

DCP:JN/CWE
F. #2020R00955

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

C O M P L A I N T

- against -

(T. 18, U.S.C., §§ 1349 and 3551 et seq.)

ANULI OKEKE,

21-MJ-1092

Defendant.

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EASTERN DISTRICT OF NEW YORK, SS:

Lauren Munoz, being duly sworn, deposes and states that she is a Special Agent with the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection, duly appointed according to law and acting as such.

In or about and between March 2020 and September 2020, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant ANULI OKEKE, together with others, did knowingly and intentionally conspire to execute a scheme and artifice, to wit: (a) to defraud and to obtain money and property from Bank 1, as defined below, and the Small Business Administration (“SBA”) by means of one or more materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures and sounds, for the purpose of executing the scheme to defraud, contrary to Title 18, United States Code, Section 1343; and (b) to defraud Bank 1, a financial institution, and to obtain money, funds, credits and other property owned by and under the custody and control of

Bank 1, by means of one or more materially false and fraudulent pretenses, representations and promises, contrary to Title 18, United States Code, Section 1344.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

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

1. I am a Special Agent with the Office of Inspector General for the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection and have been employed as such since March 2019. I have been involved in the investigation of numerous cases involving white-collar crimes, including bank fraud, wire fraud, mail fraud, pandemic-related fraud and money laundering. I am familiar with the facts and circumstances set forth below from my participation in the investigation, my review of the investigative file and from reports of other law enforcement officers involved in the investigation.

2. I am participating in an investigation of the defendant ANULI OKEKE, a resident of the Bronx, New York and a former branch manager of the New York branch of Bank 1 (the "Bank 1 Branch New York"), an entity the identity of which is known to your affiant, for OKEKE's role in a bank and wire fraud conspiracy involving the submission of fraudulent applications to SBA loan programs, including the Paycheck Protection Program ("PPP") and Economic Injury Disaster Loan ("EIDL"), on behalf of Bank 1 customers and others who did not qualify for the loans under the PPP and EIDL programs.

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.

SMALL BUSINESS ADMINISTRATION LOAN PROGRAMS

I. The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020, which was designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects of 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 the PPP loan program. In or about April 2020, Congress authorized over \$300 billion in additional PPP funding.

4. 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 to make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) 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 were required to provide documentation showing their payroll expenses.

5. The PPP was overseen by the SBA, which was headquartered in Washington, D.C., and had authority over all PPP loans. Individual PPP loans, however, were issued by approved private lenders such as participating financial institutions and credit unions (the “Lenders”). The Lenders received and processed PPP applications and supporting documentation and made loans using the Lenders’ own funds.

6. Upon approval of a PPP loan application, the Lenders funded the PPP loan, which was 100 percent guaranteed by the SBA. Data from the PPP loan application, including information about the borrower, the total amount of the loan and the listed number of employees, was transmitted by the Lenders to the SBA in the course of processing the loan.

7. PPP loan proceeds were permitted to be used by a borrower on specified expenses, such as payroll costs, interest on mortgages, rent and utilities. The PPP allowed the interest and principal on a PPP loan to be entirely forgiven if the borrower spent the loan proceeds on the enumerated expenses within a designated period of time and used a certain amount of the PPP loan proceeds on payroll expenses.

II. The Economic Injury Disaster Loan Program

8. The EIDL program was an SBA program that provided low-interest financing to small businesses, renters and homeowners in regions affected by declared disasters.

9. Another source of relief provided by the CARES Act was the authorization for the SBA to provide EIDLs of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. Under the program, the SBA was authorized to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL (“EIDL Advances”). The amount of an EIDL Advance was determined based on the number of employees working for the applicant. The advance did not have to be repaid.

10. To obtain an EIDL or EIDL Advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster 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 was the period preceding January 31, 2020. The applicant also was required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.

11. EIDL applications were submitted directly to the SBA and processed by the SBA with support from a government contractor, Rapid Finance. The amount of the loan, if the application was approved, was determined based, in part, on the information provided in the application about number of employees, revenue and cost of goods, as described above. Any funds issued under an EIDL were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs and business obligations, such as debts, rent and mortgage payments. If the applicant also obtained a loan under the PPP, the EIDL funds could not be used for the same purpose as the PPP funds.

PROBABLE CAUSE

I. Overview of the Fraudulent Scheme

12. The investigation to date into certain employees at the Bank 1 Branch New York, including the defendant ANULI OKEKE, has established probable cause to believe that following the enactment of the CARES Act, OKEKE conspired with others, including Co-Conspirator 1 ("CC-1"), Co-Conspirator 2 ("CC-2") and Co-Conspirator 3 ("CC-3"), individuals whose identities are known to your affiant, who were employees of Bank 1 and worked at the Bank 1 Branch New York (the "Bank 1 Co-Conspirators"), to engage in bank and wire fraud by helping borrowers to submit fraudulent PPP applications on behalf of Bank 1 customers who did not qualify for the loans under the PPP program in exchange for receiving "commissions" from the loan proceeds. As part of the scheme, OKEKE supervised the Bank 1 Co-Conspirators.

13. The defendant ANULI OKEKE, the Bank 1 Co-Conspirators and others submitted and caused to be submitted to Bank 1 dozens of PPP loan applications on behalf of borrowers recruited to fraudulently apply for PPP loans using applications that contained false representations. OKEKE and the Bank 1 Co-Conspirators also submitted false loan applications using the names of borrowers who were unaware that PPP applications were submitted on their behalf. In addition, OKEKE worked with at least one of the Bank 1 Co-Conspirators to submit fraudulent EIDL applications.

14. The defendant ANULI OKEKE and the Bank 1 Co-Conspirators also worked with Co-Conspirator 4 (“CC-4”) and Co-Conspirator-5 (“CC-5”), individuals whose identities are known to your affiant, who were tax preparers to obtain false tax documents to support the fraudulent loan applications.

15. Some of the PPP applicants resided in Brooklyn, New York and withdrew their fraudulent PPP Loan proceeds at ATM locations in the Eastern District of New York.

16. The defendant ANULI OKEKE and the Bank 1 Co-Conspirators worked with a network of recruiters to identify borrowers to fraudulently apply for PPP loans. The borrowers identified by the recruiters were either existing Bank 1 customers or became Bank 1 customers after they were recruited.

17. As part of my investigation, I have: (a) interviewed and reviewed memoranda of interviews of numerous individuals, including cooperating witnesses, involved in the scheme;² (b) reviewed Bank 1 Branch New York records related to the fraudulent PPP

² The identity of each of the cooperating witnesses is known to me. The cooperating witnesses have entered into written cooperation agreements with the government and are expected to enter or have entered guilty pleas in the Eastern District of New York. The cooperating witnesses have admitted to and will plead guilty to participating in the charged bank and wire fraud scheme. The witnesses are cooperating in the hope of receiving a more lenient

applications and proceeds; (c) reviewed Bank 1 Branch New York records related to numerous borrowers who submitted applications and received PPP loans; and (d) reviewed SBA records related to EIDL loan applications. Based on my review of the evidence, I believe there is probable cause to establish that the defendant ANULI OKEKE, and others known and unknown, conspired to commit bank and wire fraud, in violation of Title 18, United States Code, Section 1349.

II. Submission of Fraudulent Applications

18. After borrowers were recruited to join the scheme, the defendant ANULI OKEKE and the Bank 1 Co-Conspirators helped the borrowers complete PPP applications that contained fraudulent information.

19. The defendant ANULI OKEKE personally helped borrowers fill out fraudulent PPP loan application documents, including the SBA Form 2483 PPP Borrower Application (the “2483 Forms”). The 2483 Forms required borrowers to state, among other things, their businesses’ average monthly payroll and number of employees, and to certify that the PPP loan funds would be “used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.” OKEKE knowingly helped borrowers make false representations on the 2483 Forms.

20. Under PPP loan program rules, borrowers were generally eligible to receive loans of up to 2.5 times their businesses’ average monthly payroll. The defendant ANULI OKEKE worked with the Bank 1 Co-Conspirators to maximize the loan amount for each

sentence in connection with their cases. The information provided by these cooperating witnesses has been corroborated by a review of bank records, e-mail and other evidence gathered during the investigation.

borrower's business, including by providing false documents in support of the PPP applications. The PPP applications often included false tax documents prepared by CC-4 and CC-5 that fraudulently increased the businesses' average monthly payroll in order to help borrowers obtain fraudulent PPP loans when OKEKE knew they did not qualify.

21. The defendant ANULI OKEKE was responsible for reviewing each PPP application submitted through Bank 1 Branch New York and verifying the accuracy of all statements therein and the related paperwork. Despite knowing about and helping customers make false statements in numerous PPP applications, OKEKE submitted them for approval to the SBA. OKEKE signed the PPP applications on behalf of Bank 1 Branch New York.

22. For example, in or about June 2020, the defendant ANULI OKEKE met with Conspirator 6 ("CC-6"), an individual whose identity is known to your affiant, at the Bank 1 Branch New York and spoke with CC-6 about obtaining a PPP loan for CC-6's company. OKEKE subsequently instructed CC-6 to open an account at Bank 1 and sign loan application paperwork prepared by OKEKE, which contained false information about CC-6's company. CC-6 followed OKEKE's instructions and applied for a \$256,660 PPP loan for CC-6's company, even though CC-6 was not eligible for the loan. In signing the application, CC-6 provided a false certification about, among other things, the average monthly payroll and number of employees for CC-6's business.

23. On or about August 17, 2020, approximately \$256,660 in PPP loan proceeds were electronically deposited into CC-6's business account. On or about August 19, 2020, the defendant ANULI OKEKE and the Bank 1 Co-Conspirators supplied CC-6 with a check in the amount of \$91,600 made payable to CC-6, which read in the memo line, "Payroll,

rent + PP Loan.” CC-6 signed and cashed the check at the Bank 1 Branch New York even though CC-6 was not entitled to the loan funds.

24. In or about August 2020, the defendant ANULI OKEKE requested that CC-4 work with Conspirator 7 (“CC-7”), an individual whose identity is known to your affiant, who was a Bank 1 Branch customer, to prepare false tax documentation for a PPP loan application for CC-7’s small business. OKEKE instructed CC-7 to include false information in the PPP loan application, specifically, OKEKE instructed that CC-7 inflate the number of employees his business employed and the business’s average monthly payroll. CC-7 followed OKEKE’s instructions and certified to the false statements on the 2483 Form that was included in the PPP loan application.

25. The defendant ANULI OKEKE also helped CC-2 prepared a fraudulent EIDL application. EIDL applications required small businesses to show their basis of economic injury including by taking into account, among other things, two years’ worth of revenue and cost of goods sold. On or about June 26, 2020, the defendant ANULE OKEKE recommended to CC-2 that he apply for an EIDL in the amount of approximately \$16,500. Prior to applying for the EIDL, CC-2 informed OKEKE that CC-2 would not qualify for such a loan because CC-2 did not have a small business. Nonetheless, OKEKE suggested that CC-2 obtain false supporting documents for his EIDL application from CC-5. CC-2 followed OKEKE’s instructions and submitted an EIDL application that contained multiple materially false statements.

III. The Receipt of Unauthorized Commissions

26. The defendant ANULI OKEKE and the Bank 1 Co-Conspirators demanded and received commissions of loan proceeds from the borrowers. On a case-by-case basis, OKEKE or one of the Bank 1 Co-Conspirators would determine the “commission” amount a borrower owed OKEKE and the Bank 1 Co-Conspirators for their assistance in submitting the false applications. OKEKE and the Bank 1 Co-Conspirators often required borrowers to sign “starter” checks, which were legally negotiable instruments often issued by banks to customers who opened new checking accounts, as part of the PPP application process. Once the PPP loans were funded, OKEKE and the Bank 1 Co-Conspirators would use the signed starter checks to make withdrawals from borrowers’ accounts. In some instances, OKEKE and the Bank 1 Co-Conspirators used the starter checks to purchase cashiers’ checks, which OKEKE and the Bank 1 Co-Conspirators used to pay themselves the “commissions” described above.

27. The defendant ANULI OKEKE personally obtained tens of thousands of dollars in cash “commissions” from the PPP loan proceeds.

28. For example, Conspirator 8 (“CC-8”), whose identity is known to your affiant, and who was a Bank 1 Branch customer, gave the defendant ANULI OKEKE a cash payment after CC-8’s two fraudulently obtained PPP loans were funded. OKEKE subsequently provided two payments of \$5,000 each in envelopes to CC-1 for CC-1’s work in helping to obtain the fraudulent loans.

29. Similarly, after CC-7’s loan was funded, CC-7 gave the defendant ANULI OKEKE a cash payment. CC-7 informed OKEKE, in sum and substance, that the money came from the PPP loan proceeds. From the money received, OKEKE provided approximately \$5,000 to CC-1 as a “commission.” CC-6 also used some of the money from CC-6’s funded

PPP loan to pay approximately \$16,000 in “commissions” to OKEKE and other Bank 1 Co-Conspirators because, as described above, they helped CC-6 obtain the fraudulent loan. Over approximately the next several weeks, CC-6 withdrew approximately \$42,000 in fraudulently obtained PPP loan funds from CC-6’s bank account at Bank 1 and used the funds to among other things, provide additional kickbacks to OKEKE and the other Bank-1 Co-Conspirators.

30. The defendant ANULI OKEKE, the Bank 1 Co-Conspirators, CC-6 and CC-7 were ineligible to receive any loan proceeds per the terms of the programs.

WHEREFORE, your deponent respectfully requests an arrest warrant issue so that the defendant ANULI OKEKE, can be dealt with according to law.

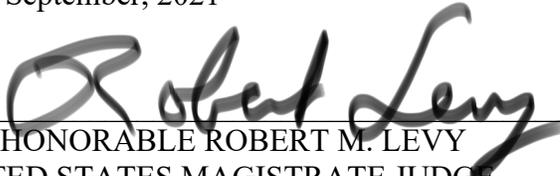
It is further requested that this Court issue an order sealing, until further order of the Court, all papers submitted in support of this application, including the application and arrest warrant. I believe that sealing this document is necessary because the warrant is relevant to an ongoing investigation and, based upon my training and experience, I have learned that criminals actively search for criminal affidavits and warrants via the internet, and disseminate them to others as they deem appropriate, e.g., by posting them publicly online. Premature disclosure of

the contents of this affidavit and related documents may have a significant and negative impact on the continuing investigation and may severely jeopardize its effectiveness.



Lauren Muñoz
Special Agent,
Office of Inspector General for the Board of
Governors of the Federal Reserve System and the
Bureau of Consumer Financial Protection

Sworn to me through the transmission of this
Affidavit by reliable electronic means, pursuant to
Federal Rules of Criminal Procedure 41(d)(3) and 4.1, this
23rd of September, 2021



THE HONORABLE ROBERT M. LEVY
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK