, LOLOEE tried to avoid paying his employees overtime wages for
 11 overtime work and also tried to reduce his employment tax liability.

12 *Manipulation of Time Data to Shave Hours*

13 34. Beginning at least in or about November 2017, LOLOEE, through M. SHAMS and S.
 14 SHAMS, used various methods to manipulate employee time data to lower LOLOEE’s on-the-books
 15 payroll, to lower the expense of overtime pay, to lower LOLOEE’s federal payroll tax obligation, and to
 16 lower LOLOEE’s labor costs overall.

17 35. TimeClock Plus collected data via a system in which hourly workers punched in and out
 18 of their shifts by entering an individualized code into terminals located in each of the Viva Supermarket
 19 locations. Because workers occasionally forget to punch out of a shift, or forgot to punch in and out for
 20 lunch, among other reasons, TimeClock Plus offered employers the ability to override the employee
 21 punch-in/punch-out data collected by its software and correct the number of hours for which the
 22 employee would be paid. TimeClock Plus offered two options from which employers could elect to
 23 make such corrections: an automatic override option (which could be set to automatically round up time
 24 within five minutes of an hour, for example), and a manual override option.

25 36. Beginning at least in or about November 2017, M. SHAMS and S. SHAMS working at
 26 the direction of LOLOEE, used the manual-override option offered by TimeClock Plus to reduce hours
 27 of Viva Supermarkets employees and to delete employees from punch clock records altogether. The
 28 shaving down of hours and deleting employees had at least two purposes: (1) to deprive employees of

1 overtime pay they would be entitled to if their true number of hours were reported to Heartland Payroll,
2 thus enriching LOLOEE, who kept the proceeds of any unpaid overtime; and (2) to deprive the IRS of
3 the payroll tax obligation that LOLOEE would bear if the true hours were reported to Heartland Payroll.

4 37. Beginning at least in or about November 2017, M. SHAMS and S. SHAMS, and others,
5 at the direction of LOLOEE, modified the number of hours of Viva Supermarkets employees on the
6 TimeClock Plus records in tens of thousands of instances, representing a significant percentage of all
7 punch-clock recorded worker time.

8 38. In many instances, these manual overrides were not legitimate corrections to fix problems
9 such as a forgotten punch-out, but rather, were fraudulent manipulations of legitimate hours worked in
10 order to create an appearance less overtime pay was owed to Viva Supermarket employees. The shaving
11 of legitimate hours worked also had the effect of reducing LOLOEE's federal payroll tax liability,
12 among other unlawful benefits.

13 39. In addition to shaving hours, between in or about November 2017 and in and about
14 December 2019, LOLOEE also directed M. SHAMS and S. SHAMS, and others acting on his behalf, to
15 entirely delete certain employees, typically employees who were also undocumented, from the payroll.
16 The purpose of these deletions was at least three-fold: (1) to avoid scrutiny and any reporting
17 requirements caused by his continued employment of undocumented workers; (2) to avoid paying these
18 workers overtime; and (3) to lower his federal payroll tax obligation.

19 40. M. SHAMS and S. SHAMS, and others acting on LOLOEE's behalf, transmitted these
20 false timekeeping records to Heartland Payroll. Heartland Payroll then prepared preview reports each
21 pay period, which were emailed back to Viva Supermarkets, typically to S. SHAMS and M. SHAMS.

22 41. S. SHAMS and M. SHAMS, acting on LOLOEE's behalf, approved the final worker
23 hours and pay rates via email, among other means, prompting Heartland Payroll to prepare employees'
24 paychecks for the corresponding pay period. LOLOEE, through M. SHAMS and S. SHAMS, caused
25 Heartland Payroll to prepare payroll checks based on falsified data, resulting in the disbursement of
26 payroll checks that did not accurately reflect the wages owed to employees of Viva Supermarkets.

27 42. As a result of the hours shaving, LOLOEE signed and caused to be distributed these
28 paychecks to the Viva Supermarket employees knowing that the paychecks generated by Heartland

Payroll did not represent the full wages owed to his employees, nor did the paychecks contain correct federal tax withholdings and Social Security withholdings that would have been due if the true hours were transmitted to Heartland Payroll.

Falsification of Federal Taxes

43. At all times relevant to this Superseding Indictment, LOLOEE, together with his wife, were the 100% owners of all of the related Viva Supermarkets entities (SL One Global, Inc., Uni Foods, Inc., SMF Global, Inc., Nari Trading, Inc., Fresh Pak Produce, LLC, and Food Plus, LLC). Because each of these entities were S Corporations that were wholly owned by LOLOEE and his wife, all the profits or losses from these entities were reported on the individual income tax returns of the LOLOEEs each year. LOLOEE and his wife have filed separate income tax returns since 2015 and have split all income between their returns, including the profits or losses from each of the Viva Supermarkets entities.

44. Between at least in or about November 2017 and October 2023, LOLOEE used various methods to unlawfully reduce his individual and corporate payroll tax liability, including: (a) paying himself wages off the books; (b) at times, shaving employees' hours on the timekeeping system that is used to calculate employer payroll tax liability; and (c) at times, moving a substantial part of his workforce off the books and paying them via cash or green check rather than a payroll check that would be reported to the IRS.

45. Individual Taxes: Between in or about 2017 and in or about 2019, LOLOEE reduced his personal income tax liability by paying himself off-the-books, unreported wages through three of his Viva Supermarkets entities: Fresh Pak Produce, Food Plus and SL One Global. S. SHAMS reduced his personal income tax liability in the same way, by facilitating and accepting off-the-books wage payments to himself. M. SHAMS also reduced his personal income tax liability in the same way, by facilitating and accepting off-the-books wage payments to himself, including in the name of a fictitious nominee he directed payments to named "Jan Lee." In truth there was no "Jan Lee" owed wages, and it was just a fake name for M. Shams.

46. Payroll Taxes: Employers who pay wages to their employees are required to withhold, truthfully account for, and pay over to the IRS a variety of taxes from employee wages, collectively

1 referred to as “payroll taxes.” These taxes include federal income tax withholding, and Federal
 2 Insurance Contribution Act taxes, commonly known as Social Security and Medicare taxes. In addition
 3 to the Social Security taxes withheld from employees’ wages, employers are also required to pay an
 4 “employer’s share” of Social Security and Medicare taxes for each employee. These payroll taxes,
 5 including both the taxes withheld from employees’ wages, and the employer’s share of Social Security
 6 taxes, all of which are referred to in this Superseding Indictment as “federal payroll taxes” and “federal
 7 payroll tax liabilities,” are required to be reported and paid to the IRS on a quarterly basis, with the
 8 quarters covering the periods of January through March, April through June, July through September,
 9 and October through December of each year. Employers use an Employer’s Quarterly Federal Tax
 10 Return, Form 941, to report to the IRS the wages paid to employees, the total amount of federal income
 11 tax withheld, the total amount of Social Security and Medicare taxes withheld, and the total tax deposits.

12 47. Beginning at least in or about 2017, LOLOEE reduced his federal payroll tax liability by
 13 hiding the true amount of wages paid to Viva Supermarkets employees. In a scheme that evolved over a
 14 number of years, LOLOEE paid wages in or about January 2017 through May 2017 through Food Plus,
 15 LLC, issuing paychecks to undocumented workers and others that were remitted to banks but were not
 16 reported on any federal employment tax returns. Beginning in or about May 2017, LOLOEE began
 17 paying undocumented workers and others through checks from Fresh Pak Produce, LLC, an entity that
 18 again did not report any wages on any federal tax return during the relevant time period. In or about
 19 December 2017, undocumented workers were instructed to cash their paychecks from Fresh Pak
 20 Produce only at the Western Union offices inside each of the supermarkets, and not at any bank.
 21 Continuing through 2018 and 2019, paychecks issued to workers from Fresh Pak Produce were typically
 22 not remitted to banks for payment, nor were they reported as wages on any of the employment tax
 23 returns filed for any of LOLOEE’s Viva Supermarkets entities.

24 48. At the direction of LOLOEE, M. SHAMS and S. SHAMS assisted in the execution of
 25 this tax scheme in various ways, including, together or individually: (a) keeping a second set of books
 26 that tracked cash and green check off-the-books payments to workers; (b) manipulating the TimeClock
 27 Plus entries to shave hours that had been legitimately worked; (c) transferring or causing the transfer of
 28 funds from each of the stores to Fresh Pak Produce in order for payroll to then be paid out of the Fresh

1 Pak Produce bank account; and (d) disguising off-the-books payments as other business expenses in
2 order to take the deduction.

3 *Labor Violations and Obstruction of Labor Investigations*

4 49. The United States Department of Labor, Wage and Hour Division conducted three
5 investigations involving Viva Supermarkets. During these investigations, Department of Labor
6 investigators conducted interviews and site visits to verify, among other things, that workers at Viva
7 Supermarkets were paid properly according to applicable federal labor laws.

8 50. The employment of undocumented workers emboldened LOLOEE and MONTROYA to
9 commit labor violations based on the assumption that undocumented workers would be less likely to
10 complain about the employment conditions. LOLOEE exercised control over his undocumented
11 workforce to attempt to thwart federal labor investigations into his supermarkets.

12 51. First Department of Labor Investigation. The Wage and Hour Division began an
13 investigation into the wage and hour practices of SL One Global, Inc. (Viva Supermarket), and
14 LOLOEE, from on or about November 10, 2008, through on or about May 26, 2009. In the course of
15 this investigation, the Wage and Hour Division determined that SL One Global, Inc., and LOLOEE had
16 violated multiple provisions of the Fair Labor Standards Act (29 U.S.C. §§ 201, et. seq.), including a
17 finding that LOLOEE and his corporate entity owed employees of Viva Supermarkets back wages.
18 LOLOEE and his corporate entity entered into a written agreement to pay approximately \$3,496.18 in
19 back wages.

20 52. Second Department of Labor Investigation. The Wage and Hour Division began a
21 second investigation into the wage and hour practices of LOLOEE from between on or about February
22 20, 2018, through on or about February 19, 2020. The second investigation focused on the Norwood
23 Viva Supermarket location. This second investigation revealed that LOLOEE had again violated the
24 Fair Labor Standards Act, including its overtime pay requirements set forth in 29 U.S.C. § 207. The
25 agency made a finding that LOLOEE and his corporate entity once again owed employees back pay.
26 LOLOEE and his corporate entity entered a written agreement to pay approximately \$35,423.35 in back
27 wages.

28 53. Third Department of Labor Investigation. The Wage and Hour Division began a third

1 investigation in or about September 2020 into the wage and hour practices of LOLOEE. This third
 2 investigation initially also focused on the Norwood Viva Supermarket location, and only from between
 3 in or about February 2020 to in or about November 2020. In or about February 2021, the agency
 4 expanded the investigation to include all Viva Supermarket locations and a three-year period from
 5 between in or about October 23, 2017 through in or about May 16, 2021. As part of this third
 6 investigation, the Wage and Hour Division sent an agency investigator to the Viva Supermarket stores
 7 for the purpose of encountering employees in their workplace and conducting interviews. Agency
 8 investigators also conducted interviews of both LOLOEE and MONTOYA in furtherance of their
 9 investigation. In 2022, the Department of Labor filed a lawsuit under the Fair Labor Standards Act
 10 relating to the agency's investigation of LOLOEE, MONTOYA, and the Viva Supermarkets. At the
 11 conclusion of this third investigation, the Wage and Hour Division informed LOLOEE that the agency
 12 was seeking to collect approximately \$1,500,000 in back wages, liquidated damages, and civil monetary
 13 penalties.

14 54. Obstructive Conduct. To discourage Viva Supermarket employees from complying with
 15 the Department of Labor investigations, LOLOEE and MONTOYA employed various tactics, including:
 16 (a) threatening adverse immigration consequences if employees cooperated with the agency's
 17 investigation; (b) directing employees to lie about aspects of their employment, including the start date
 18 of their Viva Supermarkets employment; (c) directing employees to work in secluded areas of the store
 19 in order to prevent contact with agency investigators; (d) instructing employees not to speak with agency
 20 investigators; (e) directing some employees to impersonate agency investigators in order to gather
 21 information and identify other employees who cooperated with the agency's investigation; (f) directing
 22 employees to take off their store uniforms to make them look like customers when agency investigators
 23 were present; (g) listening in on at least one employee interview with agency investigators to influence
 24 the answers provided; (h) hiring someone to act as though they were a customer while following the
 25 agency investigator through the store to learn what the investigator was asking about and being told; and
 26 (i) manipulating employee schedules to avoid having undocumented workers and other employees who
 27 may be forthright with the investigator present when the investigator visited the stores.

28 55. Return of Back Wages. In addition, without the knowledge or approval of the

Department of Labor, LOLOEE and MONTOYA asked employees who had received back wage payments in resolution of the second Wage and Hour Division investigation to return those payments to LOLOEE.

56. Loloee Made False Statements to Investigators. LOLOEE was interviewed by Department of Labor investigators and made false statements, including the false statements that he never paid employees in green checks, cash, or any other irregular manner.

57. Montoya Made False Statements to Investigators. MONTOYA also made false statements to a Department of Labor investigator, including, among others, that no employee had ever received cash payments, and that all employees had always been paid with paychecks.

COUNT ONE: [18 U.S.C. § 371 – Conspiracy to Defraud the United States and to Violate 18 U.S.C. §§ 1546 and 1505]

The Grand Jury charges:

SHAHIR “SEAN” LOLOEE and
KARLA MONTOYA,

defendants herein, as follows:

THE CONSPIRACY AND ITS OBJECTS

1. Beginning in at least in or about April 2014 and continuing through in or about October 2023, in the State and Eastern District of California and elsewhere, LOLOEE and MONTOYA, did knowingly and intentionally combine, conspire, confederate, and agree with each other and with others known and unknown to the Grand Jury to defraud the United States and an agency thereof, to wit, the United States Department of Labor, and to commit offenses against the United States of America, to wit, to violate Title 18, United States Code, Sections 1546(a), 1546(b), and 1505. The following were each objects of the conspiracy:

- (a) To defraud the United States and the United States Department of Labor by and through deceitful and dishonest means for the purpose of impeding, impairing, obstructing, and defeating the lawful governmental functions of the Department of Labor in investigating, assessing, and enforcing violations of applicable federal labor laws, to wit, federal overtime pay requirements;

- 1 (b) To knowingly use, attempt to use, possess, obtain, accept, and receive any
2 document prescribed by statute and regulation as evidence of authorized
3 employment in the United States, knowing it to be forged, counterfeited, altered,
4 and falsely made, and to have been otherwise procured by fraud and unlawfully
5 obtained, in violation of Title 18, United States Code, Section 1546(a);
6 (c) To use an identification document, knowing and having reason to know that the
7 document was not issued lawfully for the use of the possessor, and knowing and
8 having reason to know that the document was false, for the purpose of satisfying a
9 requirement of section 274A(b) of the Immigration and Nationality Act, in
10 violation of Title 18, United States Code, Section 1546(b); and
11 (d) To corruptly influence, obstruct, and impede, and endeavor to influence, obstruct,
12 and impede, the due and proper administration of the law under which a pending
13 proceeding regarding potential violations of federal labor laws was being had
14 before the United States Department of Labor, Wage and Hour Division, in
15 violation of Title 18, United States Code, Section 1505.

16 **MANNER AND MEANS**

17 In furtherance of the conspiracy, LOLOEE and MONTROYA employed, among others, the
18 following ways and means:

19 2. It was a part of the conspiracy that LOLOEE and MONTROYA engaged in and caused
20 others to engage in the conduct described in the Introductory Allegations of this Superseding Indictment.
21 Paragraphs 1 through 33 and 49 through 57 of the Introductory Allegations of this Superseding
22 Indictment are realleged and incorporated by reference as though fully set forth herein.

23 3. It was also a part of the conspiracy that LOLOEE and MONTROYA committed and
24 caused to be committed the overt acts listed below.

25 **OVERT ACTS**

26 4. In furtherance of said conspiracy and to accomplish its objects, at least one of the
27 conspirators committed, or caused to be committed, in the State and Eastern District of California, the
28 following overt acts, among others:

- (a) In or about April 2014, MONTOYA instructed Employee 1 to go to a location in South Sacramento in order to obtain fraudulent employment documents. MONTOYA and LOLOEE then accepted and received these fraudulent documents for verification of Employee 1's employment eligibility.
- (b) In or about April 2014, MONTOYA and LOLOEE hired Employee 1 for a position at Viva Supermarkets.
- (c) From in or about January 2016 through in or about October 2023, MONTOYA and LOLOEE possessed the Social Security card and Permanent Resident Card of Employee 10.
- (d) In or about August 2016, MONTOYA and LOLOEE accepted and received a counterfeit and falsely made Social Security card to hire Employee 2 at Viva Supermarkets.
- (e) In or about February 2017, MONTOYA and LOLOEE accepted and received a counterfeit and falsely made Social Security card and a counterfeit and falsely made Permanent Resident Card to hire Employee 16 at Viva Supermarkets.
- (f) In or about March 2017, MONTOYA and LOLOEE accepted and received a fraudulent Social Security card to hire Employee 3 at Viva Supermarkets.
- (g) From in or about June 2018 through in or about October 2023, MONTOYA and LOLOEE possessed the Social Security card and Permanent Resident Card of Employee 9.
- (h) In or about February 2020, MONTOYA directed one or more individuals to follow Wage and Hour Division investigators while they conducted site visits at the Viva Supermarket locations, to listen to investigators' conversations with employees.
- (i) In or about February 2020, MONTOYA and LOLOEE directed and caused others to direct certain employees to hide during one or more Wage and Hour Division investigator visits.
- (j) In or about February 2020, during the second Department of Labor investigation,

LOLOEE held an all-hands meeting of Viva Supermarket employees at which LOLOEE stated that he wanted to know if workers were with him or against him and indicated that if they were against him that they should leave.

