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ORIGINAL

Approved: Christine Magdo  
CHRISTINE I. MAGDO  
Assistant United States Attorney

----- x	:	<u>SEALED COMPLAINT</u>
UNITED STATES OF AMERICA	:	
- v. -	:	Violation of
	:	18 U.S.C. § 1343
DARIN WEBB,	:	COUNTY OF OFFENSES:
	:	New York
Defendant.	:	
----- x	:	

SOUTHERN DISTRICT OF NEW YORK, ss.:

NICHOLAS KROLL, being duly sworn, deposes and says that he is a Special Agent with the Federal Bureau of Investigation ("FBI") and charges as follows:

COUNT ONE  
(Wire Fraud)

1. From at least in or about January 2011 through in or about March 2018, in the Southern District of New York and elsewhere, DARIN WEBB, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communication in interstate and foreign commerce, writings, signs, signals and sounds for the purpose of executing such scheme and artifice to defraud, to wit, WEBB defrauded a literary agency during his engagement as that agency's bookkeeper, by converting funds that belonged to the agency and its clients to his own use and the use of others, including through the use of the internet and wire transfers.

(Title 18, United States Code, Section 1343.)

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

2. I have been a Special Agent with the FBI for approximately five months. For approximately two months, I have been assigned to a squad that investigates securities fraud and other financial crimes in the FBI's New York Field Office. I have participated in several investigations of these offenses, and I have made and participated in making arrests of individuals for committing such offenses.

3. The information contained in this Complaint is based upon my personal knowledge, as well as information obtained during this investigation, directly or indirectly, from other sources, including documents and information provided to me by others. Because this Complaint 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 and statements of and conversations with others are reported herein, they are reported in substance and in part. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

#### BACKGROUND

4. At all times relevant to this Complaint, a company located in New York, New York operated as a literary agency (the "Agency"). At various times relevant to this Complaint, the Agency held five business bank accounts in the Agency's name at a financial institution (the "Agency's Bank Accounts").

5. From in or about 2001 through in or about March 2018, DARIN WEBB, the defendant, worked as a bookkeeper for the Agency through a bookkeeping company (the "Company"). WEBB was a partial owner of the Company. At all times relevant to this Complaint, DARIN WEBB, the defendant, was a signatory on bank accounts held in the name of the Company (the "Company's Bank Accounts").

6. At all times relevant to this Complaint, the Agency hired DARIN WEBB, the defendant, and the Company to provide bookkeeping services for the Agency. At all times relevant to this Complaint, in order to facilitate the bookkeeping function performed by WEBB and the Company, the Agency provided WEBB with unrestricted access to the Agency's Bank Accounts, including the

ability to transfer money out of the Agency's Bank Accounts by wire transfer and check.

### THE OFFENSE CONDUCT

7. As set forth below, there is probable cause to believe that from at least in or about January 2011 through in or about March 2018, DARIN WEBB, the defendant, defrauded the Agency, located in New York, New York, and the Agency's clients by converting to his use and the use of others, funds that belonged to the Agency and the Agency's clients, in the aggregate amount of approximately \$3.4 million, without the authorization of the Agency or the Agency's clients.

8. Based on my review of financial records and emails provided by the Agency and my interviews of principals and representatives of the Agency, I have learned that:

a. In or about the fall of 2017, one of the Agency's clients (the "Author") expected to receive a payment of approximately \$200,000 from the Author's publisher. The Author repeatedly asked DARIN WEBB, the defendant, why the Author had not received the payment. From in or about November 2017 through in or about March 2018, WEBB sent emails in interstate commerce to the Author containing false explanations as to why the Author had not yet received the funds he was owed. In truth and in fact, the Author did not receive the payment because WEBB had converted the funds to WEBB's own use. In or about March 2018, the Author brought the missing payment to the attention of the Agency's principals.

9. On or about March 27 and March 30, 2018, DARIN WEBB, the defendant, agreed to be interviewed by the Agency's outside counsel ("Counsel") and to have the interviews video-recorded. Based on my review of these video-recorded interviews, I have learned that:

a. During the time period relevant to this Complaint, the Agency paid WEBB and the Company a monthly rate of approximately \$1,000 for bookkeeping services. Accordingly, the Company was entitled to pay itself a total of approximately \$87,000 from the Agency's Bank Accounts for its bookkeeping fees during the time period relevant to this Complaint.

b. From in or about February 2015 through in or about March 2018, the Agency sublet office space from the

Company for a monthly rate of approximately \$2,500. Accordingly, the Company was entitled to pay itself a total of approximately \$95,000 from the Agency's Bank Accounts for rent during the time period relevant to this Complaint.

c. During the interviews, WEBB admitted that, during the time period relevant to this Complaint, WEBB's transfers of funds from the Agency's Bank Accounts to the Company's Bank Accounts, other than approximately \$182,000 legitimately due to WEBB and the Company, were theft.

d. WEBB further admitted that, during the time period relevant to this Complaint, WEBB prepared monthly financial reports for the principals of the Agency that contained false and fraudulent representations, in order to accomplish the theft and evade detection.

e. WEBB further admitted that, during the time period relevant to this Complaint, WEBB sent emails to the Agency's clients, including the Author, containing false and fraudulent representations in order to conceal the theft and evade detection.

10. Based on my review of financial records provided by the Agency and my interviews of principals and representatives of the Agency, I have learned that:

a. During the time period relevant to this Complaint, DARIN WEBB, the defendant, transferred approximately \$3.4 million from the Agency's Bank Accounts into the Company's Bank Accounts, without the permission of the Agency and without a valid business purpose.

b. During the time period relevant to this Complaint, the transfers made by WEBB from the Agency's Bank Accounts to the Company's Bank Accounts ranged in size from \$1,000 to \$75,000 per transaction.

- i. In or about 2011, approximately 40 transfers, totaling approximately \$288,500, were made.
- ii. In or about 2012, approximately 45 transfers, totaling approximately \$380,000, were made.
- iii. In or about 2013, approximately 43 transfers, totaling approximately \$425,000, were made.

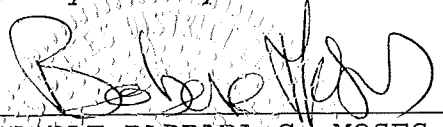
- iv. In or about 2014, approximately 33 transfers, totaling approximately \$392,500, were made.
- v. In or about 2015, approximately 45 transfers, totaling approximately \$565,500, were made.
- vi. In or about 2016, approximately 48 transfers, totaling approximately \$413,000, were made.
- vii. In or about 2017, approximately 97 transfers, totaling approximately \$963,900, were made.
- viii. From on or about January 1, 2018 through on or about March 31, 2018 approximately 28 transfers, totaling approximately \$173,250, were made.

c. During the time period relevant to this Complaint, the total amount transferred by WEBB from the Agency's Bank Accounts to the Company's Bank Accounts was approximately \$3,600,650. During the time period relevant to the Complaint, the total amount legitimately payable to WEBB and the Company from the Agency's Bank Accounts was approximately \$182,000.

WHEREFORE, I respectfully request that an arrest warrant be issued for DARIN WEBB, the defendant, and that he be arrested and imprisoned or bailed, as the case may be.

  
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NICHOLAS KROLL

Sworn to before me this  
14th day of May 2018

  
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HONORABLE BARBARA C. MOSES  
UNITED STATES MAGISTRATE JUDGE  
SOUTHERN DISTRICT OF NEW YORK