

JD:TAW/DJL
F. #2017R00702

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

- against -

ZAINOELBAKS KARIMBUX, and
GURSIMARDEEP SINGH,

Defendants.

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EASTERN DISTRICT OF NEW YORK, SS:

WILLIAM DUFFIN, being duly sworn, deposes and states that he is a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations, duly appointed according to law and acting as such.

In and between October 2014 and August 2016, within the Eastern District of New York and elsewhere, the defendants ZAINOELBAKS KARIMBUX and GURSIMARDEEP SINGH did knowingly and with intent to defraud did traffic in and use one or more unauthorized access devices, in a manner affecting interstate commerce, and by such conduct did obtain something of value during any one year period, the aggregated value of which is equal to or greater than \$1,000.

(Title 18, United States Code, Section 1029(b)(2))

To Be Filed Under Seal

AFFIDAVIT AND
COMPLAINT IN SUPPORT
OF APPLICATION FOR
ARREST WARRANT

(18 U.S.C. § 1029(b)(2))

19-M-572

The source of your deponent's information and the grounds for his belief are as follows:¹

1. I am a Special Agent with the United States Department of Homeland Security, Homeland Security Investigations ("HSI"). I am currently assigned to the El Dorado Task Force ("Task Force"), a multi-agency federal and state task force investigating financial crimes. My duties include conducting and assisting in investigations into various financial frauds including access device fraud and identity theft. I have participated in numerous investigations involving financial frauds, during the course of which I have interviewed suspects and witnesses, executed court-authorized search and arrest warrants and used other investigative techniques to secure relevant information, including the examination of computers and other electronic devices. As a result of my training and experience, I am familiar with the techniques and methods of operation used by individuals involved in criminal activity to carry out their activities. I am familiar with the facts and circumstances set forth below from my participation in the investigation, discussions with other law enforcement officials, my review of documents and my training and experience. Statements attributable to individuals herein are set forth in sum and substance. Where the contents of documents and the actions, statements and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest, I have not described all the relevant facts and circumstances of which I am aware.

2. During the course of my work as an agent, I have been involved **IN** investigations of what are commonly referred to as credit card bust-out schemes and synthetic identity fraud schemes.

3. In a credit card bust-out scheme, individuals possessing counterfeit or unauthorized credit cards typically take their credit cards to collusive merchants who make fraudulent charges on these cards. These fraudulent charges include, but are not limited to, charges that purport to be for merchandise or services, but for which no actual merchandise or services are exchanged, and charges for which the collusive merchants and credit card holders know the card issuer will never be paid. Frequently, the collusive merchant is paid a fee by the credit card holder, often a percentage of the value of the fraudulent charges, for the fraudulent use of the credit cards. Collusive merchants typically keep between 10 and 25 percent of the amount of the charge. In order to pay the cardholder his share, the collusive merchant must pay by check from the collusive bank account or withdraw cash, which is preferable to the cardholder because there is no paper trail. However, frequent cash withdrawals raise the awareness of banks so it is not uncommon for coconspirators to use both methods.

4. In a synthetic identity fraud scheme, the perpetrators of the scheme will typically open bank and credit card accounts in the names of one or more other individuals. The putative account holders are not real people. Rather, the perpetrators combine various pieces of personal identifier information (e.g., names, dates of birth, addresses and Social Security numbers) from different individuals, either real or fictitious, to create a fictitious synthetic identity that appears, for all intents and purposes, to represent a real person but, in reality, does not. The perpetrators typically open various types of accounts at different

financial institutions for a given synthetic identity using the same synthetically-combined personal identifier information. Possession and use of a stable of synthetic identities frequently permits fraud perpetrators to commit a substantial number of credit card bust-out frauds.

SUMMARY

5. As set forth below, the defendants' engaged in several schemes involving credit bust outs. Two of the schemes were conducted individually and one was conducted jointly. The common factor to all of these schemes is the use of synthetic identities.

6. The defendant KARIMBUX is also believed to have controlled at least one company with a legitimate business purpose, but which was also used to accept purchases from fraudulent credit cards controlled by SINGH and others. KARIMBUX's company is named Limo Lease Inc. (the "Collusive Merchant Company") and was used as a collusive merchant in order to accept charges from synthetic identities. KARIMBUX is the President of the Collusive Merchant Company and the company is registered to KARIMBUX's home address.