(k) In or about February 2020, MONTOYA stated to a Department of Labor investigator that no employee works more than 40 hours per week.

(l) In or about March 2020, LOLOEE provided the Department of Labor a list of Viva Supermarket employees in connection with the second investigation. The list that LOLOEE provided listed a 2020 hire date for employees who had actually been employed by LOLOEE for years.

(m) In or about April 2020, MONTOYA and LOLOEE accepted and received a fraudulent Social Security card to hire Employee 4 at Viva Supermarkets.

(n) In or about April 2020, MONTOYA and LOLOEE hired Employee 4 for a position at Viva Supermarkets.

(o) On or about May 14, 2020, LOLOEE told a Department of Labor investigator that he did not pay any Viva Supermarket employees in cash.

(p) In or about 2020, LOLOEE called Employee 5 into his office. LOLOEE instructed Employee 5 to deposit the back wages check she had received from the settlement of the second Department of Labor investigation into a bank, but then to give the money back to LOLOEE.

(q) In or about 2020, MONTOYA instructed Employee 6 that she had to return the back wages she had received from the settlement of the second Department of Labor investigation to LOLOEE. MONTOYA said that LOLOEE does not owe anyone money and that every employee was paid what they were owed. MONTOYA further stated that LOLOEE was obligated to pay his employees with those settlement checks but reemphasized that nothing was owed to the employees.

(r) On or about November 19, 2020, LOLOEE told a Department of Labor investigator that it was not true that he had requested back wage money to be paid

back to him from any Viva Supermarket employees.

(s) In or about late 2020, MONTOYA directed Employee 3 into a Viva Supermarket administrative office and informed her that Viva Supermarkets was once again being investigated by the Department of Labor. MONTOYA instructed Employee 3 to tell the investigators that she started working at the Viva Supermarkets that same year, 2020, when in truth and as MONTOYA knew, Employee 3 had been a Viva Supermarkets employee since at least in or about 2017.

(t) In or about late 2020, LOLOEE held an all-hands meeting regarding the third Department of Labor investigation. At this meeting, LOLOEE demanded that any employee who received a letter communication from the Wage and Hour Division should provide the letter to him.

(u) In or about November 2020, LOLOEE provided the Department of Labor a list of Norwood location Viva Supermarket employees in connection with the third Wage and Hour Division investigation. The list that LOLOEE provided listed a 2020 employment hire date for employees who had actually been employed by LOLOEE for years.

(v) In or about December 2020, LOLOEE and MONTOYA directed that undocumented employee Employee 7 repay LOLOEE the back wages that LOLOEE had paid to him as a result of the second Department of Labor investigation and settlement.

(w) In or about December 2020, LOLOEE directed undocumented employee Employee 7 to deposit the back wages check before repaying the back wages to LOLOEE.

(x) In or about January 2021, LOLOEE hired Employee 25 for a position at Viva Supermarkets.

(y) In or about January 2021, LOLOEE accepted, possessed, and received a counterfeit and falsely made Permanent Resident card and social security card

from Employee 25.

(z) On or about February 19, 2021, LOLOEE told Department of Labor investigators that he never told any employees to “bring the money back,” in reference to the returned back wage payments.

(aa) On or about February 19, 2021, LOLOEE told Department of Labor investigators that employees had never been paid in cash or in green checks.

(bb) In or about February 2021, LOLOEE provided the Department of Labor with Excel spreadsheets of Viva Supermarket employees at all four Viva Supermarket locations for the period of October 23, 2017, through in or about May 16, 2021. These spreadsheets indicated a 2020 hire date for employees who had been hired well before 2020.

(cc) On or about March 12, 2021, LOLOEE told a Department of Labor investigator that “we have never paid anyone in cash.”

(dd) On or about March 16, 2021, MONTOYA told a Department of Labor investigator that she was not aware of any Viva Supermarket employees returning back wage payments to LOLOEE, and that she did not ask any employees to return the back wage payments.

(ee) On or about March 16, 2021, MONTOYA told a Department of Labor investigator that no Viva Supermarket employee had ever received cash payments, and that all employees have always been paid in paychecks.

(ff) On or about March 22, 2021, during the third Department of Labor investigation, MONTOYA joined and listened in on an employee interview with an agency investigator to influence that employee into denying that he had been asked to repay back wages that LOLOEE had paid him.

(gg) On or about April 2, 2021, after LOLOEE came to possess letters from the Department of Labor attempting to contact Viva Supermarket employees regarding the third investigation commenced in September 2020, LOLOEE claimed to a Department of Labor investigator that the employees had given him

1 the letters voluntarily.

2 (hh) On or about June 17, 2021, LOLOEE stated to Wage and Hour Division
3 Investigators that none of his employees was ever paid in cash, voucher, or green
4 check.

5 (ii) On or about June 21, 2021, specific to the green checks, LOLOEE posited to
6 Department of Labor investigators that his office was broken into a few years ago,
7 and that perhaps the green checks were stolen at that time, as a way to explain
8 Viva Supermarkets employees receiving pay via the green checks.

9 (jj) On or about June 17, 2021, LOLOEE stated to Department of Labor investigators
10 that Fresh Pak Produce, LLC, had been inactive for four years and should not be
11 associated to any wage payments.

12 (kk) On or about June 17, 2021, LOLOEE claimed to Department of Labor
13 investigators that he was not affiliated with Western Union, and did not own or
14 partly own the branch in his store.

15 (ll) In or about June 2022, MONTOYA and LOLOEE accepted and received a
16 counterfeit and falsely made Permanent Resident Card of Employee 19.

17 (mm) In or about June 2022, MONTOYA and LOLOEE hired Employee 19 for a
18 position at Viva Supermarkets.

19 (nn) In or about August 2022, MONTOYA and LOLOEE accepted and received a
20 counterfeit and falsely made Permanent Resident Card of Employee 21.

21 (oo) In or about August 2022, MONTOYA and LOLOEE hired Employee 21 for a
22 position at Viva Supermarkets.

23 All in violation of Title 18, United States Code, Section 371.

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1 COUNT TWO: [18 U.S.C. § 371 – Conspiracy to Defraud the Internal Revenue Service]

2 The Grand Jury charges:

3 SHAHRIR “SEAN” LOLOEE,
4 MIRWAIS SHAMS, and
AHMAD “SHAH” SHAMS,

5 defendants herein, as follows:

6 **THE CONSPIRACY AND ITS OBJECT**

7 1. Beginning in at least in or about July 2016 and continuing through in or about October
8 2023, in the State and Eastern District of California and elsewhere, LOLOEE, M. SHAMS, and S.
9 SHAMS did knowingly and intentionally combine, conspire, confederate, and agree with each other and
10 with others known and unknown to the Grand Jury to defraud the United States for the purpose of
11 impeding, impairing, obstructing, and defeating the lawful government functions of the Internal
12 Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and
13 collection of the revenue. The object of the conspiracy was to defraud the United States for the purpose
14 of impeding, impairing, obstructing, and defeating the lawful government functions of the Internal
15 Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and
16 collection of the revenue, to wit, federal payroll taxes and federal individual income taxes.

17 **MANNER AND MEANS**

18 In furtherance of the conspiracy, LOLOEE, M. SHAMS, and S. SHAMS employed, among
19 others, the following ways and means:

20 2. It was a part of the conspiracy that LOLOEE, M. SHAMS, and S. SHAMS, engaged in
21 and caused others to engage in the conduct described in the Introductory Allegations of this Superseding
22 Indictment. Paragraphs 1 through 14 and 23 through 48 of the Introductory Allegations of this
23 Superseding Indictment are realleged and incorporated by reference as though fully set forth herein.

24 3. It was also a part of the conspiracy that LOLOEE, M. SHAMS, and S. SHAMS
25 committed and caused to be committed the overt acts listed below.

