

Approved: Sagar K. Ravi  
SAGAR K. RAVI and MITZI STEINER  
Assistant United States Attorneys

Before: THE HONORABLE JAMES L. COTT  
United States Magistrate Judge  
Southern District of New York

**20 MAG 11199**

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: **SEALED COMPLAINT**  
UNITED STATES OF AMERICA :  
:   
- v. - : Violations of  
: 18 U.S.C. §§ 371,  
: 1349, and 1956  
FAROUK APPIEDU, :  
:   
Defendant. : COUNTY OF OFFENSE:  
: BRONX  
:   
- - - - -X

SOUTHERN DISTRICT OF NEW YORK, ss.:

WILLIAM R. MCKEEN, 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**  
**(Conspiracy to Commit Wire Fraud)**

1. From at least in or about 2013 through at least on or about October 18, 2020, in the Southern District of New York and elsewhere, FAROUK APPIEDU, the defendant, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

2. It was a part and an object of the conspiracy that FAROUK APPIEDU, the defendant, and others known and unknown, 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, would and 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, in violation of Title 18,

United States Code, Section 1343, to wit, APPIEDU engaged in a scheme together with others to receive interstate wire transfers and cash deposits from victims of fraud schemes via bank accounts controlled by APPIEDU in the Bronx, New York.

(Title 18, United States Code, Section 1349.)

**COUNT TWO**  
**(Conspiracy to Receive Stolen Money)**

3. From at least in or about 2013 through at least on or about October 18, 2020, in the Southern District of New York and elsewhere, FAROUK APPIEDU, the defendant, and others known and unknown, knowingly and willfully did combine, conspire, confederate, and agree together and with each other to commit offenses against the United States, to wit, a violation of Title 18, United States Code, Section 2315.

4. It was a part and object of the conspiracy that FAROUK APPIEDU, the defendant, and others known and unknown, would and did receive, possess, conceal, store, barter, sell, and dispose of goods, wares, merchandise, securities, and money, of the value of \$5,000 and more, which had crossed a state boundary after being stolen, unlawfully converted, and taken, knowing the same to have been stolen, unlawfully converted, and taken, in violation of Title 18, United States Code, Section 2315.

**OVERT ACTS**

5. In furtherance of said conspiracy and to effect the illegal objects thereof, the following overt acts, among others, were committed in the Southern District of New York and elsewhere:

a. In or about October 2016, FAROUK APPIEDU, the defendant, falsely informed a fraud investigator from a bank, in substance and in part, that wire transfers APPIEDU received from a victim of a fraud scheme, namely Victim-4 discussed *infra*, were for the purchase of a car.

b. On or about July 6, 2020, APPIEDU received approximately \$75,000 in fraud proceeds in a bank account APPIEDU controlled in the Bronx, New York.

(Title 18, United States Code, Section 371.)

**COUNT THREE**  
**(Money Laundering Conspiracy)**

6. From at least in or about 2013 through at least on or about October 18, 2020, in the Southern District of New York and elsewhere, FAROUK APPIEDU, the defendant, and others known and unknown, knowingly and intentionally did combine, conspire, confederate, and agree together and with each other to commit money laundering, in violation of Title 18, United States Code, Section 1956(a) (1) (B).

7. It was a part and object of the conspiracy that FAROUK APPIEDU, the defendant, and others known and unknown, knowing that the property involved in certain financial transactions represented proceeds of some form of unlawful activity, would and did conduct and attempt to conduct such financial transactions, which in fact involved the proceeds of specified unlawful activity, to wit, wire fraud, in violation of Title 18, United States Code, Section 1343, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, to wit, APPIEDU, while in the Bronx, New York and Yonkers, New York, received proceeds of fraud schemes through bank accounts opened in the name of purported auto and food companies, and then transferred those fraud proceeds to co-conspirators in the Republic of Ghana ("Ghana") and elsewhere through various means, including the purchase of vehicles and food products using fraud proceeds, in violation of Title 18, United States Code, Section 1956(a) (1) (B) (i).

(Title 18, United States Code, Section 1956(h).)

