

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 24-
	:	
MALAK FALTAWWS,	:	18 U.S.C. § 1343
a/k/a "Mark Andrews"	:	18 U.S.C. § 1957

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting in Newark,
charges:

COUNT ONE THROUGH THREE
(Wire Fraud)

1. At all times relevant to this Indictment:
 - a. Defendant Malak Faltawws, a/k/a "Mark Andrews" ("FALTAWWS"), resided in Rutherford, New Jersey.
 - b. FALTAWWS was the purported owner of eighteen businesses, including Cleo Transportation Inc. ("Cleo Transportation"), New Jersey Car and Limo, Inc. ("NJ Car and Limo"), Affordable Services LLC ("Affordable Services"), and Car Network LLC ("Car Network").
 - c. Bank-1 is a financial institution headquartered in New York, New York.
 - d. Bank-2 is a financial institution headquartered in Cherry Hill, New Jersey.
 - e. Entity-1 is a limousine sales company located in North East, Pennsylvania.

- f. Entity-2 is a wine touring company located in Ithaca, New York.

The Paycheck Protection Program (“PPP”)

g. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act is a federal law enacted in or around March 2020 designed to provide emergency financial assistance to millions of Americans suffering economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and other certain expenses through a program referred to as the Paycheck Protection Program (“PPP”).

h. In order to obtain a PPP loan, a qualifying business had to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and to make certain affirmative certifications to be eligible to obtain PPP funds. In the PPP loan application, the business (through its authorized representative) had to state truthfully, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the business was eligible to receive under the PPP. The applicant of a PPP loan was required to acknowledge the program rules and make certain affirmative certifications, including that the business was in operation on February 15, 2020. In addition, a business applying for PPP funds had to provide truthful supporting documentation, which could include the business’s tax information, such as Internal Revenue Service (“IRS”) Forms 941 (Employer’s Quarterly Federal Tax Returns), Form 940 (Employer’s Annual Federal

Unemployment Tax Returns), and Form 1040 – Schedule C (Profit or Loss from Business).

i. A PPP loan application had to be processed by a participating financial institution (the lender). If the PPP loan application was approved, the lender funded the PPP loan using its own monies, which was 100% guaranteed by the Small Business Administration (“SBA”). Data from the application including information about the borrower, the total amount of the loan, and the listed number of employees was transmitted by the lender to the SBA in the course of processing the loan.

j. PPP loan proceeds could only be used by the business for certain permissible expenses, including payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business used the loan proceeds on these expense items within a designated period of time and used at least 75% of the PPP funds on payroll expenses.

Economic Injury Disaster Loan Program (“EIDL”)

k. Another source of relief provided by the CARES Act was the authorization of the Economic Injury Disaster Loan (“EIDL”) program for COVID-19. EIDL was an SBA program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

l. In order to obtain an EIDL, a qualifying business was required to submit an application to the SBA and provide truthful information about its operations, such as the number of employees, gross revenues for the twelve-month period preceding the disaster, and cost of goods sold in the twelve-month period

preceding the disaster. In the case of EIDL Program loans for COVID-19 relief, the twelve-month period constituted the twelve months preceding January 31, 2020. In addition, the business entity must have existed in an operational condition on February 1, 2020.

m. The amount of the EIDL was determined based, in part, on the information the applicant provided regarding the revenue and costs of goods of the company. The SBA directly issued any funds disbursed under an EIDL Program loan to the applicant company. A company was permitted to use EIDL funds for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

n. As part of the EIDL Program application, applicants could apply for up to a \$10,000 grant, known as an EIDL Program advance, which did not need to be repaid.

The Scheme to Defraud

2. From in or around March 2020 through in or around November 2021, in the District of New Jersey and elsewhere, FALTAWWS devised and intended to devise a scheme to defraud the SBA and approved lenders, and to obtain federal COVID-19 emergency relief money by means of materially false and fraudulent pretenses, representations, and promises, as set forth below.

Goal of the Scheme to Defraud

3. The goal of the scheme was for FALTAWWS to enrich himself by fraudulently obtaining and misusing federal COVID-19 emergency relief money.

Manner and Means of Scheme to Defraud

4. It was part of the scheme that:
 - a. FALTAWWS, using shell companies that had no actual business, submitted and caused to be submitted falsified and fraudulent PPP loan applications and falsified and fraudulent EIDL Program applications, including EIDL Program advances seeking federal COVID-19 emergency relief money.
 - b. FALTAWWS also filed fraudulent PPP loan and EIDL Program applications on behalf of at least one company with some legitimate business operations.
 - c. FALTAWWS' fraudulent applications included false information concerning, among other things, the companies' (i) average monthly payroll; (ii) gross revenue; and (iii) number of employees.
 - d. Along with certain applications, FALTAWWS also submitted fake supporting tax documents, including false IRS Forms 1040 – Schedule C.

Fraudulent Application-1

- e. On or about July 13, 2020, FALTAWWS submitted and caused to be submitted an EIDL application to the SBA on behalf of Cleo Transportation ("Application-1").
- f. In support of Application-1, FALTAWWS represented falsely that for the twelve months prior to on or about January 31, 2020, Cleo had approximately \$988,500 in gross revenues, approximately \$100,500 in costs of goods sold, and approximately eighteen employees.

g. On or about August 4, 2020, FALTAWWS' false and fraudulent representations and omissions in Application-1 caused the SBA to disburse approximately \$149,900 into an account ending in 1680 at Bank-1 (the "1680 Account"), which resulted in an interstate wire transmission.

Fraudulent Application-2

h. On or about November 21, 2020, FALTAWWS submitted and caused to be submitted an EIDL application to the SBA on behalf of NJ Car and Limo ("Application-2"). Application-2 listed FALTAWWS as NJ Car and Limo's sole owner.

i. In support of Application-2, FALTAWWS represented falsely that for the twelve months prior to on or about January 31, 2020, NJ Car and Limo had approximately \$885,000 in gross revenues, approximately \$185,000 in costs of goods sold, and approximately eighteen employees.

j. On or about November 30, 2020, FALTAWWS' false and fraudulent representations and omissions in Application-2 caused the SBA to disburse approximately \$149,900 into an account ending in 1621 at Bank-2 (the "1621 Account"), which resulted in an interstate wire transmission.

Fraudulent Application-3

i. On or about February 8, 2021, FALTAWWS submitted a PPP loan application to Bank-2 on behalf of Car Network requesting approximately \$17,145 ("Application-3").

ii. In support of Application-3, FALTAWWS submitted and caused to be submitted materially false and fraudulent information, including fabricated copies of Car Network's purported Tax Form 1040 – Schedule C for 2019.

iii. FALTAWWS also represented falsely that Car Network had one employee and an average monthly payroll of approximately \$6,858 and that Car Network was in operation since in or around January 2012.

iv. On or about February 25, 2021, FALTAWWS' false and fraudulent representations and omissions in Application-3 caused Bank-2 to send a promissory note to FALTAWWS, which resulted in an interstate wire transmission. On or about February 26, 2021, Bank-2 disbursed approximately \$17,145 into an account ending in 5995 at Bank-2.

Execution of the Scheme to Defraud

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

MALAK FALTAWWS,
a/k/a "Mark Andrews,"

for the purpose of executing the scheme described above, transmitted and caused to be transmitted by means of wire communications in interstate and foreign commerce the writings, signs, and signals described in the chart below, each transmission constituting a separate count of this Indictment:

Count	Approximate Date	Description of Interstate Wire
One	August 4, 2020	An electronic transfer of approximately \$149,050 by the SBA to the 1680 Account via interstate wire that traveled in interstate commerce, including through New Jersey.
Two	November 30, 2020	An electronic transfer of approximately \$149,000 by the SBA to the 1621 Account via interstate wire that traveled in interstate commerce, including through New Jersey.
Three	February 25, 2021	The transmission of an electronic promissory note by Bank-2 to FALTAWWS via an international wire that traveled through Canada and New Jersey.

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

COUNT FOUR THROUGH FIVE
(Money Laundering)

6. The allegations in paragraphs 1 and 3 through 5 of Count One of this Indictment are realleged here.

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

MALAK FALTAWWS,
a/k/a "Mark Andrews,"

knowingly engaged and attempted to engage in the following monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in a criminally derived property of a value greater than \$10,000, knowing that the money transactions were criminally derived property from a specific unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343, described in the chart below, each transfer constituting a separate count of this Indictment:

Count	Approximate Date	Description of Monetary Transaction
Four	August 5, 2020	An electronic transfer of approximately \$17,500 from the 1680 Account to Entity-1 via an interstate wire that traveled through Texas and New Jersey
Five	August 6, 2020	An electronic transfer for approximately \$23,500 from the 1680 Account to Entity-2 via an interstate wire that traveled through Texas and New Jersey

In violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION AS TO COUNTS ONE, TWO, AND THREE

Upon conviction of an offense in violation of Title 18, United States Code, Section 1343, as charged in Counts One through Three of this Indictment, defendant MALAK FALTAWWS shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of such offenses.

FORFEITURE ALLEGATION AS TO COUNTS FOUR AND FIVE

Upon conviction of an offense in violation of Title 18, United States Code, Section 1957, as charged in Counts Four and Five of this Indictment, defendant MALAK FALTAWWS shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

SUBSTITUTE ASSETS PROVISION **(Applicable to All Forfeiture Allegations)**

If any of the above-described forfeitable property, as a result of any act of omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to, 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 Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28 United States Code, Section 2461(c), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL

A solid black rectangular box used to redact the signature of the foreperson.

FOREPERSON

Philip R. Sellinger
PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: _____

United States District Court
District of New Jersey

UNITED STATES OF AMERICA

v.

MALAK FALTAWWS
a/k/a "Mark Andrews"

INDICTMENT FOR

18 U.S.C. § 1343
18 U.S.C. § 1957

A True Bill,

Foreperson

PHILIP R. SELLINGER
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FOR THE DISTRICT OF NEW JERSEY

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