26 **OVERT ACTS**

27 4. In furtherance of said conspiracy and to accomplish its objects, at least one of the
28 conspirators committed, or caused to be committed, in the State and Eastern District of California, the

1 following overt acts, among others:

- 2 (a) In or about 2016 through 2019, M. SHAMS maintained a second set of
3 accounting books tracking off-the-book payments, in an excel spreadsheet he
4 saved as "EXCESS PAYROLL 2016."
- 5 (b) On or about March 23, 2017, LOLOEE emailed his point of contact at Heartland
6 Payroll introducing him to M. SHAMS, who he stated was Viva Supermarkets'
7 new controller, for the purpose of having M. SHAMS upload time clock
8 information to begin processing payroll with Heartland Payroll.
- 9 (c) On or about April 21, 2017, LOLOEE caused to be filed the Form 941
10 Employer's Quarterly Federal Tax Return for SL One, Global, Inc.
- 11 (d) On or about April 21, 2017, LOLOEE caused to be filed the Form 941,
12 Employer's Quarterly Federal Tax Return for SMF Global, Inc.
- 13 (e) On or about August 18, 2017, LOLOEE paid himself wages by causing the
14 issuance of a check to his wife in the amount of \$5,000, via check number 11396
15 from the Cathay Bank Fresh Pak Produce account, with the memo line "Period
16 Ending 08-13-17."
- 17 (f) On or about August 23, 2017, M. SHAMS forwarded S. SHAMS an email from
18 Heartland Payroll informing him of the results of a social security number
19 verification request. The Heartland Payroll email stated that for Uni Foods, Inc.,
20 13 employees verified and 19 failed.
- 21 (g) On or about August 23, 2017, M. SHAMS forwarded S. SHAMS an email from
22 Heartland Payroll informing him of the results of a social security number
23 verification request. The Heartland Payroll email stated that for Nari Trading,
24 Inc., 31 employees verified and 33 failed.
- 25 (h) On or about August 23, 2017, M. SHAMS forwarded S. SHAMS an email from
26 Heartland Payroll informing him of the results of a social security number
27 verification request. The Heartland Payroll email stated that for SL One Global,
28 Inc., 35 employees verified and 43 failed.

- 1 (i) On or about December 1, 2017, S. SHAMS prepared and LOLOEE signed a Fresh
- 2 Pak Produce green check to Employee 14 for wages for six hours of work.
- 3 (j) On or about March 30, 2018, LOLOEE paid himself wages by causing the
- 4 issuance of a check to his wife in the amount of \$5,000, via check number 1815
- 5 from the Food Plus, LLC, Wells Fargo bank account, with the memo line "Period
- 6 Ended 03-25-2018."
- 7 (k) On or about April 27, 2018, LOLOEE paid himself wages in the amount of
- 8 \$5,000, via check number 1837 from the Food Plus, LLC, Wells Fargo bank
- 9 account, with the memo line "Pay Period Ended 04-22-2018."
- 10 (l) On or about August 29, 2018, LOLOEE caused to be filed his Form 1040,
- 11 Individual Income Tax Return for tax year 2017.
- 12 (m) On or about September 23, 2018, S. SHAMS deleted time from his own punch-
- 13 clock recorded hours from the TimeClock Plus application.
- 14 (n) On or about September 24, 2018, M. SHAMS emailed LOLOEE regarding
- 15 issuance of a money order to a worker representing his final paycheck with Viva
- 16 Supermarkets.
- 17 (o) On or about November 23, 2018, M. SHAMS cashed a check made out to himself
- 18 at the Viva Supermarket Norwood location, for pay period ending November 4,
- 19 2018.
- 20 (p) On or about February 14, 2019, M. SHAMS filed his Form 1040, Individual
- 21 Income Tax Return for tax year 2018.
- 22 (q) On or about April 12, 2019, M. SHAMS received wages from Food Plus, LLC,
- 23 via a check made out to "Jan Lee" in the amount of \$1,800.
- 24 (r) On or about April 12, 2019, S. SHAMS received a check in the amount of \$1,340
- 25 from Food Plus, LLC, comprising a portion of his wages for that pay period.
- 26 (s) On or about April 15, 2019, S. SHAMS filed his Form 1040, Individual Income
- 27 Tax Return for tax year 2018.
- 28 (t) On or about April 26, 2019, M. SHAMS received wages from Food Plus, LLC,

1 via a check made out to “Jan Lee” in the amount of \$1,800.

2 (u) On or about April 26, 2019, S. SHAMS received a check in the amount of \$1,340
3 from Food Plus, LLC, comprising a portion of his wages for that pay period.

4 (v) On or about May 10, 2019, S. SHAMS received a check in the amount of \$1,340
5 from Food Plus, LLC, comprising a portion of his wages for that pay period.

6 (w) On or about May 10, 2019, M. SHAMS received wages from Food Plus, LLC, via
7 a check made out to “Jan Lee” in the amount of \$1,800.

8 (x) On or about September 3, 2019, LOLOEE caused to be filed his Form 1040,
9 Individual Income Tax Return for tax year 2018.

10 (y) On or about January 31, 2020, M. SHAMS filed his Form 1040, Individual
11 Income Tax Return for tax year 2019.

12 (z) On or about February 25, 2020, S. SHAMS sent an email to Heartland Payroll
13 requesting that they prepare amended payroll reports retroactively “for pay roll
14 from 01-01-2019 ... to 01-26-2020,” stating “please run additional payroll for it.”

15 (aa) When informed by Heartland Payroll that the amended payroll reports would
16 impact prior quarter tax returns, on or about March 2, 2020, S. SHAMS
17 forwarded a copy of this correspondence to M. SHAMS, stating “please see below
18 email and let me know.”

19 (bb) On or about March 3, 2020, M. SHAMS forwarded the S. SHAMS email
20 regarding the potential tax consequences of amending prior payroll reports to
21 LOLOEE.

22 (cc) On or about April 16, 2020, S. SHAMS filed his Form 1040, Individual Income
23 Tax Return for tax year 2019.

24 (dd) On or about May 28, 2020, M. SHAMS sent LOLOEE a text message listing
25 initials and amounts, including: “M S. 5000”, “J L. 2037,” and “A S. 1226.”

26 (ee) On or about June 30, 2020, LOLOEE texted M. SHAMS regarding a particular
27 Viva Supermarket store employee, inquiring “Did she get Fresh pak checks?”

28 (ff) On or about June 30, 2020, M. SHAMS responded to LOLOEE via text message,

“Only three P P,” indicating the employee in question only received Fresh Pak Produce checks for three pay periods. M. SHAMS then sent an additional text message clarifying, “Average 10 to 15 but three P P full.”

(gg) On or about June 30, 2020, LOLOEE responded to M. SHAMS via text message, “Can you please check the tax returns,” and then sent a second clarifying text, message “Each store individually.”

(hh) On or about August 4, 2020, M. SHAMS sent LOLOEE a text message listing initials and amounts, including: “Mr. S. 5000,” “A S. 1220,” and “J L. 2036.”

(ii) On or about September 23, 2020, LOLOEE caused to be filed his Form 1040, Individual Income Tax Return for tax year 2019.

(jj) On or about November 2, 2020, S. SHAMS, having been informed by email communication from Heartland Payroll that retroactively adding payroll checks onto the Viva Supermarkets payroll account would increase the Viva Supermarkets tax liability by approximately \$27,887.82, falsely responded to Heartland Payroll that Viva Supermarkets had already processed the IRS Forms 1099 for these employees instead, causing Heartland Payroll to cancel the retroactive adjustment to the Viva Supermarkets 2019 payroll.

All in violation of Title 18, United States Code, Section 371.

COUNTS THREE THROUGH SIXTEEN: [18 U.S.C. § 1546(a) – Possession of False Immigration Documents; 18 U.S.C. § 2 – Aiding and Abetting]

The Grand Jury further charges: T H A T

SHAHRIAR “SEAN” LOLOEE and
KARLA MONTOYA,

defendants herein, on or about the dates listed below, in the State and Eastern District of California, did knowingly use, attempt to use, and possess an alien registration receipt card and any document prescribed by statute or regulation as evidence of authorized employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been otherwise procured by fraud and unlawfully obtained, and did knowingly aid, abet, assist, counsel, command, induce, and procure the

same, as set forth more fully in the table below:

Count	On or About Possession Date	Fraudulent Document	Name of Employee
3	June 2018 to October 2023	Social Security card and Permanent Resident Card	Employee 9
4	January 2016 to October 2023	Social Security card and Permanent Resident Card	Employee 10
5	August 2018 to October 2023	Social Security card and Permanent Resident Card	Employee 11
6	March 2017 to March 2021	Social Security card and Permanent Resident Card	Employee 3
7	September 2014 to October 2023	Social Security card and Permanent Resident Card	Employee 12
8	November 2018 to October 2023	Social Security card and Permanent Resident Card	Employee 13
9	January 2016 to September 2020	Social Security card and Permanent Resident Card	Employee 14
10	January 2015 to March 2020	Social Security card and Permanent Resident Card	Employee 1
11	August 2016 to May 2021	Social Security card	Employee 2
12	November 2018 to October 2023	Social Security card and Permanent Resident Card	Employee 15
13	February 2017 to October 2023	Social Security card and Permanent Resident Card	Employee 16
14	April 2018 to October 2023	Social Security card and Permanent Resident Card	Employee 17
15	July 2017 to October 2023	Social Security card and Permanent Resident Card	Employee 18
16	April 2016 to October 2023	Social Security card and Permanent Resident Card	Karla MONTTOYA

All in violation of Title 18, United States Code, Sections 2 and 1546(a).