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

8. I am a Special Agent with the FBI and I have been personally involved 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 report 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 of the Conspiracy

9. Since in or about 2017, the FBI has been investigating a criminal enterprise (the "Enterprise") based in Ghana that committed a series of frauds against individuals and businesses located across the United States, including in the Southern District of New York. The frauds perpetrated by the Enterprise have consisted of, among other frauds, business email compromises, romance scams, and fraud schemes related to the novel coronavirus/COVID-19 pandemic. Examples of some of these fraud schemes involving FAROUK APPIEDU, the defendant, are described herein.

a. The Enterprise conducted the business email compromises through the spoofing of email accounts. Specifically, the Enterprise used slight variations on legitimate email addresses of employees of a company or third parties engaged in business with the company to trick other employees of the company with access to the company's finances into thinking the fake email accounts were authentic. The fake email accounts were then used to send instructions to wire money to certain bank accounts and also included fake authorization letters for the wire transfers that contained forged signatures of company employees. By using this method of deception, the Enterprise sought to trick the victims into transferring money to bank accounts the victims believed were under the control of legitimate recipients of the funds as part of normal business operations, when in fact the bank accounts were under the control of members of the Enterprise.

b. The Enterprise conducted the romance scams by using electronic messages sent via email, text messaging, or online dating websites that tricked the victims, many of whom were vulnerable, older men and women who lived alone, into believing the victim was in a romantic relationship with a fake identity assumed by members of the Enterprise. Once members of the Enterprise had gained the trust of the victims using the fake identity, they used false pretenses such as a shipment of gold or receiving a portion of an investment to cause the victims to wire money to bank accounts the victims believed were controlled by their romantic interests, when in fact the bank accounts were controlled by members of the Enterprise. At times, the members of the Enterprise also used false pretenses

to cause the victims to receive funds in the victims' bank accounts, which, unbeknownst to the victims, were fraud proceeds, and to transfer those funds to accounts under the control of members of the Enterprise, including APPIEDU.

c. The Enterprise conducted the COVID-19 relief-related fraud schemes by submitting fraudulent loan applications through a loan program of the United States Small Business Administration (the "SBA") designed to provide relief to small businesses during the novel coronavirus/COVID-19 pandemic, namely the Economic Injury Disaster Loan ("EIDL") Program. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted on March 29, 2020 designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. The CARES Act expanded the EIDL Program, which provided U.S. small businesses with low-interest loans to provide vital economic support to help overcome the temporary loss of revenue they are experiencing due to COVID-19. The Enterprise submitted fraudulent EIDL applications in the name of actual companies and using the identities of actual individuals associated with the companies. When a EIDL was approved by the SBA, the funds were deposited in bank accounts controlled by witting or unwitting money mules involved in the conspiracy who would then transfer the proceeds of the loans to members of the Enterprise, including APPIEDU.

d. APPIEDU, and other known and unknown members of the Enterprise, received fraud proceeds from victims of business email compromises, romance scams, and COVID-19 fraud schemes, in bank accounts that he controlled in the Bronx, New York and Yonkers, New York. Once APPIEDU received the fraud proceeds in bank accounts under his control, he withdrew, transported, and laundered those fraud proceeds to other members of the Enterprise. APPIEDU used two primary methods to launder the fraud proceeds he received in the United States. First, through his company FK Frozen Foods Inc., APPIEDU used fraud proceeds to purchase food products from U.S.-based suppliers and distributors of such products and shipped millions of dollars of food products to several Ghana-based food companies. Those Ghanaian food companies then paid APPIEDU for the food products, thereby providing the appearance of a legitimate business transaction when, in fact, the food products had been purchased using the proceeds of fraud schemes. Second, through his company FK Auto Enterprise Inc., APPIEDU used fraud proceeds to purchase hundreds of vehicles that he shipped to Ghana, where it is believed other members of the Enterprise sold the vehicles.

This trade-based money laundering scheme was designed to obscure the origin of the fraud proceeds as well as the identity of the ultimate beneficiaries of these schemes.

Relevant Entities and Bank Accounts

10. According to a publicly available LinkedIn profile in the name of FAROUK APPIEDU, the defendant, which depicts a photograph of APPIEDU, APPIEDU has been the "Founder/CEO" of FK Investment Group since in or about May 2015 and earned a Master of Business Administration ("MBA") from Cornell University in or about 2016.

11. Based on my review of records provided by the New York State Department of State, I have learned the following, in substance and in part:

a. FK Auto Enterprise Inc. ("FK Auto") is a New York corporation that was registered with New York State on or about May 20, 2013. The address of record for FK Foods as of on or about October 16, 2020 was an apartment in the name of FAROUK APPIEDU, the defendant, located on 181st Street in the Bronx, New York (the "Appiedu 181st Address").

b. FK Frozen Foods Inc. ("FK Foods") is a New York corporation that was incorporated by FAROUK APPIEDU, the defendant, on or about March 28, 2016. APPIEDU signed a certificate of amendment of the certificate of incorporation of FK Foods as the "President/Director/Shareholder." The address of record for FK Foods as of on or about October 16, 2020 was the Appiedu 181st Address.

c. Homie Motors ("Homie Motors") is a New York corporation that was registered with New York State on or about July 20, 2020. The address of record for Homie Motors as of on or about October 16, 2020 was an apartment in the name of FAROUK APPIEDU, the defendant, located on Warburton Avenue in Yonkers, New York (the "Appiedu Warburton Address").

d. Homie Foods ("Homie Foods") is a New York corporation that was registered with New York State on or about July 30, 2020. The address of record for Homie Foods as of on or about October 16, 2020 was the Appiedu Warburton Address.

12. Based on my review of bank records regarding 16 bank accounts ("Account-1" through "Account-16," collectively, the "Appiedu Accounts") controlled by FAROUK APPIEDU, the defendant,

and held at six different banks, I have learned the following, in substance and in part:

a. Account-1 through Account-9 were business accounts each held in the name of FK Auto and the sole signatory on each of the accounts was APPIEDU. The Appiedu 181st Address and/or an apartment located on S. Broadway in Yonkers, New York (the "Appiedu Broadway Address") was provided to the banks for Account-1 through Account-9.

b. Account-10 through Account-14 were business accounts each held in the name of FK Foods and the sole signatory on each of the accounts was APPIEDU. The Appiedu 181st Address, the Appiedu Warburton Address, and/or the Appiedu Broadway Address was provided to the banks for Account-10 through Account-14.

c. Account-15 was a business bank account held in the name of Homie Foods opened on or about August 3, 2020. Between on or about August 3, 2020 and on or about September 28, 2020, Account-15 received transfers totaling more than approximately \$250,000 from both FK Auto and FK Foods.

d. Account-16 was a personal bank account held in the name of APPIEDU. The Appiedu Broadway Address was provided to the bank for Account-16.

e. Surveillance video of ATM transactions from three of the banks where APPIEDU held the Appiedu Accounts depicts APPIEDU making ATM deposits and withdrawals from the Appiedu Accounts.

f. Between in or about June 2013 and in or about September 2020, the Appiedu Accounts had deposits that totaled over approximately \$18.7 million and withdrawals that totaled over approximately \$18.3 million. A majority of the deposits consisted of large wire transfers from various U.S.-based individuals and entities, including the examples of victims of fraud schemes discussed below, and the withdrawals consisted largely of wire transfers to car auction and food companies. Based on the investigation to date, I have not identified any legitimate deposits into the Appiedu Accounts of funds by U.S.-based individuals and companies for actual purchases of cars and/or food products.

Scheme to Defraud Victim-1

13. Based on the FBI's investigation of a fraudulent EIDL application submitted for a grocery chain located in Detroit, Michigan ("Victim-1"), including my interview of the controller of Victim-1 and my review of related financial records, I have learned the following, in substance and in part:

a. In or about July 2020, after a fraudulent EIDL application was submitted on behalf of Victim-1, an EIDL in the amount of approximately \$125,404 was issued to Victim-1. Victim-1 did not, however, apply for this EIDL.

b. On or about July 2, 2020, the EIDL funds were deposited into an account at a Texas-based credit union belonging to a 65-year old woman ("Individual-1") who has no relationship to Victim-1.

c. On or about July 2, 2020, the same day Individual-1's account received the EIDL funds for Victim-1, a cashier's check was drawn from Individual-1's account in the amount of approximately \$75,000 and deposited on or about July 6, 2020 into Account-10 in the name of FK Foods.

d. On or about July 10, 2020, approximately four days after Account-10 received the \$75,000 of EIDL proceeds for Victim-1, Account-10 wired approximately \$61,992 to a food supplier headquartered in Delaware.

Scheme to Defraud Victim-2 and Victim-3

14. Based on the FBI's investigation of a romance scam involving a female individual over 60 years of age ("Victim-2") and a business email compromise involving a nursing and rehabilitation facility located on Long Island, New York ("Victim-3"), including my review of complaints filed by Victim-2 and Victim-3 with the FBI and related financial records, I have learned the following, in substance and in part:

a. Victim-2 entered into an online relationship with a purported male individual ("Individual-2") who claimed he wanted to expand his real estate business with Victim-2. At the direction of Individual-2, Victim-2 opened business bank accounts in or about April 2020 and received funds in those accounts that Individual-2 represented were funds that Victim-2 needed to pay to other individuals for supplies.

b. On or about June 11, 2020, a cashier's check was drawn from Individual-2's account in the amount of approximately \$50,000 and deposited on or about June 12, 2020 into Account-1 in the name of FK Auto.

c. On or about June 12, 2020, the same day Account-1 received the \$50,000 of fraud proceeds from Victim-2, Account-1 wired approximately \$11,251 to a car auction company.

d. In or about June 2020, in connection with a legitimate transaction with a vendor, Victim-3 received an email from a spoofed email account purporting to belong to the vendor containing payment instructions. As a result of this email, which was fraudulently sent by members of the Enterprise, Victim-3 wired approximately \$60,000 to an account controlled by Victim-2 on or about June 19, 2020.

#### Scheme to Defraud Victim-4

15. Based on the FBI's investigation of a romance scam involving a female individual over 70 years of age ("Victim-4"), including my review of a complaint filed by Victim-4 with the FBI and related financial records, I have learned the following, in substance and in part:

a. Victim-4 entered into an online relationship with a purported male individual ("Individual-3") who claimed to live in Massachusetts and had traveled to Ghana for business.

b. Individual-3 instructed Victim-4 to send wire transfers to FK Auto. As a result, on or about October 14, 17, and 19, 2016, Victim-4 transferred a total of approximately \$61,000 from Victim-4's bank (the "Victim-4 Bank") to Account-2 in the name of FK Auto. Shortly after these wire transfers, Account-2 wired funds to car auction companies.

c. A fraud investigator from the Victim-4 Bank, subsequently contacted Victim-4 about the above-referenced wire transfers to FK Auto and determined that Victim-4 was a romance scam victim. The fraud investigator thereafter called FAROUK APPIEDU, the defendant, to inquire about the purpose of the wire transfers APPIEDU received in Account-2 from Victim-4. APPIEDU falsely informed the fraud investigator, in substance and in part, that Victim-4 was purchasing a car from APPIEDU. Subsequently, on or about October 25, 2016, APPIEDU left a voicemail for the fraud investigator identifying himself and stating, in substance and in part, that APPIEDU checked his

records and that he has no business with anyone from the Victim-4 Bank and that the wire transfers from Victim-4 could be reversed.

d. On or about November 29, 2016, approximately one month after APPIEDU was contacted by the Victim-4 Bank fraud investigator, APPIEDU closed Account-2.

Scheme to Defraud Victim-5

16. Based on the FBI's investigation of a romance scam involving a female individual over 60 years of age ("Victim-5"), including the FBI's interview of Victim-5 as well as my review of relevant financial records, I have learned the following, in substance and in part:

a. Victim-5 entered into an online relationship with a purported male individual ("Individual-4") who claimed to be a captain in the U.S. Army serving in Afghanistan who was about to retire.

b. Individual-4 told Victim-5, in substance and in part, that Individual-4 was given some gold bars and jewelry in Afghanistan that he needed to get out of the country or he would be killed. Individual-4 further told Victim-5, in substance and in part, that he had no one else to help him, and Victim-5 agreed to help Individual-4 get the purported gold bars and jewelry out of Afghanistan.

c. Based upon the representations made by Individual-4, Victim-5 took out over \$100,000 in loans and wired that money to various persons and commercial entities, including a transfer of approximately \$15,000 on or about November 29, 2017 to Account-3 in the name of FK Auto.

d. Victim-5 also transferred money at the direction of Individual-4 to a co-conspirator in the Bronx, New York who was subsequently arrested by the FBI and pleaded guilty to conspiracy to receive stolen money in the Southern District of New York.

