
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. André M. Espinosa
 :
 v. : Mag. No. 23-11230
 :
 TAMER ZAKHARY : **CRIMINAL COMPLAINT**
 :
 :
 :

I, Special Agent Leah Elsbeck, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

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

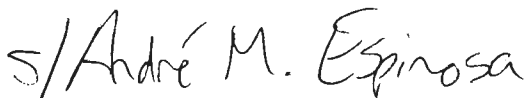
SEE ATTACHMENT B

Continued on the attached page and made a part hereof:



Leah Elsbeck, Special Agent
Federal Bureau of Investigation

Special Agent Leah Elsbeck attested to the facts of this application telephonically pursuant to Fed. R. Crim. P. 4.1(b)(2)(A) on December 28, 2023.



HONORABLE ANDRÉ M. ESPINOSA
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

Counts One - Three
(Wire Fraud)

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

TAMER ZAKHARY,

knowingly devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, as specifically referenced below, each constituting a separate count of this Complaint.

Count	Approximate Date	Wire
1	June 8, 2021	\$34,050 Online Domestic Wire Transfer via HSBC Bank USA-122240861 from Subject Company-1 in Lyndhurst, NJ to Prohibited U.S. Subsidiary-1, Irvine CA 92618 US Ref: Prepayment of Purchase Order 287
2	July 6, 2021	\$130,150 Online Domestic Wire Transfer via HSBC Bank USA-122240861 from Subject Company-1 in Lyndhurst, NJ to Prohibited U.S. Subsidiary-1, Irvine CA 92618 US Ref: Prepayment of Purchase Order 289
3	March 2, 2022	\$150,600 Online Domestic Wire Transfer via HSBC Bank USA-122240861 from Subject Company-1 in Lyndhurst, NJ to Prohibited U.S. Subsidiary-1, Irvine CA 92618 US Ref: Prepayment of Purchase Order 5082

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

Count Four
(False Statements)

On or about December 1, 2022, in the District of New Jersey and elsewhere, the defendant,

TAMER ZAKHARY,

did knowingly and willfully make materially false, fictitious, and fraudulent statements and representations in a matter within the jurisdiction of the executive branch of the Government of the United States, namely a criminal investigation conducted by the Federal Bureau of Investigation.

ATTACHMENT B

I, Leah Elsbeck, am a Special Agent, with the Federal Bureau of Investigation. I am fully familiar with the facts set forth herein based upon briefings with other law enforcement officers. Because this complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. I have only set forth the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part. Dates of events are asserted as having occurred on or about the asserted date, and dollar amounts are approximate.

Introduction

1. From at least as early as August 2019 through in or around December 2022, defendant TAMER ZAKHARY (“ZAKHARY”), the owner and chief executive officer of a company that sells surveillance and security cameras and equipment (“Subject Company-1”), sold millions of dollars’ worth of surveillance cameras and equipment, including automatic license plate recognition (“ALPR”) cameras, to public safety and law enforcement agencies in New Jersey, including prosecutors’ offices, sheriffs’ offices, police departments, and townships (collectively, the “Public Safety Customers”). During this time period, ZAKHARY fraudulently misrepresented to the Public Safety Customers that Subject Company-1’s products were compliant with Section 889 of the John S. McCain National Defense Authorization Act (“NDAA”) for 2019, when, in fact, they were not. As a result of ZAKHARY’s fraudulent misrepresentations, the Public Safety Customers purchased at least \$35 million in surveillance cameras and equipment from Subject Company-1, over \$15 million of which was federal funds and grants.

Section 889 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019, Public Law 115-232 (“Section 889”)

2. In or around 2018, in order to address increased concerns that foreign intelligence actors were looking to infiltrate United States systems and exploit technologies through specifically identified Chinese companies, Congress included Section 889 in the John S. McCain NDAA for Fiscal Year 2019, which was signed into law on or about August 13, 2018.

3. Section 889(a)(1)(A) prohibits the Federal government from procuring or obtaining “a contract to procure or obtain any equipment, system, or service that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.”

4. Additionally, pursuant to Section 889(b), the Federal government “may not obligate or expend loan or grant funds to procure or obtain, extend or renew a contract to procure or obtain, or enter into a contract (or extend or renew a contract) to procure or obtain the equipment, services, or systems described in subsection (a)” of Section 889.

