

Approved: Edward C. Robinson Jr.
Edward C. Robinson Jr.
Assistant United States Attorney

Before: THE HONORABLE KATHARINE H. PARKER
United States Magistrate Judge
Southern District of New York

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UNITED STATES OF AMERICA : SEALED COMPLAINT

- v. - : Violations of 18 U.S.C.
§§ 1031, 1343, and 2

RAYMOND WHITE, :
a/k/a "John Raymond Anthony White," : COUNTY OF OFFENSE:
a/k/a "Raymond Alexander White," : Manhattan

Defendant. :

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SOUTHERN DISTRICT OF NEW YORK, ss.:

CHRISTINE C. WARNOCK, being duly sworn, deposes and says that she is a Special Agent with the Office of Special Investigations at the United States Air Force Office of Procurement Fraud, and charges as follows:

COUNT ONE

(Major Fraud Against the United States)

1. From on or about May 12, 2019, through at least in or about September 2020, in the Southern District of New York and elsewhere, RAYMOND WHITE a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, unlawfully, willfully, and knowingly, executed and attempted to execute a scheme or artifice with intent to defraud the United States and to obtain money and property by means of false and fraudulent pretenses, representations, and promises in a procurement of property and services as a prime contractor with the United States, where the value of such contract was \$1,000,000 and more, to wit, WHITE, president and chief executive officer of a construction management and general contractor company (the

"Contractor"), submitted to the District of Columbia Army National Guard ("DCARNG") fraudulent documents and false information regarding the Contractor's finances and business, and based in part on such false representations, the Contractor was awarded a contract (the "Contract") to build a Munition Load Crew Training Facility at Joint Base Andrews, Maryland ("Andrews") for \$4,801,000.00.

(Title 18, United States Code, Sections 1031 and 2.)

COUNT TWO
(Wire Fraud)

2. From on or about May 12, 2019, through at least in or about September 2020, in the Southern District of New York, and elsewhere, RAYMOND WHITE a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," 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, and attempting to do so, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, WHITE submitted via email and other means fraudulent documents and false information regarding the Contractor's finances and business to the DCARNG in order to obtain the Contract and fraudulently received payment under the Contract via interstate wire transfers.

(Title 18, United States Code, Sections 1343 and 2.)

COUNT THREE
(Wire Fraud)

3. From on and about September 30, 2019 to on or about September 2020, in the Southern District of New York, and elsewhere, RAYMOND WHITE a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," 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, and attempting to do so, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, WHITE made false

representations in an application to the United States Small Business Administration ("SBA") to induce the SBA to guarantee 80% of the performance and payment bond issued in connection with the Contract, and in connection therewith and in furtherance thereof, WHITE transmitted and caused to be transmitted interstate electronic mail, telephone calls, and wire transfers of funds.

(Title 18, United States Code, Sections 1343 and 2.)

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

4. I am a Special Agent with the Office of Special Investigations ("OSI") and am assigned to the Office of Procurement Fraud at the United States Air Force. As such, I have been personally involved in the investigation of this matter. This affidavit is based upon my personal participation in the investigation, interviews in which I have participated, my examination of reports and records, and my conversations with other law enforcement officers. 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.

Background

5. Based on my interviews with contracting officers, a contract specialist, and counsel for the National Guard, I understand the following, among other things, about the procurement process for the District of Columbia Army National Guard ("DCARNG").

a. A civilian employee of the National Guard with procurement responsibilities ("Contracting Officer" or "KO") issues an "invitation for a bid" ("IFB"), which solicits a bid or price for the contract at issue from potential contractors. In response, contractors seeking to obtain the contract submit a bid, including a quote for the construction project. The Contracting Officer is also assisted by a contract specialist (the "Contract Specialist"), who reviews and evaluates the bids from contractors and gathers documents from potential contractors.

b. After a bid is received, the Contracting Officer or Contract Specialist may send a pre-award questionnaire to the contractor. The pre-award questionnaire requests information about the finances and prior experience of the contractor.

c. As mandated by the Miller Act, 40 U.S.C. §§ 3131-3134, every contractor bidding on federal construction projects must obtain performance and payment bonds provided by an insurer (generally referred to in the business as a surety) for the project under the contract as a condition of being awarded the contract. A performance bond is a bond that is issued by a bank or an insurance company for the purpose of making sure the contractor completes the designated project. If the contractor fails to complete its contractual obligations, the bank or insurance company will pay the claim to the project owner, and then afterwards seeks reimbursement from the contractor. A payment bond is a bond posted by a contractor to guarantee that its subcontractors and material suppliers on the project will get paid.

