
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon. Leda Dunn Wettre
 : :
 : Magistrate. No. 22-13162
 : :
v. : :
 : :
MOHAMED A. AWAD : **CRIMINAL COMPLAINT**

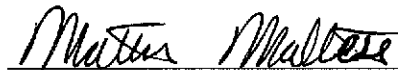
I, Special Agent Matthew T. Maltese, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

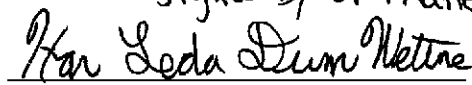
I further state that I am a Special Agent with the United States Attorney's Office, District of New Jersey, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.


Matthew T. Maltese, Special Agent
United States Attorney's Office
District of New Jersey

Special Agent Matthew T. Maltese attested to this Affidavit by telephone pursuant to F.R.C.P. 4.1(B)(2)(A) on this 14th day of July, 2022.

signed by SA Maltese

Hon. Leda Dunn Wettre
United States Magistrate Judge

ATTACHMENT A**Counts One and Two**
(Wire Fraud)

From at least in or about April 2020 through in or about September 2021, in the District of New Jersey and elsewhere, defendant

MOHAMED A. AWAD

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds:

Count	Approximate Date	Description of Wire
1	April 8, 2021	Causing Lender-1 to transfer, via interstate wire, approximately \$1,487,597 from Lender-1 in California to AWAD's bank account at Bank-1 in Pennsylvania, via the Federal Reserve ACH through the District of New Jersey
2	June 18, 2020	Causing the SBA to transfer, via interstate wire, approximately \$149,900 from SBA's bank account in Missouri to AWAD's bank account at Bank-2 in New Jersey, via the Federal Reserve ACH through the District of New Jersey

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

ATTACHMENT B

I, Matthew T. Maltese, a Special Agent with the United States Attorney's Office, District of New Jersey, having conducted an investigation and having discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. 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. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

Overview

1. From in or about April 2020 through in or about September 2021, defendant MOHAMED A. AWAD ("AWAD") made numerous false statements and misrepresentations to fraudulently obtain over \$1.6 million in federal COVID-19 emergency relief funds meant for distressed small businesses. After fraudulently receiving the loan funds, AWAD then diverted the proceeds to his own use, transferring funds among various bank accounts that he controlled and withdrawing substantial amounts in cash.

Background

The Paycheck Protection Program

2. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 designed to provide emergency financial assistance to the millions of Americans who were suffering the 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 certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). In or about April 2020, Congress authorized over \$300 billion in additional PPP funding. The PPP ended on May 31, 2021.

3. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, 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 make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the loan application, the small business was required to state, 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 small business was eligible to receive under the

PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

4. A PPP loan application had to be processed by a participating lender. If the PPP loan application was approved, the participating lender funded the PPP loan using its own money, which was 100% guaranteed by the U.S. 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 while processing the loan.

5. PPP loan proceeds could only be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be forgiven if the business spent the loan proceeds on these eligible expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Economic Injury Disaster Loan Program

6. The Economic Injury Disaster Loan Program (“EIDL”) is an SBA program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

7. The CARES Act authorized the SBA to provide COVID-19 EIDLs of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

8. In order to obtain an EIDL, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period constituted the 12 months preceding January 31, 2020. In addition, the business entity must have existed in an operational condition on February 1, 2020.

9. The amount of the EIDL is determined based, in part, on the information the applicant provides regarding the revenue, employees, and cost of goods of the company. SBA directly issues any funds disbursed under an EIDL to the applicant company. A company may use EIDL funds for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. If an applicant also obtained a loan under the PPP, the applicant company was prohibited from using EIDL funds for the same purpose as the PPP funds.

The Federal Reserve Automated Clearing House

10. The Federal Reserve Bank operates the Automated Clearing House ("Federal Reserve ACH"), which is a funds-transfer system that provides for the interbank clearing of electronic entries for participating financial institutions.

11. At all times relevant to this Complaint, money transmitted by Federal Reserve ACH was routed via electronic wire from its origin to its destination through the District of New Jersey.