5. Pursuant to Section 889(f)(3), “covered telecommunications equipment or services” include the following:

(B) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(C) Telecommunications or video surveillance services provided by such entities or using such equipment.

6. Section 889(a)(1)(A) became effective on August 13, 2019, and Section 889(a)(1)(B) became effective on August 13, 2020.

Prohibited Company-1 and Prohibited U.S. Subsidiary-1

7. Prohibited Company-1 is one of the prohibited companies listed in Section 889(f)(3). Prohibited Company-1 is a partly state-owned technology company based in Binjiang District, Hangzhou, China. It manufactures video surveillance equipment and is the second largest video surveillance company in the world. Prohibited U.S. Subsidiary-1 is a subsidiary of Prohibited Company-1 based in Irvine, California.

Subject Company-1

8. Subject Company-1 is a Lyndhurst, New Jersey-based company that offers a wide variety of surveillance cameras, components, and servers to provide security solutions for the Public Safety Customers. ZAKHARY is the sole owner and CEO of Subject Company-1.

9. The Public Safety Customers have purchased from Subject Company-1 surveillance cameras, ALPR cameras, thermal cameras, dome cameras, trailers that mount certain cameras, as well as the software that allows the Public Safety Customers to view, save, and use the videos and images recorded by the cameras for law enforcement and public safety purposes. Subject Company-1 delivers, installs, and services the cameras and equipment for these customers.

10. Since as early as August 2019, the surveillance cameras and equipment sold and installed by Subject Company-1 to the Public Safety Customers included equipment supplied by Prohibited Company-1.

11. Therefore, pursuant to Section 889, beginning on August 13, 2020, the Public Safety Customers, including the two victim agencies discussed below, were prohibited from using federal funds to purchase these cameras and equipment from Subject Company-1.

ZAKHARY Fraudulently Induced Victim Agency-1 to Purchase Prohibited Company-1's Cameras with Federal Funds

12. Victim Agency-1 is a New Jersey county sheriff's office that has been a customer of Subject Company-1 since as early as 2019. Victim Agency-1 purchased traffic cameras, portable trailers with cameras, and ALPR cameras from Subject Company-1, which were installed around the county to assist Victim Agency-1's law enforcement and public safety mission.

13. Since as early as 2020, Victim Agency-1 received both state and federal funding, which Victim Agency-1 used to purchase surveillance cameras and equipment from Subject Company-1. For example, in or around 2020, Victim Agency-1 obtained federal funds from the Coronavirus Relief Fund pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which it used to purchase cameras with temperature reading and facial recognition capabilities from Subject Company-1. Victim Agency-1 has also used federal funding distributed by the New Jersey Office of Homeland Security and Preparedness ("NJOHSP") to purchase cameras and equipment from Subject Company-1. NJOHSP obtained the funding from the United States Department of Homeland Security.

14. At no time did ZAKHARY or anyone else from Subject Company-1 inform Victim Agency-1 that Subject Company-1 was selling cameras and equipment supplied by Prohibited Company-1. In fact, at various times, ZAKHARY, knowing that Subject Company-1 was selling cameras and equipment supplied by Prohibited Company-1, provided Victim Agency-1 with information on how to obtain federal funds for the purchase of cameras and equipment from Subject Company-1. ZAKHARY sent emails to employees of Victim Agency-1 to justify Victim Agency-1's expenditure of federal funds to purchase cameras and equipment from Subject Company-1.

15. On or about October 11, 2020, ZAKHARY sent an email to two employees ("Individual-1" and "Individual-2") of Victim Agency-1. The subject line read: "Fwd: *** CONFIDENTIAL *** Covid 19 justification." The email from ZAKHARY contained language for Victim Agency-1 to use in its application for federal funds to purchase a "Mobile Sign Board and Thermal Equipped Rapid Deploy Trailers to Support Community COVID-19 Testing Sites,

Communications, Containment and Contact Tracing” from Subject Company-1. Individual-1 and Individual-2 both informed law enforcement that ZAKHARY sent them this email because ZAKHARY said he could provide them with language to justify the purchase of Subject Company-1 products with federal funds.

16. On or about November 4, 2020, Victim Agency-1 purchased from Subject Company-1 seven infrared thermal cameras and the accompanying software for \$110,500. Victim Agency-1 used federal CARES Act funds to make this purchase from Subject Company-1.

17. On or about November 3, 2020, ZAKHARY sent another email to Individual-2 and another employee of Victim Agency-1 (“Individual-3”). The subject line read: “Fw: Additional justification for [Victim Agency-1] iSMART purchase.” The email from ZAKHARY stated: “Additional justification language used by other counties who purchased iSMART and were reimbursed for purchase.” The email then provided sample language for Victim Agency-1 to use in its application for federal funds to purchase the iSmart dashboard software from Subject Company-1.

18. Individual-2 informed law enforcement that ZAKHARY sent the email referenced above in paragraph 17 because ZAKHARY said he would provide Victim Agency-1 with additional language to justify the purchase of Subject Company-1 products with federal funds.

19. Between June 2020 and December 2021, Victim Agency-1 spent approximately \$3,271,151 in both federal and local funds on cameras and equipment from Subject Company-1.

20. Several employees of Victim Agency-1 advised law enforcement that in or around July and August 2021, they became concerned that the cameras and equipment purchased from Subject Company-1 were supplied by prohibited companies under Section 889, and, therefore, could not be purchased with federal funds. For example, when Victim Agency-1 secured federal grant money from the NJOHSP, another employee of Victim Agency-1 (“Individual-4”), who worked in the Office of Emergency Management, was informed by NJOHSP that the federal funds had restrictions and could not be used to purchase cameras from prohibited companies pursuant to Section 889. In or around September 2021, Individual-4 discussed Victim Agency-1’s concerns with ZAKHARY. Individual-4 told law enforcement that ZAKHARY was aware that Victim Agency-1 was using federal funds to purchase the cameras and equipment from Subject Company-1.

21. According to Individual-4, ZAKHARY reassured Individual-4 that the cameras and equipment were not prohibited by Section 889. ZAKHARY also told Individual-4 that federal agencies, such as the Bureau of Alcohol,

Tobacco, and Firearms (“ATF”) and Immigration and Customs Enforcement-Homeland Security Investigations (“HSI”) were using cameras from Subject Company-1, and that cameras from Subject Company-1 had been “authorized” for purchase by federal agencies. These statements were false. Neither ATF nor HSI ever purchased cameras or equipment from Subject Company-1, nor had anyone authorized federal agencies to purchase Subject Company-1’s products.

22. Individual-4 asked ZAKHARY if he (ZAKHARY) could provide proof that Victim Agency-1 could use federal funds to purchase cameras and equipment from Subject Company-1. In response, on or about October 1, 2021, ZAKHARY sent Individual-4 a text message that contained what purported to be a screenshot of an email from an HSI special agent to ZAKHARY. The email from the special agent, shown below in Figure 1, thanked ZAKHARY for a presentation and asked “if we could have the ATF contact utilizing your camera platform?” Individual-4 informed law enforcement that ZAKHARY sent this text message to Individual-4 in order to provide assurance that cameras sold by Subject Company-1 could be purchased with federal funds. Law enforcement learned, however, that HSI never purchased any cameras or equipment from Subject Company-1.

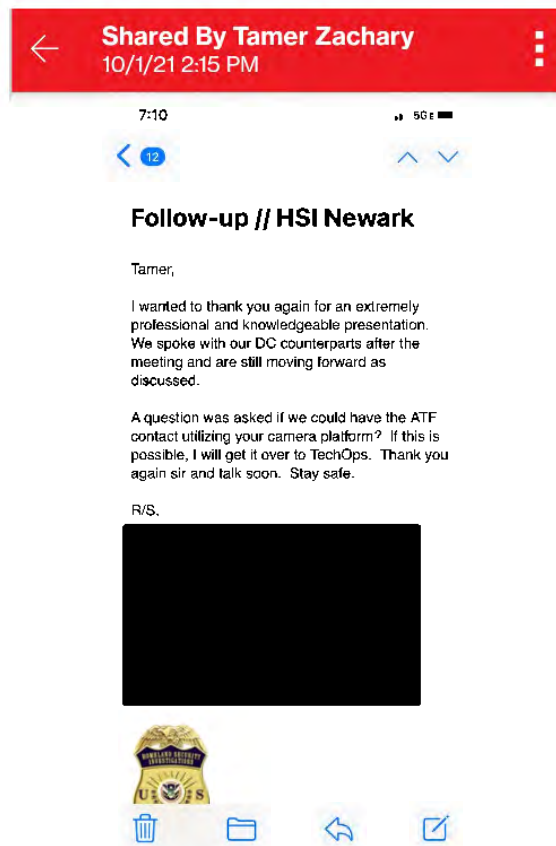


Figure 1

23. Based on the conversations with ZAKHARY described above in paragraphs 20 to 22, and the text message in Figure 1, employees of Victim Agency-1 believed that Subject Company-1's cameras were compliant with Section 889 and that, in turn, they could use federal funds to purchase cameras and equipment from Subject Company-1.

24. In or around July 2022, an information technology ("IT") employee of Victim Agency-1 ("Individual-5"), obtained the media access control ("MAC") address for several cameras purchased from Subject Company-1, and all of the MAC addresses contained the organizationally unique identifier ("OUI") for Prohibited Company-1.¹ However, none of the equipment that Victim Agency-1 purchased from Subject Company-1 contained any labels or otherwise indicated that they were Prohibited Company-1's products.

25. On or about September 15, 2022, Individual-1 had a telephone call with ZAKHARY. At the request of the FBI, Individual-1 recorded the phone call. During the call, Individual-1 advised ZAKHARY that Victim Agency-1's IT specialist saw Chinese writing embedded in the software provided by Subject Company-1. Thus, Individual-1 explicitly asked ZAKHARY: "None of our cameras are made in China, right?" ZAKHARY said, "No," but acknowledged that the software provided by Subject Company-1 needed to be designed to "integrate" with other cameras made in China. ZAKHARY listed several foreign brands of cameras with which the software was designed to integrate, but clarified, "We don't make those [cameras]." Later in the conversation, Individual-1 asked ZAKHARY if "any federal agencies" used Subject Company-1 products. ZAKHARY responded, "TSA [referring to the Transportation Security Administration] just approved us, deploying our cameras and s**t in Mercer County Airport. . . . HSI uses our s**t. ATF uses our s**t."

26. The investigation revealed, however, that no federal agencies purchased any cameras or equipment from Subject Company-1. In fact, ZAKHARY himself later admitted to law enforcement, on or about December 1, 2022, that he had no federal customers.

ZAKHARY Fraudulently Induced Victim Agency-2 to Purchase Prohibited Company-1's Cameras with Federal Funds

27. Victim Agency-2 is a New Jersey county prosecutor's office that has been a customer of Subject Company-1 since as early as 2019. Victim Agency-2 has purchased traffic cameras, thermal cameras, portable trailers with cameras, and ALPR cameras from Subject Company-1, which were

¹ A MAC address, sometimes referred to as a hardware or physical address, is a unique, 12-character alphanumeric attribute that is used to identify individual electronic devices on a network. MAC addresses are primarily assigned by the device manufacturer, and typically include the manufacturer's OUI.

installed around the county to assist Victim Agency-2's law enforcement and public safety mission.

28. An employee of Victim Agency-2 ("Individual-6") has known ZAKHARY since as early as 2017. Following the enactment of Section 889, Individual-6 wanted to ensure that the cameras and equipment that Victim Agency-2 was purchasing from Subject Company-1 were compliant with Section 889.

29. On or about November 25, 2019, ZAKHARY sent an email to Individual-6 with the subject line: "[Subject Company-1] camera/backend build explanation." In the email, ZAKHARY stated, in part, the following:

- a. "As discussed and requested, below and attached please find our design and build process to ensure complete system and device security. We never buy off the shelf compete cameras and deploy them to clients."
- b. "We as a company source camera chip sets, lens, pan tilt zoom chip sets, TCP stack sets and computer chipsets from many different suppliers and countries; Asia; China, South Korea, India and Taiwan and the USA."
- c. "We source chip sets based on performance and raw specs, regardless of supplier or manufacturer, we completely wipe any and all previous programming/code or firmware's."
- d. "We use the chip sets, lens or raw components from these suppliers, just to name a few; Sony, Intel, AMD, [Prohibited Company-1], Samsung, Dell, Intel, Qualcomm, Hitachi, Pleco."
- e. "80-85 % of all chip sets used world-wide are made in Asia, specifically China."
- f. "Before any component is installed in what would be a complete camera,
 - Completely wiped clean an [sic] brought to a blank chipset or board.
 - [Subject Company-1] firmware or driver is installed . . .
 - Bench tested and stress tested to ensure firmware is accurate and debugged.