6. Based on my interviews with a surety bond broker and publicly available information from the United States Small Business Association ("SBA"), I understand the following about the issuance of performance and payment bonds:

a. A contractor bidding on a project generally uses a surety bond broker to find a surety to issue the performance and payment bonds. Both the surety and surety bond broker would formalize the issuance of the performance and payment bonds.

b. A surety may condition the issuance of performance and payment bonds on the contractor obtaining a guarantee of such bonds by the SBA. In the event of a default on a bond backed by the SBA guarantee, the surety would be reimbursed 80%-90% of any loss incurred by the SBA. A surety generally asks for a contractor to obtain an SBA guarantee where there is a greater risk of a default i.e. the contractor fails to complete the project.

7. Based on my interview with a surety bond specialist with the SBA, I have learned the following about the application process for an SBA guarantee.

a. In order to obtain an SBA guarantee for performance and payment bonds, a surety bond broker typically will submit the application on behalf of the contractor. The

surety bond broker submits an applicant's SBA Forms, financial statements, and a report of the contractor's work in progress.

Overview of the Contract

8. Over the course of my investigation, I reviewed the National Guard's file for the Contract (the "Contract File"), which contains, among other things, the original IFB, the bid submitted by the contractor, all documents submitted in connection with the bid process, the contract, all modifications to the contract, and documents related to the administration of the contract. Based on my interviews with contracting officers, a contract specialist, and counsel for the National Guard Bureau as well as my review of the Contract File, I have learned that:

a. A contract to build a Munitions Load Crew Training Facility at Joint Base Andrews, Maryland was awarded to a construction management and general contractor company (the "Contractor") for \$4,801,00.00 (the "Contract").

b. RAYMOND WHITE a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, is the President and CEO of the Contractor, and the Contractor is headquartered in New York City.

9. Based on my review of the Contractor's certificate shares, WHITE owns 91% of the Contractor. The former Vice President and Chief Operations Officer of the Contractor (Individual-1) owns 9% of the Contractor.

10. Based on my query of the New York State, Department of State, Division of Corporation, I have learned that the Contractor is registered in New York.

11. Based on my review of the Contract File, interviews with the contracting officers, and correspondence between RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, and the Contracting Officer, I have learned the following about the Contract:

a. On or about May 12, 2019, the DCARNG solicited contractors to build a Munition Load Crew Training Facility at Andrews.

b. The Contractor submitted a bid to the DCARNG.

c. Between September 21, 2019 and September 30, 2019, in response to a pre-award questionnaire sent by the Contract Specialist, WHITE e-mailed several documents including an "Independent Accountants' Report," a "Construction Contractor Experience Data" and a "Firm Dossier" (together the "Pre-Award Package") to the Contract Specialist.

d. On or about September 30, 2019, the Contract was awarded to the Contractor for \$4,801,000.

12. For the reasons set forth below, I know that WHITE was in Manhattan when he e-mailed the Pre-Award Package to the Contract Specialist, who was located in Washington, DC:

a. Personal checking account records for WHITE show that he made ATM deposits and withdrawals as well as a debit card purchase in Manhattan in between September 21, 2019 and September 30, 2019.

b. Records concerning his online banking account show WHITE logging into his bank account almost daily from IP addresses that resolve back to New York in between September 21, 2019 and September 30, 2019.

13. Based on my review of the Contractor's surety's file for the Contractor in relation to the performance and payment bond issued for the Contract, I have learned the following:

a. On or about October 23, 2019, the Contractor received a performance and payment bond from a surety (the "Surety"). Two surety bond brokers ("Broker-1" and "Broker-2") assisted in the issuance of the performance and payment bond.

b. As a condition for issuing the performance and payment bond, the Surety required that the Contractor obtain an SBA guarantee. In order to receive the guarantee, the SBA required that the Contractor enter into a third-party escrow agreement, under which the Contractor would agree to turn over all contract payments from the DCARNG to an escrow agent, which would ensure that the proper subcontractors were paid.

c. In and around October 2019, RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, e-mailed the SBA bond guarantee application materials to Broker-1 to submit to the SBA. The application materials included, among other documents, financial statements, and a statement of personal history for WHITE. Broker-2, who was

brought in by Broker-1 because it was an agent authorized by the SBA to apply for a guarantee, ultimately submitted the application to the SBA.

d. On or about October 23, 2019, the Contractor entered into a disbursement agreement with a funds control agent (the "Surety Escrow Agent") in which the Contractor agreed to turn over all contract payments from the DCARNG to the Surety Escrow Agent.

e. On or about October 31, 2019, the Contractor obtained a guarantee from the SBA of 80% of the payment and performance bond.

14. Based upon my review of invoices from the DCARNG and bank records for the Contractor, I have learned the following about the payments received by the Contractor from the DCARNG:

a. On or about January 13, 2020, the Contractor received \$165,635.00 from the Defense Financial Accounting Services ("DFAS") for the Contract.

b. On or about February 25, 2020, the Contractor received \$61,542.30 from the DFAS for the Contract.

c. On or about April 21, 2020, the Contractor received \$45,999.60 from the DFAS for the Contract.

15. Based on my review of the Contract File, interviews with the contracting officers and counsel for the National Guard Bureau, and review of correspondence between RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, and the Contracting Officer, I have learned the following:

a. In or around April 2020, a dispute between the Surety and the Contractor prompted an extensive review by the DCARNG of the Contract and the Pre-Award Package submitted by the Contractor. The review identified several irregularities with various documents that the Contractor submitted to the DCARNG including the Independent Accountants' Report, Construction Contractor Experience Data, and Firm Dossier. As a result of the review, the project was placed on stop work status on June 22, 2020.

b. On or about July 16, 2020, the Contracting Officer for the Contract emailed WHITE, expressing concern about

the veracity of the information submitted to the DCARNG and requesting that WHITE explain the various irregularities identified by the DCARNG.

c. On or about July 17, 2020, WHITE responded in sum and substance that the financial statements "were submitted. . . in error and recalled." WHITE also wrote that "due to COVID-19's impact and displacement of millions of people we are withdrawing the company bio until we can confirm and/or update its information."

d. On or about September 16, 2020, the Contracting Officer sent a termination notice to WHITE, terminating the contract due to false financial reports submitted to the DCARNG as part of the pre-award questionnaire and apparent false information provided for past performance of contracts. No construction work had been performed yet on the site.

e. None of the contract payments paid by the DCARNG to the Contractor were forwarded to the Surety Escrow Agent.

16. Based on my interview with a surety specialist at the SBA, I have learned that the SBA has fulfilled three claims that the Surety has submitted to the SBA as a result of the guarantee provided by the SBA to the bonds issued by the Surety, totaling \$242,827.53 as of January 26, 2021.

THE FRAUDULENT PRE-AWARD PACKAGE

17. The Independent Accountants' Report listed an accounting firm ("Accounting Firm-1") with an address in New York City as the preparer of the Independent Accountants' Report. Based on a search conducted on the New York business license website, a publicly available national database of licensed Certified Public Accountants and CPA firms, and other publicly available information, I have learned that Accounting Firm-1 is not registered in New York, does not have a New York presence, and does not have any online presence. The letterhead of the Independent Accountants' Report also listed four Certified Public Accountants (CPAs), three of whom had juris doctorate degrees. Based on the same search of a national database of licensed CPAs, only one individual was found, and he was not employed by Accounting Firm-1. Based on my training and experience, and the above facts, I do not believe that Accounting Firm-1 exists.

18. The Construction Contractor Experience Data listed a prior construction project with a contract amount of \$9,210,000 ("Prior Project-1"). The individual project owner listed for Prior Project-1 could not be reached and does not have an online presence. Records from the provider of the email address for the individual project owner listed a "Ray White" as the subscriber. Based on my training and experience, and the above facts, I believe that RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, created the email address and that the individual project owner for Prior Project-1 does not exist.

19. The Firm Dossier also referred to Prior Project-1 and specifically stated that "James W. Benedict" was the Project Manager for Prior Project-1. The dossier also provides a biography for "James W. Benedict" stating that he is the Vice President of Construction for the Contractor and had a Bachelor of Science from a military academy (the "Military Academy"). Review of records from the Military Academy revealed that "James W. Benedict" was not a graduate or former cadet of the Military Academy. Based on my training and experience, and the above facts, I believe that "James W. Benedict" is a fictitious individual created by RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant.

20. The Construction Contractor Experience Data also refers to the Firm Dossier for another prior construction project ("Prior Project-2") for the Contractor. The individual project owner listed is also listed as an accountant and member of Accounting Firm-1 on the letterhead of the Independent Accountants' Report. The individual was not found on the national database of licensed Certified Public Accountants. The individual project owner listed for the construction project could not be reached and does not have an online presence. Subscriber information for the email address listed for the individual project owner for Prior Project-2 provided an account recovery and sign-in phone number that is the same phone number that WHITE provided to the Contracting Officer for WHITE. Subscriber information for that phone number reviewed by myself provide that the subscriber is the Contractor. Based on my training and experience, and the above facts, I believe that RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, created the email address for the individual project owner for Prior Project-2 and that the individual project owner for Prior Project-2 does not exist.

21. I have been told by Individual-1, who is the former Vice President and Chief Operating Officer of the Contractor, that he does not recognize any of the members of the Contractor's management team listed in the Firm Dossier except RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant. Accordingly, I believe that the listed individuals are not in fact members of the management team.

22. RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, also submitted a resume to the Contract Specialist as part of the Pre-Award Package. The resume lists WHITE's work experience, including work as the Executive Project Manager for the construction of the Pernambuco Arena in Brazil from 2012-13. WHITE's resume also states that he has a Master's in Architecture from a particular university (the "University"). Review of records from the Bureau of Prisons revealed that WHITE was incarcerated from September 19, 2012 to July 21, 2014 under the name John White. Records from the University also stated that WHITE never matriculated there.

23. Based on my interview with contracting officers and a contract specialist at the National Guard, the documents submitted by RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant were critical to the DCARNG's decision to award the Contract to the Contractor.

THE FRAUDULENT SBA SURETY BOND GUARANTEE APPLICATION

24. RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, submitted, among other things, the following documents as part of the Contractor's SBA bond guarantee application: 2018 balance sheet allegedly prepared by Accounting Firm-1, and 2017 balance sheet allegedly prepared by a separate accounting firm ("Accounting Firm-2"), and a Statement of Personal History. WHITE also submitted the same resume that he submitted to the Contracting Officer.

25. I have learned from counsel for Accounting Firm-2 that there is no record of RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, or the Contractor ever being clients of Accounting Firm-2. On or around May 7, 2019, Accounting Firm-2 sent WHITE a cease and desist letter, demanding that WHITE stop representing that WHITE or the Contractor are clients of Accounting Firm-2.

26. On the Contractor's application to the SBA, RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, reported that the value of the largest previous contract for construction for the Contractor was \$895,000. In its Pre-Award Package, WHITE reported that Prior Project-1 was worth \$9,210,000.

27. On the Contractor's application to the SBA, RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, reported that the Contractor had 4 employees and that WHITE owned 100% of the Contractor. Individual-1 stated that the Contractor never had 4 employees. The certificate shares for the Contractor provided that WHITE owns 91% of the Contractor.

28. On the Statement of Personal History, RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, stated that he was never convicted of any criminal offense. Based on my review of publicly available information and records from the Bureau of Prisons, I have learned that on or about April 21, 2011, WHITE was convicted in the Southern District of New York of mail fraud (18 USC § 1341), major fraud against the United States (18 USC § 1031), false statements (18 USC § 1001(a)), and tampering with a witness (18 USC § 1512(b)(3)). WHITE also listed his name as "Raymond Alexander White" and provided a social security number and date of birth that were different than the ones listed in records from the Bureau of Prison.

WHEREFORE, deponent respectfully requests that a warrant be issued for the arrest of RAYMOND WHITE, a/k/a "John Raymond Anthony White," a/k/a "Raymond Alexander White," the defendant, and that he be arrested, and imprisoned or bailed, as the case may be.

Christine Warnock

CHRISTINE WARNOCK
Special Agent
Office of Procurement Fraud, United
States Air Force

Sworn to before me by reliable electronic means, pursuant to
Federal Rule of Criminal Procedure 4.1,

Date: 7.20.2021

Katharine H. Parker

THE HONORABLE KATHARINE H. PARKER
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK