

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

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No.
	:	
MOHAMED A. AWAD	:	18 U.S.C. § 1343
	:	18 U.S.C. § 1956
	:	18 U.S.C. § 2

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Wire Fraud)

Background

Individuals and Entities

1. At all times relevant to this Information:
 - a. Defendant MOHAMED A. AWAD resided in Ocala, Florida.
 - b. AWAD owned and controlled various purported businesses, including Business 1, located in Lyndhurst, New Jersey.
 - c. Victim-Lender 1 was a lender headquartered in Laguna Hills, California.
 - d. Bank 1 was a financial institution headquartered in Pittsburgh, Pennsylvania.
 - e. Bank 2 was a banking institution located in Egypt.

Paycheck Protection Program

f. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020 and 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.

g. 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.

h. 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.

i. 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 Scheme to Defraud

2. From in or around April 2020 through in or around September 2021, in the District of New Jersey and elsewhere, defendant

MOHAMED A. AWAD

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud victim lenders and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice was in substance as set forth below.

Goal of the Scheme to Defraud

3. The goal of the scheme was for AWAD to profit by fraudulently obtaining federal COVID-19 emergency relief funds by submitting fraudulent loan applications and then diverting the money for personal use.

Manner and Means of the Scheme to Defraud

4. It was part of the scheme to defraud that:
 - a. AWAD prepared fraudulent CARES Act loan applications containing false information for businesses he purported to own and control.
 - b. AWAD submitted false documents, including false tax forms, to PPP lenders, including Victim-Lender 1, to support the false statements on the loan applications.
 - c. For example, on or about February 17, 2021, AWAD submitted a PPP loan application to Victim-Lender 1 for Business 1 seeking a loan for approximately \$1,487,597 (the “Business 1 PPP Application”). The Business 1 PPP Application contained false claims about the number of employees and the monthly payroll of Business 1. As part of the Business 1 PPP Application, AWAD submitted false tax forms indicating that Business 1 had paid significant wages to employees in 2020. In fact, Business 1 had no employees and no payroll.
 - d. The fraudulent Business 1 PPP Application caused Victim-Lender 1 to disburse approximately \$1,487,597 in PPP funds via interstate wire on or about April 7, 2021 to an account that AWAD controlled at Bank 1 (“the Bank 1 Account”). AWAD then transferred the funds to other accounts he controlled. For example, on or about September 24, 2021, AWAD transferred approximately \$130,000 from the Bank 1 Account to a business account he controlled at Bank 2, located in Egypt.
 - e. In addition to the Business 1 PPP loan, AWAD submitted at least eight other false and fraudulent CARES Act loan applications on behalf of himself

and his purported businesses. As a result of the false and fraudulent CARES Act loan applications, AWAD received approximately \$2.4 million in funds intended for federal COVID-19 emergency relief. AWAD transferred the loan proceeds between and among accounts he controlled, withdrew significant amounts in cash, and transferred significant amounts to accounts in Egypt.

5. On or about April 7, 2021, in the District of New Jersey and elsewhere, defendant

MOHAMED A. AWAD

having 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, 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 7, 2021	Causing Victim-Lender 1 to transfer, via interstate wire, approximately \$1,487,597 from Victim-Lender 1 in California to AWAD's bank account at Bank-1 in Pennsylvania

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO
(Money Laundering)

6. The allegations set forth in Paragraphs 1, 2, 3, and 4 of Count One of this Information are realleged here.

7. On or about September 24, 2021, in the District of New Jersey and elsewhere, defendant

MOHAMED A. AWAD

knowingly transported, transmitted, and transferred, and attempted to transport, transmit, and transfer, funds from a place in the United States to a place outside the United States, that is, Egypt, with the intent to promote the carrying on of specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Sections 1956(a)(2)(A) and 2.

FORFEITURE ALLEGATION AS TO COUNT ONE

1. As a result of committing the wire fraud offense charged in Count One of this Information, defendant MOHAMED A. AWAD 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, constituting, or derived from proceeds the defendant obtained directly or indirectly as a result of the commission of such offense, the value of which totaled \$1,487,597.


FORFEITURE ALLEGATION AS TO COUNT TWO

2. As a result of committing the money laundering offense charged in Count Two of this Information, defendant MOHAMED A. AWAD shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all property, real or personal, involved in such offense, and all property traceable to such property, the value of which totaled \$130,000.

SUBSTITUTE ASSETS PROVISION
(Applicable to Both Forfeiture Allegations)

3. If any of the property described above, as a result of any act or omission of the defendant:
- a. cannot be located upon the exercise of due diligence;
 - b. has been transferred or 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 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.


PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: _____

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UNITED STATES OF AMERICA

v.

MOHAMED A. AWAD

INFORMATION FOR

18 U.S.C. § 1343

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PHILIP R. SELLINGER
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