The Defendant and Relevant Entities

12. At all times relevant to this complaint:

- a) AWAD was a resident of Ocala, Florida, who controlled purported businesses including All Cars US LLC ("All Cars") and Evergreen Transportation Network LLC ("ETN").
- b) All Cars is a purported business located in Lyndhurst, New Jersey.
- c) ETN is a purported business located in Tinton Falls, New Jersey, or Hasbrouck Heights, New Jersey, with a mailing address in Nutley, New Jersey.
- d) Lender-1 is a lender headquartered in Laguna Hills, California.
- e) Bank-1 is a financial institution headquartered in Pittsburgh, Pennsylvania.
- f) Bank-2 is a financial institution headquartered in Elmwood Park, New Jersey, with all branches located in New Jersey.
- g) Bank-3 is a financial institution headquartered in Toms River, New Jersey.
- h) Bank-4 is a financial institution headquartered in Ocala, Florida.
- i) Bank-5 is a banking institution located in Egypt.
- j) The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury, responsible for administering and enforcing the tax laws of the United States and collecting the taxes that were due and owing to the Treasury of the United States by its citizens and businesses.

- k) "Form 1120" was an IRS "U.S. Corporation Income Tax Return," form that U.S. businesses were required to file with the IRS on an annual basis. On Form 1120, businesses were required to report, among other things, the income, gains, losses, deductions and credits of a corporation for the purpose of determining the corporation's income tax liability.
- l) "Form 941" was an IRS "Employer's Quarterly Federal Tax Return" form that U.S. businesses were required to file with the IRS on a quarterly basis. On Form 941, businesses were required to report, among other things, number of employees, wages paid to employees, federal tax withholding from wages, and information associated with the payment of employment taxes to the U.S. Treasury.
- m) "Form W-2" was a form used by employers to report annual wages paid to individual employees and taxes withheld from those wages, to the IRS and Social Security Administration ("SSA").
- n) "Form W-3" was a form used by employers to report the total amount of annual wages paid to employees, to the IRS and SSA.
- o) "Schedule C" was a form associated with IRS "U.S. Individual Income Tax Return," Form 1040. Schedule C was used by the individual taxpayer to report income or loss from a business the individual operated or a profession practiced by the individual as a sole proprietor.

The Scheme to Defraud

13. From on or about April 2020 to on or about April 2021, AWAD applied for and obtained several PPP loans, receiving approximately \$1,780,140 from lenders. AWAD also applied for and obtained several EIDLs, receiving approximately \$600,000 from SBA. AWAD's PPP loan applications included false statements and false supporting documents that falsified the number of employees and the average monthly payroll for the entity. AWAD's EIDL applications included false statements that falsified the number of employees and gross revenues for the entity. Once AWAD received the PPP and EIDL loan proceeds based on his false representations, AWAD then transferred the illicit loan proceeds between and among bank accounts that he controlled. AWAD did not use the loan funds on permissible expenses but instead withdrew significant amounts of cash from these bank accounts.

Falsified PPP Loan Application for All Cars

14. On or about February 17, 2021, AWAD submitted a PPP loan application to Lender-1 on behalf of All Cars. The application listed AWAD as the primary contact and listed his SSN and other personal identifying information. The application listed a business address for All Cars in Lyndhurst, New Jersey.

15. In the application, AWAD falsely represented that All Cars had twenty-four employees, and an average monthly payroll of \$595,039. The application included a copy of AWAD's driver's license, as well as documents that purported to be Forms 941 for each quarter in 2020, and a document that purported to be a Form 1120 for the tax year 2019.

16. The purported Forms 941 submitted with the All Cars PPP application made the following material misrepresentations:

- a. For the first quarter of 2020: that All Cars had quarterly wages of approximately \$3,495,054, withheld approximately \$734,921 in federal income tax, and purported to have 24 employees.
- b. For the second quarter of 2020: that All Cars had quarterly wages of approximately \$3,419,502, withheld approximately \$718,095 in federal income tax, and purported to have 24 employees.
- c. For the third quarter of 2020: that All Cars had quarterly wages of approximately \$1,719,142, withheld approximately \$283,165 in federal income tax, and purported to have 24 employees.
- d. For the fourth quarter of 2020: that All Cars had quarterly wages of approximately \$306,520, withheld approximately \$64,260 in federal income tax, and purported to have 4 employees.

17. The purported Form 1120 submitted with the All Cars PPP application falsely represented that in 2019, All Cars had approximately \$19,579,611 in Gross Receipts, and Salaries and Wages totaling approximately \$8,940,218. This purported Form 1120 listed an Employer Identification Number ("EIN") that was not established until May 2020, although the unsigned return was dated March 10, 2020.

18. Information obtained from the SSA confirmed that All Cars had paid no wages for the period between 2018 and 2020. Information obtained from the IRS confirmed that All Cars had not filed any Forms 1120, 941, W-2, or W-3 for the years 2019 or 2020 using either the EIN number on the PPP application, or a different EIN number associated with All Cars that was established in 2010. Bank records associated with All Cars do not reflect any significant payment of wages to employees, in contrast to the representation in the PPP application that All Cars

had an average monthly payroll of over \$595,000. Likewise, bank records associated with All Cars do not reflect gross receipts or payment of salaries and wages consistent with the numbers reflected in the purported Form 1120 submitted with the application.

19. Open source records and law enforcement surveillance indicate that the Lyndhurst, New Jersey address listed on the PPP application as All Cars' business address is a single family home. Law enforcement has not observed any business activity at this address.

20. In reliance on these material misrepresentations, on or about April 8, 2021, Lender-1 disbursed approximately \$1,487,597 – the full amount applied for – to All Cars' bank account at Bank-1, which was solely controlled by AWAD. The loan from Lender-1 was sent to Bank-1 via interstate wire through the District of New Jersey using the Federal Reserve ACH.

21. After receiving the PPP loan proceeds, AWAD transferred a large portion of them the very next day to other accounts that he controlled. On or about April 9, 2021, AWAD transferred approximately \$1 million to accounts that he controlled and which were in the names of other AWAD-controlled companies that had also applied for CARES Act funding. AWAD also transferred another \$172,500 to a personal account.

Falsified EIDL Loan Application for Evergreen Transportation Network LLC

22. On or about April 14, 2020, AWAD submitted an EIDL loan application on behalf of ETN. The loan application was submitted via an Internet Protocol ("IP") address subscribed to by AWAD. The application listed AWAD as the owner of ETN and listed his Social Security Number ("SSN") and other personal identifying information. The application listed a business address for ETN in Tinton Falls, New Jersey.

23. In the application, AWAD falsely represented that ETN had 41 employees, gross revenues in 2019 of \$650,000, and cost of goods sold in 2019 of \$25,000. Information obtained from the Social Security Administration ("SSA") and the IRS confirmed, however, that no tax returns, and no Forms W-2 or W-3 were filed for ETN between 2018 and 2020. According to bank records, ETN's bank account in 2019 had total deposits of less than \$30,000. Open source records indicate that the Tinton Falls, New Jersey address listed as ETN's business address on the EIDL application is a single family home.

24. In reliance on these material misrepresentations, SBA disbursed approximately \$149,900 in EIDL funds into ETN's business bank account at Bank-2

on or about June 18, 2020. This ETN bank account was associated with a Nutley, New Jersey address and checks associated with this account reflected an address in Hasbrouck Heights, New Jersey. The loan from SBA was sent to Bank-2 via interstate wire through the District of New Jersey using the Federal Reserve ACH.

25. Thereafter, AWAD wrote checks from the ETN bank account at Bank-2 to himself, including checks for \$48,000 dated July 10, 2020, \$42,000 dated July 10, 2020, and \$45,500 dated July 21, 2020. AWAD thereafter deposited these checks at Bank-1 in accounts that he controlled.

Transfers of Proceeds

26. AWAD transferred the PPP and EIDL loan proceeds to other accounts both within and outside of the United States. For example, on or about September 20, 2021, AWAD transferred \$20,000 from the All Cars account at Bank-1 via check, which he deposited at an account he controlled at Bank-3. On April 12, 2022, days before departing the United States for Egypt by way of France, AWAD withdrew \$8,000 in cash from this account at Bank-3, in a transaction captured by video surveillance. Between April 11, 2022 and April 12, 2022, AWAD visited branches of Bank-3, in New Jersey, and Bank-4, in Florida, withdrawing a total of approximately \$26,000 in cash. AWAD then departed the United States on April 18, 2022.

27. On September 22, 2021, AWAD transferred approximately \$130,000 from the All Cars account at Bank-1 via wire to Bank-5 in Egypt, for the benefit of "Emaar for Construction," which law enforcement has probable cause to believe is another company controlled by AWAD. AWAD has also transferred significant amounts of money from bank accounts he controls in the United States to banks located in Egypt, including at least approximately \$760,000 in transfers between July 2020 and September 2021.