- Device firmware synchronized to only communicate with our Video Management software and Linux based backend . . .
 - Cameras or individual components DO NOT ever have real work DNS or static route to the internet.
 - All outbound DNS, specifically Chinese DNS servers 233.5.5.5 are BLOCKED on cameras, firewalls, servers, Linux box, etc. . . .”
- g. “MAC addresses are like VIN numbers on cars, they could never be eared [sic] or deleted- that is all that remains from any chip set or boards.”

30. On or about January 21, 2022, ZAKHARY sent Individual-6 an email with proposed language for Victim Agency-2 to use in its application for federal funds to purchase cameras and equipment from Subject Company-1. The subject line of the email read, “FW: AMERICAN RESCUE FUNDS,” and included, in part, the following justification language from ZAKHARY for the purchase of various products from Subject Company-1:

- a. “[H]ighlighted ARP Bill and justification attached – Justification for each item below”
- [Subject Company-1] Lightweight Surveillance Trailers Model # PT-RD4000. This asset is requested based on verbiage located on page 23 of the American Rescue Plan dated March 11, 2021 in regards to the ‘Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.’
 - [Subject Company-1] Outdoor 4K HD Cameras Model #PT-4000-HD-1LPR. This asset is requested based on verbiage located on page 23 of the American Rescue Plan dated March 11, 2021 in regards to the ‘Evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic.’”

31. Based on the communications with ZAKHARY, including the emails described above in paragraphs 29 and 30, employees from Victim Agency-2 believed that the cameras and equipment sold by Subject Company-1 were compliant with Section 889 and, therefore, Victim Agency-1 could use federal funds to purchase cameras and equipment from Subject Company-1.

32. Between in or around May 2019 and June 2022, Victim Agency-2 purchased over \$5.5 million worth of cameras and equipment from Subject Company-1. Approximately \$2.5 million spent were federal funds.

33. For example, on or about February 2, 2022, Victim Agency-2 purchased four “[Subject Company-1] Outdoor HD Camera Model # PT-4000-HD-1LPR” cameras for a total of \$21,600 using federal funds. On or about February 3, 2022, Victim Agency-2 purchased 10 “[Subject Company-1] Outdoor HD Camera Model # PT-4000-HD-1LPR” cameras for a total of \$54,000 using federal funds.

34. The investigation revealed that the “PT-4000-HD-1LPR” camera was manufactured by Prohibited Company-1 and shipped to Subject Company-1 directly from Prohibited Company-1, but with a different model number, color, and logo. Subject Company-1 then provided this equipment to Victim-2.

ZAKHARY’s Dealings with Prohibited Company-1 and Knowledge that its Products could not be Purchased with Federal Funds

35. Between in or around December 2017 and in or around September 2022, Subject Company-1 sent numerous wire transactions totaling approximately \$2.3 million to Prohibited U.S. Subsidiary-1 and Prohibited Company-1 using interstate and foreign wires. Those payments included: \$34,050 on June 8, 2021; \$130,150 on July 6, 2021; and \$150,600 on March 2, 2022.

36. Between in or around January 2018 and in or around October 2022, the Public Safety Customers, including Victim Agency-1 and Victim Agency-2, collectively paid Subject Company-1 over \$35 million.

37. Purchase orders showing purchases made by the Public Safety Customers from Subject Company-1 between in or around 2018 and in or around 2022 demonstrate that the cameras and equipment purchased by the Public Safety Customers were similarly described, and in some instances the same, as the cameras and equipment described in the purchase orders showing what Prohibited Company-1 supplied to Subject Company-1. Additionally, dozens of cameras that the Public Safety Customers purchased after August 2020 from Subject Company-1 all had MAC addresses that contained the OUI for Prohibited Company-1.

38. On or about March 5, 2020, an employee of Prohibited Company-1 (“Individual-7”) sent ZAKHARY an email, stating the following:

As we understand, the project with Federal funds has quite limitation [sic] to use [Prohibited Company-1]

products, though we have the great solution for the City Range. Might I know how you will use [Prohibited Company-1] Products and against the limitation?

On or about March 6, 2020, ZAKHARY responded to Individual-7:

Cameras and lens are a very limited piece of our deployment and setup- we have proprietary components that go in between cameras and backend-

We currently deploy [Prohibited Company-1] cameras and have for many years.

39. The email exchange described in paragraph 38 shows that even Prohibited Company-1 knew that ZAKHARY's customers could not use federal funds to purchase its products. It likewise shows that Prohibited Company-1 expressly informed ZAKHARY of this "limitation." Additionally, ZAKHARY's response acknowledged that Subject Company-1 sold and installed Prohibited Company-1's cameras "for many years."

40. On or about March 18, 2020, Individual-7 sent an email to ZAKHARY confirming that as part of Subject Company-1's plan, Prohibited Company-1 would "Customize the Logo on the firmware" and "Customize the Logo on the cover of [the camera]" for Subject Company-1.

41. On or about April 21, 2020, ZAKHARY sent an email to Individual-7 stating the following: "What is the best you can do on the pricing? I'm comparing spec for spec quality wise and **something competition has over your company, is they are not blacklisted by US government.**" (Emphasis added). Thus, ZAKHARY acknowledged that the cameras and equipment he was obtaining from Prohibited Company-1 were, in fact, prohibited by Section 889.

42. On or about April 11, 2022, ZAKHARY had a conversation using an encrypted messaging application ("Application-1") with another employee of Prohibited Company-1 ("Individual-8"), in which ZAKHARY again acknowledged the legal constraints on Prohibited Company-1's products and the risk he was taking by selling them to the Public Safety Customers. Specifically, ZAKHARY and Individual-8 exchanged the following messages pertaining to Prohibited Company-1 providing Subject Company-1 with a server to store data for Subject Company-1:

Individual-8: Here are solutions: 1. [Prohibited Company-1] we have a server which is designed to safe city and can restore 400 million records. [W]e deploy one in Mexic[o] City.

Once the data comes to hundreds [sic] million, only city-level hardware server can support it.

ZAKHARY: Yea Julie shared this to us before. We can't rely on outside devices for state and federal compliance. ***[Prohibited Company-1] is on banned list.*** (Emphasis added).

Individual-8: And the second solution is as I mentioned V8 can expand to 20 million size of databases, and you can deploy multiple servers for different areas and use only one client to login them simultaneously.

ZAKHARY: I explained this to previous folks who worked with us from [Prohibited Company-1]. ***It's a big financial and business risking [sic] working with [Prohibited Company-1]. Given this situation we try to make things as legit as possible.*** (Emphasis added).

43. Between on or about May 13, 2022, and on or about June 2, 2022, ZAKHARY exchanged several emails with other employees of Prohibited Company-1. On or about May 13, 2022, ZAKHARY confirmed Subject Company-1's order with one employee ("Individual-9") of ALPR cameras manufactured by Prohibited Company-1 but specified that the cameras "need to be white and [Subject Company-1] logo." ZAKHARY requested that Prohibited Company-1 change the color and logo on the cameras. On or about May 19, 2022, Individual-8 responded, "confirmed with manufacture [sic] that we can customize 30 pcs . . . in white but without [Subject Company-1] logo since logo customization MOQ is 200pcs." On or about May 20, 2022, ZAKHARY responded to Individual-8, "That's fine. Let's get production started."

44. On or about May 25, 2022, another employee of Prohibited Company-1 ("Individual-10") sent ZAKHARY an email containing a photo of the Prohibited Company-1 ALPR camera that ZAKHARY ordered and stated the following: "Please note that the silver part . . . and bracket will be customized to white . . . , the black part will still remain black my default." The photo included in the email is shown below in Figure 2. Prohibited Company-1's logo, which has been redacted, appeared on the ALPR camera, and law enforcement confirmed that the camera is, in fact, a Prohibited Company-1 camera that cannot be purchased with federal funds pursuant to Section 889.



Figure 2

45. The email exchange described above in paragraphs 43 and 44 shows that ZAKHARY was aware that he was purchasing Prohibited Company-1's cameras and was attempting to conceal that fact by having Prohibited Company-1 change the color and remove the Prohibited Company-1 logo.

FBI Interview of ZAKHARY

46. On or about December 1, 2022, agents from the FBI and HSI conducted a voluntary interview with ZAKHARY at his office in New Jersey.

47. When asked about the cameras he sells, ZAKHARY stated that the "sauce is the firmware that is written on [the] chipset." He then claimed that chipset installation was completed at his Subject Company-1's warehouse. Familiar with the complaints about his cameras, ZAKHARY asserted that others say, "Hey, the cameras are made in China. They're made by companies like . . . [Prohibited Company-1], this, that, and the truth is, 99 percent of chipsets, as you know, are made somewhere in Asia." He stated that Subject Company-1 sourced all of the different internal components of a camera "from everyone," but stated that the camera shell, or case, was manufactured in China.

48. ZAKHARY stated that the MAC address that appeared on the outside of the camera "does not represent the guts of the camera," but rather represented the "shell" of the camera. He again reiterated that the chipsets

were manufactured elsewhere and “bleached” at the Subject Company-1’s warehouse, and “loaded with [Subject Company-1] firmware.”

49. When asked if Subject Company-1 ordered any products directly from China, ZAKHARY said “yes.” He acknowledged that the camera “shells” and “chipsets” came from China. He also stated that “everything short of the firmware and the analytical piece [are] manufactured in China.” ZAKHARY acknowledged that “there are certain chipsets that are banned because of their obvious . . . they phone home to China,” (apparently referencing prohibitions pursuant to Section 889), but claimed, “we don’t use any of those chipsets. When asked about companies in China from which he ordered products, ZAKHARY identified several companies, including Prohibited Company-1.

50. When asked what Subject Company-1 specifically received from Prohibited Company-1, ZAKHARY replied, “camera shells . . . [and] everything short of anything intellectual. Like as far as the chipsets, the program, the firmware. We manufacture it through their assembly line.” He later explained that Subject Company-1 provided Prohibited Company-1 with the specifications of the type of components to use with the cameras.

51. When the agents advised ZAKHARY that Prohibited Company-1’s products were prohibited under Section 889, ZAKHARY replied, “But not specific components.” He then claimed that the cameras he received from Prohibited Company-1 were compliant with Section 889 because “this is not their software.” ZAKHARY acknowledged that he “definitely looked at [Section 889] because it’s our core business.” He explained that Section 889 applied to “specific companies as a whole, off the shelf, as is. There was no ban of specific components within certain things.” He later claimed that cameras from Subject Company-1 are not banned by Section 889 because “this is not [Prohibited Company-1’s] software.”

52. The agents asked ZAKHARY about Subject Company-1’s customers. ZAKHARY stated that eight or nine counties purchased cameras and equipment from Subject Company-1 but acknowledged—notwithstanding his prior false statements to Victim Agency-1 and Victim Agency-2—that no federal agencies purchased cameras and equipment from Subject Company-1.

53. ZAKHARY further acknowledged that he knew that the Public Safety Customers were using federal funds to purchase cameras and equipment from Subject Company-1, and also acknowledged that he knew the Public Safety Customers could not use federal funds to purchase Prohibited Company-1’s cameras for law enforcement purposes. In fact, he acknowledged, “1,000 percent” that he has helped the Public Safety Customers obtain federal funds for the purchase of Subject Company-1 products.

54. On or about December 9, 2022, eight days after the agents interviewed ZAKHARY, ZAKHARY sent an electronic message to Individual-8,

asking “someone to absolutely confirm all components inside both ALPR cameras we build.” Individual-8 responded, “[W]hat do you mea[n] by components?” ZAKHARY responded, “Manufacturer of individual pieces within each camera. Chipset. Sensor. Etc.” On or about December 12, 2022, Individual-8 responded, “I don’t know each of them tbh [meaning “to be honest”]. And I don[’]t have any channel to get the information because this is the top confidential . . . contents of [Prohibited Company-1]- i cant share this.”

55. The messages described above in paragraph 54 show that ZAKHARY knew that he and Subject Company-1 did not manufacture the components inside of the ALPR cameras, and that Prohibited Company-1 was responsible for installing all the components. Thus, ZAKHARY’s prior statements that Subject Company-1 did not buy “any off the shelf components” and that Subject Company-1 sourced all of the different internal components of the cameras “from everyone” were false. Additionally, ZAKHARY’s statement to law enforcement that Subject Company-1 provided Prohibited Company-1 with the specifications of the type of components to use with the cameras was also false since ZAKHARY himself did not know what those components were and had to ask Prohibited Company-1 for the internal components of the cameras after his interview with the agents.