7. The defendant SINGH is believed to have created the synthetic identify "Sukhpal Singh," which he used to open bank and credit card accounts in furtherance of the bust out scheme.

8. As described in further detail below, using evidence of surveillance photographs, addresses, Internet Protocol ("IP") addresses, bank accounts, and fraudulent purchases made through shell companies, KARIMBUX was identified as a participant in related credit card fraud and line of credit.

9. From approximately September 2015 to December 2015, the Collusive Merchant Company accepted more than \$22,000 in fraudulent credit card purchases from credit cards in the names of synthetic identities. Controlled by his coconspirators. During that same period, more than \$82,000 was withdrawn in cash from accounts held in the name of the Collusive Merchant Company. Also during that same period, the Merchant Company wrote checks payable to a co-conspirator of KARIMBUX in the amount of \$98,500.

PROBABLE CAUSE TO ARREST THE DEFENDANTS

10. The defendants KARIMBUX and SINGH, jointly and individually, used synthetic identities, specifically the synthetic identity “Sukhpal Singh,” while participating in the fraudulent schemes to withdraw the proceeds in cash from accounts in the names of synthetic identities and shell companies.

A. “Sukhpal Singh”

11. “Sukhpal Singh” is a fictitious synthetic identity that was created for the purpose of carrying out the fraudulent scheme. It was used to open bank accounts and credit card accounts and controlled by SINGH. For example, a Synchrony Credit Card was created in the name of “Sukhpal Singh.” That credit card was used together with a Pennsylvania driver’s license in the name of “Sukhpal Singh” for charges made at a Comfort Inn in Long Island City, New York. The Comfort Inn maintained a copy of that driver’s license. The image on the driver’s license is that of the defendant SINGH. Additionally, a bank account in the name of “Sukhpal Singh” was opened at HSBC Bank. A check dated July 21, 2016 was written to BMW of Oyster Bay in the amount of \$1,824.90. The payment was for automobile repairs for SINGH.

12. The defendants KARIMBUX and SINGH utilized this synthetic identity, “Sukhpal Singh,” to deposit a check from “Sukhpal Singh” and a check from SINGH on August 3, 2016 as part of a set of deposits on that date, totaling \$19,250, to the Collusive Merchant Company account at a TD Bank branch. The next day, three more checks were deposited from “Sukhpal Singh” and one from KARIMBUX, to the Collusive Merchant Company account at a TD Bank branch. These checks totaled \$27,350. All of the checks deposited on August 3 and August 4, 2016 were returned. However prior to their return, withdrawals and other debits were made, resulting in a \$9,000 loss to TD Bank. Bank surveillance photographs captured SINGH’s deposits.

B. Defendant KARIMBUX’s Conduct

13. KARIMBUX did not control the synthetic identities. Instead, KARIMBUX controlled the Collusive Merchant Company that accepted numerous fraudulent transactions from busted out credit cards controlled by his coconspirators, such as from the synthetic identity “Sukhpal Singh.”

14. KARIMBUX opened two bank accounts at a TD Bank branch on behalf of the Collusive Merchant Company. From September 2015 to December 2015, the defendant KARIMBUX accepted ten fraudulent charges to the Collusive Merchant Company in the names of synthetic identities controlled by coconspirators of SINGH and others, from credit cards that were busted out in close temporal proximity to the charges.

15. From September 2015 to December 2015, the Collusive Merchant Company received over \$22,000 in fraudulent charges from credit card processors to its Bank of America bank account. During that same period, \$82,165 was withdrawn in cash from the Collusive Merchant Company account and \$98,500 in checks were written from the

Collusive Merchant Company to a coconspirator of the defendants KARIMBUX and SINGH.

WHEREFORE, your deponent respectfully requests that the defendants ZAINOELBAKS KARIMBUX and GURSIMARDEEP SINGH be dealt with according to law.

WILLIAM DUFFIN
Special Agent, United States Department of
Homeland Security, Homeland Security
Investigations

Sworn to before me this
__ day of June, 2019

THE HONORABLE ROANNE L. MANN
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK