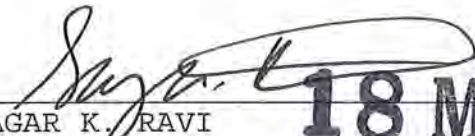


Approved:

  
SAGAR K. RAVI  
Assistant U.S. Attorney

**18 MAG 2924**

Before: HONORABLE HENRY B. PITMAN  
United States Magistrate Judge  
Southern District of New York

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SEALED COMPLAINT

UNITED STATES OF AMERICA :

- v. - :

SCOTT MARAIO, :

Defendant. :

Violations of  
18 U.S.C. §§ 641, 1001,  
and 2; 42 U.S.C. § 408

COUNTY OF OFFENSE:  
NEW YORK

----- x

SOUTHERN DISTRICT OF NEW YORK, ss.:

PETER DOWD, being duly sworn, deposes and says that he is a Special Agent with the United States Social Security Administration ("SSA"), Office of Inspector General, and charges as follows:

COUNT ONE

(Theft of Government Funds)

1. From at least in or about October 2008 up to and including at least in or about February 2018, in the Southern District of New York and elsewhere, SCOTT MARAIO, the defendant, embezzled, stole, purloined, and knowingly converted to his use and the use of others, and without authority, sold, conveyed, and disposed of records, vouchers, money, and things of value of the United States and a department and agency thereof, to wit, the SSA, which exceeded the sum of \$1,000, and received, concealed, and retained the same with intent to convert it to his use and gain, knowing it to have been embezzled, stolen, purloined, and converted, to wit, MARAIO fraudulently obtained over approximately \$364,000 in Social Security disability benefits to which he was not entitled.

(Title 18, United States Code, Sections 641 and 2.)

COUNT TWO  
(False Statements)

2. From at least in or about October 2008 up to and including at least in or about February 2018, in the Southern District of New York and elsewhere, SCOTT MARAIO, the defendant, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully made materially false, fictitious, and fraudulent statements and representations, to wit, MARAIO submitted applications for and reports relating to Social Security disability benefits in which he falsely stated, among other things, that he did not work and had no earnings, when in fact he worked as a security guard at a strip club located in Manhattan, New York (the "Strip Club") from in or about October 2008 through in or about August 2014, and in positions relating to fire safety on construction sites from in or about July 2012 through at least in or about February 2018, earning a total of approximately \$450,000.

(Title 18, United States Code, Sections 1001(a) and 2.)

COUNT THREE  
(False Statements in Connection with Social Security Disability Benefits)

3. From at least in or about October 2008 up to and including at least in or about February 2018, in the Southern District of New York and elsewhere, SCOTT MARAIO, the defendant, made and caused to be made false statements and representations of a material fact for use in determining rights to payment under Subchapter II of Chapter 7 of Title 42 of the United States Code, to wit, MARAIO submitted applications for and reports relating to Social Security disability benefits in which he falsely stated, among other things, that he did not work and had no earnings, when in fact he worked as a security guard at the Strip Club from in or about October 2008 through in or about August 2014, and in positions relating to fire safety on construction sites from in or about July 2012 through at least in or about February 2018, earning a total of approximately \$450,000.

(Title 42, United States Code, Section 408(a)(3); Title 18,  
United States Code, Section 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

4. I am a Special Agent with the SSA, Office of Inspector General, and have been employed in this capacity for over 17 years. I have personally participated in the investigation of this matter. This affidavit is based upon my personal participation in the investigation of this matter, my conversations with law enforcement agents, witnesses, and others, as well as my examination of reports and records. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

#### Overview

5. From my training and experience, I have learned that the SSA administers Social Security Disability Insurance ("SSD"), a federal benefits program that provides monthly cash benefits to individuals who have worked in the past and paid into Social Security, but who can no longer engage in any substantial gainful activity due to medical disabilities. SSD is a disability benefit only available to individuals who have a qualifying disability and are unable to work in any profession. In order to receive SSD, a beneficiary must certify that he or she is incapable of performing any gainful activity due to the stated disability. In addition, a beneficiary must report to the SSA all sources of income from work activity and any changes in the beneficiary's medical condition. These factors are then taken into account in determining whether the beneficiary is entitled to payments and how much.

6. In or about 2002, SCOTT MARAIO, the defendant, stopped working as a firefighter with the New York City Fire Department ("FDNY") due to a claimed disability, and began receiving SSD. On multiple forms submitted to the SSA, MARAIO falsely claimed he could not work due to problems with his neck and back and failed to report earnings from employment as required. In fact, from in or about September 2008 through in or about August 2014,

MARAIIO worked as a security guard at the Strip Club in Manhattan and earned over \$110,000. In addition, from in or about July 2012 through at least in or about February 2018, MARAIIO has worked in various positions relating to fire safety on construction sites, including as a fire safety manager and fireguard, and has earned over \$340,000.

7. In order to conceal that income from working and prevent the SSA from discovering his fraud, SCOTT MARAIIO, the defendant, arranged for his income to be paid to third-party corporate entities, including one such entity owned by MARAIIO's wife.

8. From in or about October 2008 through in or about February 2018, SCOTT MARAIIO, the defendant, received a total of over approximately \$364,000 in SSD benefits for himself, his wife, and his children, during which time MARAIIO earned a total of approximately \$450,000 from his employment described herein.

#### MARAIIO's False Statements and Representations to the SSA

9. Based on my review of records maintained by the New York City Police Department ("NYPD") and the FDNY, I have learned that, from in or about 1985 through in or about 1986, SCOTT MARAIIO, the defendant, worked as a police officer with the NYPD. Then, beginning in or about July 1987, MARAIIO began working as a firefighter with the FDNY. On or about January 30, 2002, at the age of 37, MARAIIO stopped working for the FDNY because he claimed that he was no longer able to perform any type of work activity due to a disability caused from falling down stairs.

10. Based on my review of records maintained by the SSA related to SCOTT MARAIIO, the defendant, I have learned the following, in substance and in part:

a. On or about February 15, 2002, MARAIIO submitted an application for SSD benefits (the "SSD Application") to the SSA in which he claimed a disabling condition from "severe pain and limitation from herniated discs in [his] neck and back" that limited his ability to work beginning on or about January 30, 2002. In the SSD Application, MARAIIO agreed to the following reporting responsibilities and statements:

I agree to promptly notify Social Security if:

- My MEDICAL CONDITION IMPROVES so that I would be able to work, even though I have not yet returned to work.
- I GO TO WORK whether as an employee or a self-employed person. . . .

The above events may affect my eligibility or disability benefits as provided in the Social Security Act, as amended.

MARAIO signed the SSD Application below the following statement:

I know that anyone who makes or causes to be made a false statement or representation of material fact in an application or for use in determining a right to payment under the Social Security Act commits a crime punishable under Federal law by fine, imprisonment, or both. I affirm that all information I have given in this document is true.

b. A separate page attached to the SSD Application titled "Receipt For Your Claim for Social Security Disability Insurance Benefits" also required MARAIO to report the following change to SSA: "You return to work (as an employee or self-employed) regardless of the amount of earnings." The same document stated that "[y]ou can make your reports by telephone, mail, or in person."

c. In a "Disability Report" dated February 15, 2002, MARAIO stated the following, in substance and in part, in response to a question asking how his condition limited his ability to work: "I cannot stand or walk for more than a few minutes at a time. I cannot lift or carry more than five pounds." MARAIO signed this form under bolded language in capital letters stating that "ANYONE MAKING A FALSE STATEMENT OR REPRESENTATION OF A MATERIAL FACT FOR USE IN DETERMINING A RIGHT TO PAYMENT UNDER THE SOCIAL SECURITY ACT COMMITS A CRIME PUNISHABLE UNDER FEDERAL LAW."

d. On or about August 28, 2003, based on the SSD Application submitted by MARAIO and after a hearing was conducted, the SSA approved MARAIO to receive SSD benefits from an amended onset date of disability of July 15, 2002 onward.

e. From in or about 2002 through at least in or about February 2018, MARAIO provided the SSA with periodic forms concerning his disability and employment status. For example, on or about March 23, 2011, MARAIO submitted a "Work Activity Report" to the SSA in which he represented he had earnings in only two months since January 2002. Specifically, MARAIO stated that he had earned \$1,700 in or about August 2008 and \$924 in or about December 2009 from being an actor. MARAIO did not report any other employment and signed this form under bolded language in capital letters stating that "ANYONE MAKING A FALSE STATEMENT OR REPRESENTATION OF A MATERIAL FACT FOR USE IN DETERMINING A RIGHT TO PAYMENT UNDER THE SOCIAL SECURITY ACT COMMITS A CRIME PUNISHABLE UNDER FEDERAL LAW."

f. On or about December 4, 2011, the SSA sent MARAIO a notice that the SSA had reviewed his disability claim and found that his disability was continuing. In this notice, the SSA stated the following:

You must promptly report any changes which may affect your benefits. Failure to do so could mean you have to repay any benefits not due. Let us know if: You returned to work since your last report or you return to work in the future (no matter how little you earn).

In addition, the notice explained, in substance and in part, that MARAIO could work and "earn any amount of money for up to 9 months" (the "Trial Work Period"), but that if after the Trial Work Period his average earnings were more than \$1,000 a month beginning in January 2011, then "we call your work 'substantial' and we will stop your monthly payments."

g. On or about November 15, 2016, MARAIO reported to the SSA for an interview related to his continued receipt of SSD benefits. During this interview, MARAIO filled out a number of forms related to his continued receipt of SSD benefits as described below:

i. MARAIO filled out and signed a "Work Activity Report - Employee" (the "Employee Work Activity Report") which contained instructions to "use this form to describe your work activity" and inquired whether MARAIO "had any employment or wages" since September 2002. In the Employee Work Activity Report, MARAIO reported earning a total of approximately \$2,000 as an extra in some television shows from in or about 2007 through in or about 2009 and checked a box indicating he did not "get any other payment(s) or benefit(s) from an employer." In addition, MARAIO stated the following: "The last time I worked was in 2009." MARAIO signed the Employee Work Activity Report below the following statement:

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information . . . commits a crime and may be sent to prison, or may face other penalties, or both.

ii. MARAIO filled out and signed a "Work Activity Report - Self-Employment" (the "Self-Employment Work Activity Report") which contained instructions to "use this form to describe your work activity" and inquired whether MARAIO "had any self-employment income" since July 15, 2002. In the Self-Employment Work Activity Report, MARAIO reported working only in or about 2009 as a "consultant for [a] security company" by "refer[ing] clients for security work," and checked boxes indicating he did not work more than 45 hours per month. MARAIO did not report any other self-employment. MARAIO signed the Self-Employment Work Activity Report under the following statement:

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading

statement about a material fact in this information . . . commits a crime and may be sent to prison, or may face other penalties, or both.

iii. MARAIO filled out and signed a "Continuing Disability Review Report" (the "CDR Report") in which he stated the following regarding what he did in a "typical day":

I get up in the morning and take care of the dogs. I usually get up at 8am. My wife takes care of the household chores and once in a while I do the cooking. I try to exercise everyday to help my back pain. The rest of the day I watch TV. I also check on my in-laws everyday as they are elderly and sometime need help.

MARAIO answered "Yes" in response to questions asking whether he had difficulty doing chores, driving or using public transportation, shopping, walking, standing, sitting, seeing, hearing, and speaking. Finally, in the "Remarks" section, MARAIO stated the following about his work:

In 2007, I did some extra work in a couple of movies and TV shows. I did this for a couple years. In 2009, I filed self employment. I recruited men for security jobs and was paid a commission for this.

iv. In connection with the November 15, 2016 interview, MARAIO further signed a statement certifying the following: "I acknowledge that I have voluntarily provided truthful responses and information to all questions, verbal or written, related to my past and current medical condition and work or employment activity."

#### MARAIO's Work as a Security Guard at the Strip Club

11. Based on my interview of a manager and bookkeeper for the Strip Club, as well as my review of records provided by the Strip Club, I have learned the following, in substance and in part:



a. A third-party company (the "Security Company") provided security at the Strip Club.

b. SCOTT MARAIO, the defendant, worked for the Security Company as a security guard at the Strip Club for several years through in or about 2014.

c. MARAIO worked various posts at the Strip Club, was in good physical shape, and was often on his feet and regularly interacting with customers.

d. The Security Company paid MARAIO for providing security. In addition, MARAIO received tips in the form of "Beaver Bucks," the Strip Club's internal form of currency. From at least in or about October 2010 through at least in or about August 2014, the Strip Club paid MARAIO approximately \$11,000 in tips from Beaver Bucks that he redeemed for cash.

12. Based on my interview of the owner and manager of the Security Company, as well as my review of records provided by the Security Company, I have learned the following, in substance and in part:

a. The Security Company has provided security services for several bars and restaurants in the New York City area.

b. In or about July 2008, SCOTT MARAIO, the defendant, applied to the Security Company for a position in security and stated that he was available to start "right away." In the application, MARAIO listed his former employment with the NYPD and the FDNY as work experience and provided a license from the New York Department of State, Division of Licensing Services, indicating that he was duly registered as a security guard. At the request of a manager at the Strip Club who was a relative of MARAIO, the Security Company hired MARAIO as an independent contractor to work as a security guard or "bouncer." MARAIO's duties included access and egress control, responding to disorderly patrons, and checking identification of patrons, among other duties.

c. From on or about September 26, 2008 through on or about August 31, 2014, MARAIO worked exclusively at the Strip

Club and typically worked from 8:00 p.m. to 4:00 a.m. In total during that time period, MARAIO worked more than 730 days, or an average of approximately 147 days per year.

d. The Security Company paid MARAIO the following approximate amounts on an annual basis:

2008	\$ 3,220
2009	\$ 16,157
2010	\$ 21,377
2011	\$ 17,134
2012	\$ 26,696
2013	\$ 19,442
2014	\$ 8,071
<b>Total</b>	<b>\$ 112,097</b>

e. From in or about 2009 through in or about 2010, MARAIO worked for the Security Company under the name of a limited liability company, B.H.S. Consultants, LLC ("BHS Consultants"). During this period, BHS Consultants was registered to MARAIO and MARAIO requested that the Security Company make payments for MARAIO's work to BHS Consultants. MARAIO signed a confidentiality and non-disclosure agreement with the Security Company on behalf of BHS Consultants.

f. From in or about 2011 through in or about 2014, MARAIO worked for the Security Company under the name of a second limited liability company, Blondie Consultants, LLC ("Blondie Consultants"). During this period, Blondie Consultants was registered to MARAIO's wife and MARAIO requested that the Security Company make payments for MARAIO's work to Blondie Consultants. In or about 2011, MARAIO's wife signed an independent-contractor agreement and MARAIO signed a confidentiality and non-disclosure agreement with the Security Company on behalf of Blondie Consultants.

g. MARAIO's wife never performed any work for the Security Company.

h. MARAIO was also doing fire safety-related work at the same time he was working at the Strip Club, as discussed in detail in paragraphs 13 and 14.

MARAIO's Work in Fire Safety on Construction Sites

13. Based on my conversations with a representative of a professional staffing company (the "Staffing Company"), as well as my review of records provided by the Staffing Company, I have learned the following, in substance and in part:

a. The Staffing Company is involved in placing employees to work on construction projects.

b. From in or around July 2012 through at least in or about February 2018, SCOTT MARAIO, the defendant, worked for the Staffing Company as an independent contractor in positions relating to fire safety on construction sites and other job sites, including as a construction site fire safety manager, fireguard, onsite safety professional, qualified safety professional manager, and suspended scaffold supervisor, among other positions. His duties included preventing fire issues, reporting fire-related issues, and serving as a fireguard for events such as concerts. MARAIO worked on large projects involving Madison Square Garden in Manhattan, a large department store chain (the "Department Store"), and the Build It Back Program after Hurricane Sandy.

c. During his employment with the Staffing Company, MARAIO regularly sent and received emails related to his work from the email address "smaraiofiresafety@[email provider].com." For example, on or about June 7, 2015, MARAIO distributed a fire safety manager log via email that stated the following: "A) No fall hazards observed or reported[;] B) Exits and stairwells clear[;] C) Workers wearing proper PPE at time of inspections[;] D) Proper signage . . . ."

d. From in or about 2012 through in or about 2016, MARAIO worked for the Staffing Company under Blondie Consultants. In or about 2016, MARAIO switched to working under a different corporation, First Due New York Safety Inc. ("First Due"), which is registered to MARAIO's residence in Staten Island, New York.

e. From in or about 2013 through in or about 2015, the Staffing Company paid Blondie Consultants the following approximate amounts on an annual basis:

2013	\$ 60,885
2014	\$ 83,867
2015	\$ 96,015
<b>Total</b>	<b>\$ 240,767</b>

f. In addition to the above, from in or about February 2016 through at least in or about December 2016, MARAIO submitted bi-weekly invoices to the Staffing Company from First Due totaling approximately \$95,000. These invoices reflected MARAIO working approximately 2,700 hours during this time period, or more than approximately 50 hours per week.

g. On or about February 3, 2017, MARAIO began working full-time for the Staffing Company in the position of a Safety and Loss Control Consultant, which included duties of implementing, maintaining, and documenting the effectiveness of safety programs on construction projects and assignments for major clients.

14. As part of my investigation, I have conducted surveillance of SCOTT MARAIO, the defendant, and have observed him work at a construction site for the Department Store in Brooklyn, New York (the "Store Construction Site") on a regular basis from in or around June 2016 through in or around March 2018. On almost every occasion I observed MARAIO, he was wearing a construction vest, work boots, and a hard hat, and he often had radios on his belt. MARAIO traveled to and from the Store Construction Site in a 2015 Jeep Cherokee SUV (the "Jeep"), which was registered to MARAIO and had FDNY decals in or around the license plate and a placard in the windshield that read "[DEPARTMENT STORE] FIRE SAFETY." Based on my surveillance, I observed the following, in substance and in part:

a. On or about June 27, 2016, at approximately 1:03 p.m., the Jeep was parked outside the Store Construction Site. At approximately 1:53 p.m., MARAIO approached the Jeep, entered the Jeep briefly, and then approached the Store Construction Site through a side entrance.

b. On or about June 28, 2016, at approximately 1:34 p.m., the Jeep was parked outside the Store Construction Site. At approximately 2:30 p.m., MARAIO walked towards a parking meter near the Jeep while engaged in a discussion using a handheld radio, and then spoke to an individual in a truck that appeared to belong to a construction company.

c. On or about July 7, 2016, at approximately 12:12 p.m., MARAIO walked from the Store Construction Site to the Jeep. MARAIO then stood near the Jeep and engaged in conversation with another individual wearing a hard hat helmet for several minutes. The Jeep had a placard on the dashboard for First Due.

d. On or about July 14, 2016, at approximately 10:55 a.m., the Jeep was parked outside the Store Construction Site. At approximately 11:38 a.m., MARAIO walked near the Store Construction Site with a radio in his pocket.

e. On or about August 3, 2016, at approximately 10:26 a.m., the Jeep was parked outside the Store Construction Site.

f. On or about September 8 and 13, 2016, MARAIO walked near the Store Construction Site while speaking with other workers.

g. On or about October 11, 2016, at approximately 10:36 a.m., the Jeep was parked outside the Store Construction Site. At approximately 11:10 a.m., MARAIO approached the Jeep, placed a parking meter receipt on the dashboard of the Jeep, and returned to the Store Construction Site.

h. On or about November 10, 2016, at approximately 1:33 p.m., the Jeep was parked outside the Store Construction Site. At approximately 1:55 p.m., MARAIO approached the Jeep talking on his cellphone.

i. On or about July 17, 2017, at approximately 10:45 a.m., the Jeep was parked outside the Store Construction Site. At approximately 11:06 a.m., MARAIO stood outside the Store Construction Site while talking with another individual wearing a hard hat helmet and holding a memo pad.

j. On or about July 21, 2017, at approximately 9:56 a.m., the Jeep was parked outside the Store Construction Site. At approximately 10:07 a.m., MARAIO was outside the Store Construction Site speaking with other workers. At approximately 11:32 a.m., MARAIO walked onto a street adjacent to the Store Construction Site holding some papers.

k. On or about August 14, 2017, at approximately 12:13 p.m., MARAIO walked outside the Store Construction Site. At approximately 1:07 p.m., MARAIO approached the Jeep, placed a parking meter receipt on the dashboard of the Jeep, and returned to the Store Construction Site.

l. On or about September 6, 2017, at approximately 10:20 a.m., the Jeep was parked outside the Store Construction Site. At approximately 11:45 a.m., MARAIO was outside the Store Construction Site speaking with other workers.

m. On or about October 11, 2017, at approximately 11:27 a.m., the Jeep was parked outside the Store Construction Site. At approximately 11:33 a.m., MARAIO was leaning on a scaffold at the Store Construction Site while speaking with other workers.

n. On or about October 18, 2017, at approximately 10:15 a.m., MARAIO stood outside the Store Construction Site. At approximately 11:48 a.m., MARAIO spoke with other workers at the Store Construction Site.

o. On or about October 31, 2017, at approximately 10:32 a.m., MARAIO stood outside the Store Construction Site speaking with another worker.

p. On or about December 5, 13, and 19, 2017 and January 3, 8, and 16, 2018, the Jeep was parked in the vicinity of the Store Construction Site.

15. Based on my review of tax return documents jointly filed by SCOTT MARAIO, the defendant, and his wife with the IRS from in or about 2013 through in or about 2016, and my review of a report of an interview with the tax return preparer (the "Preparer") who filed the tax return documents, I have learned the following, in substance and in part:

a. The Preparer prepared tax returns for MARAIO and his wife for approximately the past seven or eight years. MARAIO met with the Preparer without his wife once a year regarding the tax returns, which were prepared with MARAIO present.

b. MARAIO represented to the Preparer that MARAIO's wife was the proprietor of Blondie Consultants and the business belongs to his wife.

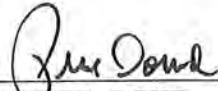
c. The joint tax returns filed by MARAIO and his wife included a Schedule C, "Profit or Loss From Business," for Blondie Consultants, which listed MARAIO's wife as the "Proprietor" and the business as a "consultant." The following gross receipts or sales for the tax years of 2013 through 2015 were reported for Blondie Consultants:

2013	\$ 80,328
2014	\$ 91,940
2015	\$ 96,015
<b>Total</b>	<b>\$ 268,283</b>

d. MARAIO did not otherwise report any wages, salaries or tips for the tax years of 2013 through 2015 relating to MARAIO's work at the Strip Club or with the Staffing Company.

e. There were no wages, salaries or tips for First Due reported by MARAIO to the Preparer for the 2016 tax year.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of SCOTT MARAIO, the defendant, and that he be arrested and imprisoned or bailed, as the case may be.



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PETER DOWD  
Special Agent  
Social Security Administration

Sworn to before me this  
6th day of April, 2018



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THE HONORABLE HENRY B. PITMAN  
United States Magistrate Judge  
Southern District of New York