

f. On or about January 31, 2020, the Secretary of Health and Human Services (“HHS”) declared a national public health emergency under 42 U.S.C. § 247d as a result of the spread of COVID-19 to and within the United States. On or about March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. On or about March 13, 2020, the President of the United States issued Proclamation 9994 declaring a national emergency beginning on March 1, 2020, as a result of the rapid spread of COVID-19 within the United States.

g. On or about March 18, 2020, the President issued Executive Order 13909, see 85 Fed. Reg. 16,277, invoking the powers vested in the President by the Defense Production Act of 1950, 50 U.S.C. §§ 4501 et seq. (the “Act”). The Act authorizes the President to, among other things, “allocate materials, services, and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.” 50 U.S.C. § 4511(a)(2). The President may exercise this authority “to control the general distribution of any material in the civilian market” if the President finds “(1) that such material is a scarce and critical material essential to the national defense, and (2) that the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship.” 50 U.S.C. § 4511(b).

h. The Act further provides that “no person shall accumulate . . . for the purpose of resale at prices in excess of prevailing market prices, materials which

have been designated by the President as scarce materials or materials the supply of which would be threatened by such accumulation.” 50 U.S.C. § 4512. The Act requires the President to publish, including in the Federal Register, “every designation of materials the accumulation of which is unlawful,” and authorizes the President to “prescribe such conditions with respect to the accumulation of materials in excess of the reasonable demands of business, personal, or home consumption as he deems necessary to carry out the objectives of this chapter.” Id.

i. On or about March 23, 2020, the President issued Executive Order 13910, delegating to the HHS Secretary the President’s authority under 50 U.S.C. § 4512 to prevent the excess accumulation of certain “health and medical resources necessary to respond to the spread of COVID-19 within the United States.” See 85 Fed. Reg. 17,001.

j. On or about March 25, 2020, pursuant to authority granted under 50 U.S.C. § 4512 and Executive Order 13910, the HHS Secretary, by public notice, see 85 Fed. Reg. 17592, designated 15 categories of health and medical resources under the Act as scarce materials and the supply of which would be threatened by accumulation in excess of reasonable demands of business, personal, or home consumption, or for the purpose of resale at prices in excess of prevailing market prices, including: (i) N-95 Filtering Facepiece Respirators; (ii) Other Filtering Facepiece Respirators; (iii) PPE face masks; and (iv) PPE surgical masks.

k. “N-95” is a designation assigned to certain types of filtering facepiece respirators that are manufactured in the United States. An N-95 respirator

is designed to achieve a very close facial fit and filter out at least 95% of airborne particles, including bacteria and viruses. The CDC has recommended that health care workers use N-95 filtering facepiece respirators in hospitals and other medical treatment environments.

Defendant's Accumulation and Sale of Respirator Masks

2. Between on or about March 6, 2020, and on or about April 7, 2020, defendant KRIKOR TOPOUZIAN, through Company A, accumulated approximately 79,160 respirator masks, including N-95 masks, by purchasing masks from Companies B and C on the approximate dates, in the approximate amounts, and at the approximate costs listed below:

Approximate Date of Purchase	Approximate Quantity of Masks	Approximate Cost Per Mask
March 6, 2020	1,000	\$6
March 11, 2020	2,000	\$7
March 11, 2020	4,080	\$5
March 12, 2020	7,000	\$6.50
March 13, 2020	2,430	\$5
March 19, 2020	850	\$6.50
March 20, 2020	8,400	\$6.50
March 26, 2020	6,000	\$5
April 2, 2020	40,000	\$4.45
April 3, 2020	2,400	\$6
April 7, 2020	5,000 ¹	\$4.27

3. From early March 2020 through on or about April 22, 2020, TOPOUZIAN, through Company A's website and other online marketplaces, sold

¹TOPOUZIAN received approximately 12,000 of the 45,000 masks he purchased from Company C on April 2 and 7, 2020.

approximately 39,160 of the accumulated masks, almost exclusively to individual customers.

Defendant's Price Gouging of Respirator Masks

4. Between on or about March 6, 2020, and on or about April 7, 2020, TOPOUZIAN, through Company A, purchased the respirator masks at prices ranging from approximately \$4.27 to \$7 per mask, with a mean price of approximately \$5.08.

5. Between on or about March 29, 2020, and on or about April 22, 2020, TOPOUZIAN, through Company A, sold approximately 11,492 of the accumulated masks to customers at a price of up to approximately \$19.95 for a single mask, which is a markup from the purchase price of approximately 185% to 367% per mask. TOPOUZIAN offered a discount to customers purchasing multiple masks. During this time period, TOPOUZIAN sold the masks at a mean price of approximately \$16.82 per mask.

6. Between on or about March 29, 2020, and on or about April 22, 2020, TOPOUZIAN, through Company A, despite receiving repeated warnings, including from law enforcement, willfully sold respirator masks at prices in excess of prevailing market prices in order to inflate his profits on sales of items that had been designated as scarce by the Secretary of HHS pursuant to his authority under 50 U.S.C. § 4512 and Executive Order 13910.

Violation of the Defense Production Act

7. From on or about March 29, 2020, through on or about April 22, 2020, at Skokie, in the Northern District of Illinois, Eastern Division, and elsewhere,

KRIKOR TOPOUZIAN,

defendant herein, willfully accumulated for the purpose of resale at prices in excess of prevailing market prices, materials which had been designated by the President of the United States as scarce and the supply of which would be threatened by such accumulation;

In violation of Title 50, United States Code, Sections 4512 and 4513.

UNITED STATES ATTORNEY