COUNTS SEVENTEEN THROUGH TWENTY-TWO: [18 U.S.C. § 1546(a) – Possession, Acceptance and Receipt of False Immigration Documents; 18 U.S.C. § 2 – Aiding and Abetting]

The Grand Jury further charges: T H A T

SHAHRIAR “SEAN” LOLOEE and
KARLA MONTTOYA,

defendants herein, on or about the dates listed below, in the State and Eastern District of California, did knowingly use, attempt to use, possess, obtain, accept, and receive an alien registration receipt card and

any document prescribed by statute or regulation as evidence of authorized employment in the United States, knowing it to be forged, counterfeited, altered, and falsely made, and to have been otherwise procured by fraud and unlawfully obtained, and did knowingly aid, abet, assist, counsel, command, induce, and procure the same, as set forth more fully in the table below:

Count	Defendant	On or About Possession, Acceptance, and Receipt Date	Fraudulent Document	Name of Employee
17	LOLOEE	January 2021	Permanent Resident Card and Social Security card	Employee 25
18	LOLOEE, MONTOYA	April 2020	Social Security card	Employee 4
19	LOLOEE, MONTOYA	June 2022	Permanent Resident Card	Employee 19
20	LOLOEE, MONTOYA	April 2023	Permanent Resident Card	Employee 20
21	LOLOEE, MONTOYA	August 2022	Permanent Resident card	Employee 21
22	LOLOEE, MONTOYA	April 2019	Permanent Resident Card and Social Security card	Employee 23

All in violation of Title 18, United States Code, Sections 2 and 1546(a).

COUNT TWENTY-THREE: [18 U.S.C. § 1505 – Obstruction of Agency Proceeding]

The Grand Jury further charges:

SHAHRIAR “SEAN” LOLOEE and
KARLA MONTOYA,

defendants herein, as follows:

1. The factual allegations contained in paragraphs 1 through 33 and 49 through 57 of the Introductory Allegations and paragraphs 3 and 4 of Count One of this Superseding Indictment are realleged and incorporated by reference as though fully set forth herein.

2. From in or about January 2020 through in or about September 2020, in the State and Eastern District of California and elsewhere, LOLOEE and MONTOYA did corruptly influence, obstruct, and impede and endeavor to influence, obstruct, and impede the due and proper administration of the law under which a pending proceeding was being had before any department or agency of the United States, that is, the second Department of Labor Wage and Hour Division investigation of Viva

1 Supermarkets, by, among other actions, directing and causing others to direct certain workers to hide to
2 prevent to those workers from being questioned by agency investigators, and by providing materially
3 false statements to a Department of Labor investigator regarding the employees working at Viva
4 Supermarkets and overtime pay, in violation of Title 18, United States Code, Sections 2 and 1505.

5 COUNT TWENTY-FOUR: [18 U.S.C. § 1505 – Obstruction of Agency Proceeding]

6 The Grand Jury further charges:

7 SHAHRIAR “SEAN” LOLOEE and
8 KARLA MONTOYA,

9 defendants herein, as follows:

10 1. The factual allegations contained in paragraphs 1 through 33 and 49 through 57 of the
11 Introductory Allegations and paragraphs 3 and 4 of Count One of this Superseding Indictment are
12 realleged and incorporated by reference as though fully set forth herein.

13 2. From in or about November 2020 through in or about July 2021, in the State and Eastern
14 District of California and elsewhere, LOLOEE and MONTOYA did corruptly influence, obstruct, and
15 impede, and endeavor to influence, obstruct, and impede the due and proper administration of the law
16 under which a pending proceeding was being had before any department or agency of the United States,
17 that is, the third Department of Labor Wage and Hour Division investigation of Viva Supermarkets, by,
18 among other actions, demanding investigation letters received by employees as a means of obstructing
19 employee participation in the investigation, by directing at least one employee to lie to agency
20 investigators about her employment start date, by listening in on an employee interview with an agency
21 investigator for the purpose of influencing the employee to make materially false statements, and by
22 providing materially false statements to Department of Labor investigators regarding the manner of
23 payments to employees working at Viva Supermarkets and overtime pay, in violation of Title 18, United
24 States Code, Sections 2 and 1505.

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COUNTS TWENTY-FIVE THROUGH TWENTY-SEVEN: [18 U.S.C. § 1519 – Falsification of Records]

The Grand Jury further charges:

SHAHRIAR “SEAN” LOLOEE,
defendant herein, as follows:

1. The factual allegations contained in paragraphs 1 through 33 and 49 through 57 of the Introductory Allegations and paragraphs 3 and 4 of Count One of this Superseding Indictment are realleged and incorporated as though fully set forth herein.

2. On or about the following dates, in the State and Eastern District of California and elsewhere, LOLOEE did knowingly alter, falsify, and make a false entry in a record and document with the intent to impede, obstruct, and influence the investigation and proper administration of a matter within the jurisdiction of any department or agency of the United States, that is, the Department of Labor Wage and Hour Division investigations of Viva Supermarkets, as detailed more fully in the table below:

Count	On or About Date	Document	Matter
25	May 2020	List of Viva Supermarket (Norwood location) employees from February 2018 through February 2020	Second Wage and Hour Division investigation
26	November 2020	List of Viva Supermarket (Norwood location) employees from February 2020 through November 2020	Third Wage and Hour Division investigation
27	February 2021	Excel Spreadsheet lists of Viva Supermarket (all locations) employees from October 2017 through February 2021	Third Wage and Hour Division investigation

All in violation of Title 18, United States Code, Sections 2 and 1519.

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COUNTS TWENTY-EIGHT THROUGH FORTY-THREE: [26 U.S.C. § 7202 – Willful Failure to Collect or Pay Over Tax]

The Grand Jury further charges:

SHAHRIAR “SEAN” LOLOEE,
defendant herein, as follows:

1. The factual allegations contained in paragraphs 1 through 14 and 23 through 48 of the Introductory Allegations and paragraphs 3 and 4 of Count Two of this Superseding Indictment are realleged and incorporated as though fully set forth herein.

2. At all times relevant to this Superseding Indictment, LOLOEE was a person required to collect, account for on quarterly Forms 941, and pay over to the IRS on behalf of each entity listed in the table below, the federal payroll taxes imposed on the employees of those entities by the Internal Revenue Code.

3. On or about the dates listed below, in the State and Eastern District of California and elsewhere, LOLOEE did willfully fail to collect, truthfully account for, and pay over the federal payroll taxes due and owing to the Internal Revenue Service, for the entities and calendar quarters set forth in the table below:

Count	On or About Filing Date of Return	Entity	Period	Approximate Unpaid Balance of Federal Payroll Taxes
28	April 21, 2017	SL One Global, Inc.	Q1 2017	\$11,408
29	July 21, 2017	SL One Global, Inc.	Q2 2017	\$12,071
30	November 7, 2017	SL One Global, Inc.	Q3 2017	\$13,265
31	January 25, 2018	SL One Global, Inc.	Q4 2017	\$5,475
32	April 21, 2017	SMF Global, Inc.	Q1 2017	\$1,871

33	July 21, 2017	SMF Global, Inc.	Q2 2017	\$2,004
34	November 7, 2017	SMF Global, Inc.	Q3 2017	\$2,481
35	January 28, 2018	SMF Global, Inc.	Q4 2017	\$398
36	April 21, 2017	Nari Trading, Inc.	Q1 2017	\$4,810
37	July 21, 2017	Nari Trading, Inc.	Q2 2017	\$4,341
38	November 7, 2017	Nari Trading, Inc.	Q3 2017	\$8,585
39	January 28, 2018	Nari Trading, Inc.	Q4 2017	\$1,752
40	April 21, 2017	Uni Foods, Inc.	Q1 2017	\$5,130
41	July 21, 2017	Uni Foods, Inc.	Q2 2017	\$5,871
42	November 7, 2017	Uni Foods, Inc.	Q3 2017	\$7,081
43	January 28, 2018	Uni Foods, Inc.	Q4 2017	\$1,183

All in violation of Title 26, United States Code, Sections 2 and 7202.

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COUNTS FORTY-FOUR THROUGH FIFTY: [26 U.S.C. § 7206(1) – False Tax Return]

The Grand Jury further charges:

SHAHRIAR “SEAN” LOLOEE,
MIRWAIS SHAMS,
AHMAD “SHAH” SHAMS,

defendants herein, on or about the dates listed below, in the State and Eastern District of California and elsewhere, did willfully make and subscribe, and file and cause to be filed with the Internal Revenue Service, a U.S. Individual Tax Return, Form 1040, for the calendar years listed below, which was verified by a written declaration that it was made under the penalties of perjury and which the defendant specified for each count did not believe to be true and correct as to every material matter, as set forth in the table below:

Count	Defendant	On or About Date	Event	Tax Year	False Declaration
44	LOLOEE	August 29, 2018	Signature Authorization	2017	Form 1040 did not report approximately \$28,192 in wages received from Food Plus, LLC
45	LOLOEE	August 22, 2019	Signature Authorization	2018	Form 1040 did not report approximately \$62,500 in wages received from Food Plus, LLC
46	LOLOEE	September 20, 2020	Signature Authorization	2019	Form 1040 did not report approximately \$67,500 in wages received from Food Plus, LLC
47	M. SHAMS	February 14, 2019	Electronic Filing	2018	Form 1040 did not include approximately \$36,600 in wages from Food Plus, LLC
48	M. SHAMS	January 31, 2020	Electronic Filing	2019	Form 1040 did not include approximately \$37,950 in wages from Food Plus, LLC
49	S. SHAMS	April 15, 2019	Electronic Filing	2018	Form 1040 did not include approximately \$27,681 in wages from Food Plus, LLC
50	S. SHAMS	April 16, 2020	Electronic Filing	2019	Form 1040 did not include approximately \$27,190 in wages from Food Plus, LLC

1 All in violation of Title 26, United States Code, Sections 2 and 7206(1).

2 COUNTS FIFTY-ONE THROUGH FIFTY-THREE: [18 U.S.C. § 1343 – Wire Fraud]

3 The Grand Jury further charges:

4 SHAHRIAR “SEAN” LOLOEE,
5 defendant herein, as follows:

6 **BACKGROUND**

7 At all relevant times,

8 ***The Small Business Administration***

9 1. The United States Small Business Administration (“SBA”) was an executive-branch
10 agency of the United States government that provided support to entrepreneurs and small businesses.
11 The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the
12 establishment and viability of small businesses and by assisting in the economic recovery of
13 communities after disasters.

14 ***The Restaurant Revitalization Fund***

15 2. The American Rescue Plan Act of 2021 (“ARP”) was a federal law enacted in or around
16 March 2021 that was designed to provide emergency financial assistance to the millions of Americans
17 suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the
18 ARP was the authorization of up to \$28.6 billion in funding to restaurants and other eligible businesses
19 for payroll and certain other expenses, through a program referred to as the Restaurant Revitalization
20 Fund (“RRF”). The purpose of the RRF was to support the restaurant industry by providing funding to
21 those that had suffered significant pandemic-related revenue loss. The RRF also included specific
22 requirements to ensure equitable distribution to small business concerns owned by women, veterans, and
23 socially and economically disadvantaged applicants.

24 3. Under the RRF, the SBA provided funding of up to \$5,000,000 per location (not to
25 exceed \$10,000,000 total for the applicant and any affiliated businesses) for applicants who met certain
26 conditions. The amount of an applicant’s RRF award was calculated as the applicant’s 2019 gross
27 receipts, minus the applicant’s 2020 gross receipts, minus the amount of any loans the applicant may
28 have received under the Paycheck Protection Program, which was a source of relief provided by the

1 Coronavirus Aid, Relief, and Economic Security Act.

2 4. RRF awardees were not required to repay funds received under the RRF unless the funds
3 were used for unauthorized purposes, if the funds were not used by March 11, 2023, or the awardee
4 permanently closed before using all funds on authorized purposes. Authorized purposes included,
5 among other things, payroll costs, payments on any business mortgage, business rent payments, business
6 debt service, business utility payments, business maintenance expenses, construction of outdoor seating,
7 business supplies, business food and beverage expenses, covered supplier costs, and business operating
8 expenses.

9 5. To obtain RRF funds, a qualifying business had to submit an application signed by an
10 Authorized Representative of the business. The RRF application required the business, through its
11 Authorized Representative, to make certain affirmative certifications to be eligible to obtain the RRF
12 funds. In the RRF application, the business, through its Authorized Representative, had to state, among
13 other things: (a) its 2019 gross receipts as reported on its 2019 federal tax return; (b) its 2020 gross
14 receipts as reported or to be reported on its 2020 federal tax return; (c) that the business had not
15 permanently closed; and (d) that current economic uncertainty made the funding request necessary to
16 support the ongoing or anticipated operations of the applicant. The Authorized Representative also had
17 to certify that, by March 11, 2023, he or she would certify to the SBA that the business used all of the
18 RRF funds only for authorized purposes. Additionally, the Authorized Representative had to certify that
19 he or she understood that knowingly making a false statement to obtain a grant from SBA is punishable
20 as a crime.

21 6. RRF applications were received through a cloud-based platform through the AWS GOV
22 server located in Oregon. The SBA transmitted RRF funds to awardees through the United States
23 Department of Treasury's Financial Management Service ("FMS") server located in Virginia.

24 **SCHEME TO DEFRAUD**

25 7. From on or about May 3, 2021, through on or about March 11, 2023, in the State and
26 Eastern District of California, defendant SHAHRIAR "SEAN" LOLOEE knowingly devised, intended
27 to devise, and participated in a material scheme and artifice to defraud and to obtain money by means of
28 materially false and fraudulent pretenses, representations, promises, half-truths, and the concealment of

1 material facts.

2 **PURPOSE OF THE SCHEME**

3 8. The purpose of the scheme and artifice to defraud was for LOLOEE to enrich himself
4 unlawfully by obtaining RRF funds through the submission of fraudulent RRF applications to the SBA.

5 **MANNER AND MEANS**

6 In furtherance of the scheme and artifice to defraud, LOLOEE employed, among others, the
7 following manner and means:

8 9. LOLOEE submitted and caused to be submitted two fraudulent RRF applications to the
9 SBA for the purpose of obtaining RRF funds.

10 10. On or about May 3, 2021, LOLOEE submitted and caused to be submitted to the SBA an
11 RRF application on behalf of SMF Global, Inc., that he signed as the corporation's Authorized
12 Representative. In the application, LOLOEE listed himself as the 100% owner of SMF Global, Inc., and
13 requested that RRF funds be deposited in a Cathay Bank account he controlled that was held in the name
14 of SMF Global, Inc. LOLOEE included in the SMF Global, Inc., application materially false and
15 fraudulent information, including a representation that SMF Global, Inc.'s 2020 gross receipts were
16 approximately \$3,800,000, when he knew the actual gross receipts were much greater than that amount
17 and, in fact, were approximately \$5,800,000. LOLOEE fraudulently reported SMF Global, Inc.'s gross
18 receipts because he knew that, if he reported the actual amount, SMF Global, Inc., would be ineligible to
19 receive RRF funds. Based on his false and fraudulent representation of SMF Global, Inc.'s 2020 gross
20 receipts, LOLOEE requested approximately \$1,039,000 in RRF funds. The SBA denied LOLOEE's
21 request because he was unable to establish that SMF Global, Inc., qualified as a type of business eligible
22 to receive RRF funds.

23 11. On or about May 3, 2021, LOLOEE submitted and caused to be submitted to the SBA an
24 RRF application on behalf of Nari Trading, Inc., that he signed as the corporation's Authorized
25 Representative. In the application, LOLOEE listed himself as the 100% owner of Nari Trading, Inc.,
26 and requested that RRF funds be deposited in a Cathay Bank account he controlled that was held in the
27 name of Nari Trading, Inc. LOLOEE made materially false and fraudulent representations in the Nari
28 Trading, Inc., application, including a representation that Nari Trading, Inc.'s 2020 gross receipts were

approximately \$5,200,000, when he knew the actual gross receipts were much greater than that amount and, in fact, were approximately \$7,700,000. LOLOEE fraudulently reported Nari Trading, Inc.'s gross receipts because he knew that, if he reported the actual amount, Nari Trading, Inc., would be ineligible to receive RRF funds. Based on his false and fraudulent representation of Nari Trading, Inc.'s 2020 gross receipts, LOLOEE requested and received approximately \$1,200,000 in RRF funds.

12. LOLOEE's false representations regarding the 2020 gross receipts of SMF Global, Inc. and Nari Trading, Inc. in his RRF applications had a natural tendency to influence, and were capable of influencing, SBA's decision whether to provide these companies RRF funds, and if so how much to provide. Businesses with a net increase in gross receipts from 2019 to 2020 were not eligible to receive RRF funds at all. For businesses with a net decrease in gross receipts from 2019 to 2020, the amount of RRF funding available depended on the size of that net decrease. By falsely reducing the 2020 gross receipts reported on his RRF applications, LOLOEE made his businesses appear eligible for over \$2 million in RRF funding to which they were not entitled.

USE OF THE INTERSTATE WIRES

13. On or about the dates listed below, in the State and Eastern District of California and elsewhere, for the purpose of executing the aforementioned scheme and artifice to defraud and attempting to do so, LOLOEE, as more specifically charged below, knowingly transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce the following writings, signs, signals, pictures, and sounds:

Count	On or About Date	Wire Description
51	May 3, 2021	Transmission of an RRF application to the SBA on behalf of SMF Global, Inc.
52	May 3, 2021	Transmission of an RRF application to the SBA on behalf of Nari Trading, Inc.
53	May 25, 2021	ACH transfer of approximately \$1,198,486.71 from the SBA through the FMS to a Cathay Bank account ending 8380 in the name of Nari Trading, Inc., dba Viva Supermarket #4

All in violation of Title 18, United States Code, Sections 2 and 1343.

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COUNTS FIFTY-FOUR THROUGH FIFTY-SIX: [18 U.S.C. § 1956(a)(1)(B)(i) – Money Laundering]

The Grand Jury further charges:

SHAHRIAR “SEAN” LOLOEE

defendant herein, as follows:

1. Paragraphs 1 through 12 of Counts Fifty-One through Fifty-Three of this Superseding Indictment are realleged and incorporated by reference as if fully set forth herein.

2. Following receipt of the funds referenced in Count Fifty-Three above, from on or about June 18, 2021, through on or about July 6, 2021, LOLOEE engaged in multiple transactions involving the SBA funds that resulted in approximately \$949,900 being deposited into a Bank of America trust account ending 6504 in the name of one of LOLOEE’s family members (“Trust Account”). Each of the transactions flowed from the Cathay Bank account ending 8380 in the name of Nari Trading Inc., dba Viva Supermarket #4 (“Nari Trading Account”), through business accounts held in the names of other corporations LOLOEE controlled and a Bank of America account ending 1529 in the names of LOLOEE and one of his family members (“LOLOEE Account”). LOLOEE initiated the movement of funds with 10 checks that he signed, all bearing the same issue date of June 18, 2021. LOLOEE completed the movement of funds with three bank transfers totaling approximately \$949,900. Below is a summary of the transactions:

a. Funds flowing from the Nari Trading Account through Cathay Bank account ending 2153 in the name of Uni Foods Inc., dba Viva Supermarket #2 (“Uni Foods Account”), to the LOLOEE Account:

Apx. Check Issue Date	Apx. Deposit Date	Check No.	Apx. Check Amount	Deposit Account	Memo
6/18/21	6/21/21	11465	\$82,800	Uni Foods Account	Return of Loan
6/18/21	6/28/21	11010	\$41,400	LOLOEE Account	Return of Loan
6/18/21	6/23/21	11011	\$41,400	LOLOEE Account	Return of Loan

b. Funds flowing from the Nari Trading Account through Cathay Bank account ending 6620 in the name of SMF Global Inc., dba Viva Supermarket #3 (“SMF Global Account”), to the LOLOEE Account:

Apx. Check Issue Date	Apx. Deposit Date	Check No.	Apx. Check Amount	Deposit Account	Memo
6/18/21	6/21/21	11464	\$86,314.54	SMF Global Account	Return of Loan
6/18/21	6/23/21	11631	\$43,157.27	LOLOEE Account	Return of Loan
6/18/21	6/21/21	11632	\$43,157.27	LOLOEE Account	Return of Loan

- c. Funds flowing from the Nari Trading Account through Cathay Bank account ending 1041 in the name of SL One Global Inc., dba Viva Supermarket #3 ("SL One Account"), to the LOLOEE Account

Apx. Check Issue Date	Apx. Deposit Date	Check No.	Apx. Check Amount	Deposit Account	Memo
6/18/21	6/21/21	11463	\$780,805.46	SL One Account	Return of Loan
6/18/21	6/23/21	49670	\$260,268.48	LOLOEE Account	Return of Loan
6/18/21	6/21/21	49671	\$260,268.48	LOLOEE Account	Return of Loan
6/18/21	6/28/21	49672	\$260,268.48	LOLOEE Account	Return of Loan

- d. Bank transfers from the LOLOEE Account to the Trust Account:

Apx. Transfer Date	Apx. Transfer Amount
6/28/21	\$393,500
6/30/21	\$301,700
7/6/21	\$254,700
Total:	\$949,900

3. On or about the dates set forth in the table below, in the State and Eastern District of California, and elsewhere, LOLOEE knowingly conducted and attempted to conduct financial transactions affecting interstate and foreign commerce that involved the proceeds of a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity:

Count	On or About Date	Amount (approximate)	Transaction
54	June 28, 2021	\$393,500	Transfer from LOLOEE Account to Trust Account
55	June 30, 2021	\$301,700	Transfer from LOLOEE Account to Trust Account
56	July 6, 2021	\$254,700	Transfer from LOLOEE Account to Trust Account

All in violation of Title 18, United States Code, Sections 2 and 1956(a)(1)(B)(i).

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1 COUNT FIFTY-SEVEN: [18 U.S.C. § 1623(a) – Perjury]

2 The Grand Jury further charges:

3 AHMAD “SHAH” SHAMS,
4 defendant herein, as follows:

5 1. On or about November 30, 2023, in the State and Eastern District of California, while
6 under oath and testifying in a proceeding before a federal grand jury of the United States in the Eastern
7 District of California, knowingly did make material false declarations, that is:

8 (a) At the time and place alleged, the grand jury was conducting an investigation to
9 determine whether violations of Title 26, United States Code, Section 7202 and 7206, as well as Title
10 18, United States Code, Section 371 had been committed with respect to the off-the-books payment
11 scheme described in Counts Two and Twenty-Eight through Fifty of this Superseding Indictment. It
12 was material to said investigation that the grand jury ascertain whether Fresh Pak Produce was involved
13 in facilitating off-the-books payments to Viva Supermarkets employees, whether employees were being
14 paid off-the-books, and who had knowledge of and involvement in any such off-the-books payments,
15 among other aspects of the investigation.

16 (b) At the time and place alleged, S. SHAMS appearing as a witness under oath at a
17 proceeding before the grand jury knowingly made the false declarations underlined below in response to
18 questions with respect to the material matter alleged:

19 Q: Have you ever heard of an entity called Fresh Pak
20 Produce?

21 S. SHAMS: No.

22 Q: Okay. Have you ever heard of an entity called SL
23 One?

24 S. SHAMS: Yes.

25 Q: What is that?

26 S. SHAMS: This is the Viva Supermarket No. 1. It called – it’s
27 One Global I-n-c., and dba vivasupermarkets.com.

28 Q: Were you ever paid in cash?

1 S. SHAMS: No.

2
3 Q: Okay. So for the entire time from 2016 to present,
4 you've been paid on checks issued by a bank that
5 you could deposit in your bank?

6 S. SHAMS: Yes, ma'am

7 ...

8 Q: Okay. I want to ask you again about Fresh Pak
9 Produce, which you said before does not sound
10 familiar to you.

11 S. SHAMS: Yeah. No. The things I know is SL One, Nari
12 Trading, SMF, and FoodPlus.

13 Q: So if we were to see checks, what look like checks,
14 from Fresh Pak Produce, made out to you, in your
15 name, what would be the explanation for that?

16 S. SHAMS: I didn't recall anything like that.

17 Q: Okay. Do you think -- now, this would have been a
18 while ago. This would have been in 2017. As you
19 think back, do you think it's possible you might
20 have received checks at some point from Fresh Pak
21 Produce?

22 S. SHAMS: I don't remember anything from 2017 to now. I
23 don't remember.

24 2. The underlined testimony of S. SHAMS, as he then and there well knew and believed,
25 was false in that, among other things, he had heard of an entity called Fresh Pak Produce, he himself was
26 paid off-the-books wages, and he did remember Fresh Pak Produce and receiving off-the-books wages
27 from Fresh Pak Produce.

28 All in violation of Title 18, United States Code, Section 1623(a).

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1 COUNTS FIFTY-EIGHT: [18 U.S.C. § 1623(a) – Perjury]

2 The Grand Jury further charges:

3 AHMAD “SHAH” SHAMS,

4 defendant herein, as follows:

5 1. On or about November 30, 2023, in the State and Eastern District of California, while
6 under oath and testifying in a proceeding before a federal grand jury of the United States in the Eastern
7 District of California, knowingly did make material false declarations, that is:

8 (a) At the time and place alleged, the grand jury was conducting an investigation to
9 determine whether violations of Title 26, United States Code Section 7202 and 7206, as well as Title 18,
10 United States Code 371 had been committed with respect to the off-the-books payment scheme
11 described in Counts Two and Twenty-Eight through Fifty of this Superseding Indictment. It was
12 material to said investigation that the grand jury ascertain whether, among other things, off-the-books
13 wages were being paid to S. SHAMS and others, and whether any such off-the-books payments were
14 being reported to the Internal Revenue Service for tax purposes, among other aspects of the
15 investigation.

16 (b) At the time and place alleged, S. SHAMS appearing as a witness under oath at a
17 proceeding before the grand jury knowingly made the false declarations underlined below in response to
18 questions with respect to the material matter alleged:

19 ///

20 ///

21 ///

22 ///

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24 ///

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28 ///

1 Q: Okay. You file your taxes every year?

2 S. SHAMS: Yes.

3 Q: All right. Do you report all of your income earned

4 on your taxes?

5 S. SHAMS: Yes.

6 Q: Okay. And that includes any paychecks that you

7 may receive from Mr. Loloee or from Viva

8 Supermarkets?

9 S. SHAMS: Yes.

10 ...

11 Q: Okay. If I say an off-the-book payment, do you

12 understand what that phrase means?

13 S. SHAMS: No. What this phrase means?

14 Q: An employer might give you a regular paycheck

15 and you report that paycheck on your taxes, usually

16 with a Form W-2. Does that sound familiar so far?

17 S. SHAMS: Yes. Each year, I get my W-2.

18 Q: Okay. An off-the-book payment would be, in

19 addition to doing that, the employer could also give

20 you cash, or the employer could also give you a

21 check from a different company so that when you

22 file your income taxes, you wouldn't have a W-2

23 that related to that money, but it would still be

24 income from your employer. That would be what I

25 refer to as an off-the-book payment.

26 S. SHAMS: No. When I get my payment, everything is in that

27 check, and it's on my W-2.

28 Q: Have you ever heard of anyone at Viva

Supermarkets being paid off the books?

S. SHAMS: No. I didn't hear.

2. The underlined testimony of S. SHAMS, as he then and there well knew and believed, was false in that, among other things, S. SHAMS did not report all of his income earned on his tax returns, S. SHAMS did not report the income from all checks he received from LOLOEE, S. SHAMS's full wages were not fully reported on his W-2 forms, and S. SHAMS did in fact hear of employees being paid off the books at Viva Supermarkets, including because S. SHAMS himself received off-the-books

wages from Fresh Pak Produce and he caused the preparation of off-the-books Fresh Pak Produce checks to others.

All in violation of Title 18, United States Code, Section 1623(a).

FORFEITURE ALLEGATION: [18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), and 28 U.S.C. § 2461(c) – Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts Two and Fifty-One through Fifty-Three of this Superseding Indictment, defendants SHAHRIAR “SEAN” LOLOEE, MIRWAIS SHAMS, and AHMAD “SHAH” SHAMS shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), all property, real and personal, which constitutes or is derived from proceeds traceable to such violations, including but not limited to the following:

- a. Approximately \$949,900.00 seized from Bank of America account number 0024 5216 6504,
- b. Approximately \$50,000.00 seized from Five Star Bank account number 3303096,
- c. Approximately \$22,465.94 seized from Cathay Bank account number 0022214070, and
- d. A sum of money equal to the total amount of proceeds traceable to such offenses, for which defendant is convicted.

2. Upon conviction of one or more of the offenses alleged in Counts Fifty-Four through Fifty-Six of this Superseding Indictment, defendant SHAHRIAR “SEAN” LOLOEE shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(1), any property, real or personal, involved in such offenses, and any property traceable to such property, including but not limited to the following:

- a. Approximately \$949,900.00 seized from Bank of America account number 0024 5216 6504,
- b. Approximately \$50,000.00 seized from Five Star Bank account number 3303096,
- c. Approximately \$22,465.94 seized from Cathay Bank account number 0022214070, and
- d. A sum of money equal to the amount of money involved in the offenses, for which defendant is convicted.

3. If any property subject to forfeiture, as a result of the offenses alleged in Counts Two, and Fifty-One through Fifty-Six of this Superseding Indictment, for which defendants are convicted:

- 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 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of defendant, up to the value of the property subject to forfeiture.

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON


PHILLIP A. TALBERT
United States Attorney

No. _____

UNITED STATES DISTRICT COURT

Eastern District of California

Criminal Division

THE UNITED STATES OF AMERICA

vs.

SHAHRIAR "SEAN" LOLOEE
KARLA MONTOYA
MIRWAIS SHAMS, and
AHMAD "SHAH" SHAMS

SUPERSEDING INDICTMENT

18 U.S.C. § 371 – Conspiracy to Defraud the Department of Labor, to Commit Immigration Document Fraud, and to Obstruct Justice; 18 U.S.C. § 371 – Conspiracy to Defraud the Internal Revenue Service; 18 U.S.C. § 1546(a) – Possession of False Immigration Documents (14 counts); 18 U.S.C. § 1546(a) – Possession, Acceptance and Receipt of False Immigration Documents (6 counts); 18 U.S.C. § 1505(c) – Obstruction of Agency Proceedings (2 counts); 18 U.S.C. § 1519 – Falsification of Records (3 counts); 26 U.S.C. § 7202 – Willful Failure to Collect or Pay Over Tax (16 counts); 26 U.S.C. § 7206(1) – False Tax Return (7 counts); 18 U.S.C. § 1343 – Wire Fraud (3 counts); 18 U.S.C. § 1956 – Money Laundering (3 counts); 18 U.S.C. § 1623(a) – Perjury (2 counts); 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), and 28 U.S.C. § 2461(c) – Criminal Forfeiture

A true bill,

/s/ Signature on file w/AUSA

Foreman.

Filed in open court this _____

of March 21, 2024, *A.J.*

/s/ Shelly Her


DEBORAH BARNES
UNITED STATES MAGISTRATE JUDGE

Bail, \$ No further process necessary as to defendants Loloe and Montoya
No bail bench warrants for defendants Mirwais Shams and Ahmad
Shams. _____

United States v. Loloe, et al.
Penalties for Indictment

Defendants

SHAHRIAR LOLOEE
KARLA MONTTOYA
MIRWAIS SHAMS
AHMAD "SHAH" SHAMS

COUNT 1: **LOLOEE and MONTTOYA**

VIOLATION: 18 U.S.C. § 371 – 18 U.S.C. § 371 – Conspiracy to Defraud the
Department of Labor, to Commit Immigration Document Fraud, and to
Obstruct Justice

PENALTIES: Up to five years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 2: **LOLOEE, MIRWAIS SHAMS, and AHMAD "SHAH" SHAMS**

VIOLATION: 18 U.S.C. § 371 – Conspiracy to Defraud the Internal Revenue Service

PENALTIES: Up to ten years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 3-16: **LOLOEE and MONTTOYA**

VIOLATION: 18 U.S.C. § 1546(a) – Possession of False Immigration Documents

PENALTIES: Up to ten years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

COUNTS 17-22: **LOLOEE and MONTTOYA**

VIOLATION: 18 U.S.C. § 1546(a) – Possession, Acceptance and Receipt of False
Immigration Documents

PENALTIES: Up to five years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment

Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 23: **LOLOEE**

VIOLATION: 18 U.S.C. § 1505 – Obstruction of Agency Proceeding

PENALTIES: Up to twenty years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 24: **LOLOEE and MONTTOYA**

VIOLATION: 18 U.S.C. § 1505 – Obstruction of Agency Proceeding

PENALTIES: Up to twenty years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

COUNTS 25-27: **LOLOEE**

VIOLATION: 18 U.S.C. § 1519 – Falsification of Records

PENALTIES: Up to twenty years' imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 28-43: **LOLOEE**

VIOLATION: 26 U.S.C. § 7202 – Willful Failure to Collect or Pay Over Tax

PENALTIES: Up to five years' imprisonment;
Fine of up to \$10,000; or both fine and imprisonment, together with the
costs of prosecution
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 44-50: **LOLOEE, MIRWAIS SHAMS, and AHMAD “SHAH” SHAMS**

VIOLATION: 26 U.S.C. § 7206(1) – False Tax Return

PENALTIES: Up to three years’ imprisonment;
Fine of up to \$100,000; or both fine and imprisonment, together with the costs of prosecution
Supervised release of up to 1 year

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 51-53: **LOLOEE**

VIOLATION: 18 U.S.C. § 1343 – Wire Fraud

PENALTIES: Up to twenty years’ imprisonment; or
Fine of up to \$250,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNTS 54-56: **LOLOEE**

VIOLATION: 18 U.S.C. § 1956(a)(1)(B)(i) – Money Laundering

PENALTIES: Up to twenty years’ imprisonment; or
Fine of up to \$500,000; or both fine and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 57: **AHMAD “SHAH” SHAMS**

VIOLATION: 18 U.S.C. § 1623(a) – Perjury

PENALTIES: Up to five years’ imprisonment; or
Fine of up to \$250,000; or both and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

COUNT 58: **AHMAD “SHAH” SHAMS**

VIOLATION: 18 U.S.C. § 1623(a) – Perjury

PENALTIES: Up to five years’ imprisonment; or
Fine of up to \$250,000; or both and imprisonment
Supervised release of up to 3 years

SPECIAL ASSESSMENT: \$100 (mandatory on each count)

FORFEITURE ALLEGATION: **LOLOEE, MIRWAIS SHAMS, and AHMAD “SHAH” SHAMS**

VIOLATION: 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(1), and 28 U.S.C. § 2461(c)
– Criminal Forfeiture

PENALTIES: As stated in the charging document