Scheme to Defraud Victim-6

17. Based on the FBI's investigation of a romance scam involving a female individual approximately 60 years of age ("Victim-6"), as well as my review of relevant financial records, I have learned the following, in substance and in part:

a. Victim-6 entered into an online relationship with a purported male individual ("Individual-5").

b. Individual-5 told Victim-6, in substance and in part, that Individual-5 needed Victim-6's money to help him unlock his bank accounts and that Individual-5 would invest Victim-6's money and obtain large returns for Victim-6.

c. At the direction of Individual-5, between on or about June 6 and 15, 2017, Victim-6 issued cashier's checks to FK Foods totaling approximately \$193,800 which were deposited into Account-11 in the name of FK Foods.

d. Shortly after the various transfers from Victim-6 to Account-11, Account-11 wired funds to various food companies and a car auction company.

Scheme to Defraud Victim-7 and Victim-8

18. Based on the FBI's investigation of fraud schemes involving two antique car collectors ("Victim-7" and "Victim-8"), as well as my review of relevant financial records, I have learned the following, in substance and in part:

a. Victim-7 and Victim-8 both attended a car show in Detroit, Michigan in or about 2016. Following the car show, Victim-7 and Victim-8 were separately approached with offers for them to purchase several different cars from members of the Enterprise.

b. Between on or about April 21 and November 14, 2016, based on wire instructions that Victim-7 received in order to pay for cars Victim-7 wanted to purchase, Victim-7 wired a total of approximately \$142,960 to Account-11 in the name of FK Foods and approximately \$366,945 to Account-2 in the name of FK Auto.

c. In or about October 2016, based on wire instructions that Victim-8 received in order to pay for cars Victim-8 wanted to purchase, Victim-8 wired approximately \$120,975 to Account-11 in the name of FK Foods and approximately \$34,980 to Account-2 in the name of FK Auto.

d. Victim-7 and Victim-8 never received the cars they purchased and were never refunded any money.

New York State Department of Labor Records

19. Based on my review of correspondence obtained from the New York State Department of Labor ("NYS DOL"), I have learned the following, in substance and in part:

a. The NYSDOL had no records relating to FK Foods or FK Auto.

b. FAROUK APPIEDU, the defendant, has received pandemic unemployment assistance from New York State for the period from on or about May 1, 2020 through at least on or about June 23, 2020.

c. During the period that APPIEDU was receiving pandemic unemployment assistance, the Appiedu Accounts received deposits totaling approximately \$561,000 and had withdrawals totaling approximately \$511,000.

APPIEDU'S Attempt to Depart the United States

20. Based on my conversations with U.S. Customs and Border Protection ("CBP") officials, I have learned the following, in substance and in part:

a. As of on or about October 14, 2020, FK Auto had scheduled the export of five luxury vehicles from the Port of Newark, New Jersey to Ghana on or about October 22, 2020. The five vehicles consisted of a 2020 Bentley Continental GT, a 2020 Land Rover Range Rover HSE, two 2019 Rolls Royce Cullinans, and a 2020 Mercedes-Benz G63 AMG.

b. On or about October 18, 2020, a one-way plane ticket was booked in the name of FAROUK APPIEDU, the defendant, for travel on the same day from John F. Kennedy International Airport in Queens, New York to Accra, Ghana. The plane ticket was fraudulently purchased using the airline account and frequent-flyer miles of another individual ("Victim-9") located in Manhattan without that individual's permission.

c. APPIEDU arrived at John F. Kennedy International Airport in Queens, New York on the afternoon of on or about October 18, 2020 in order to depart the United States for Accra, Ghana on the above-referenced flight.

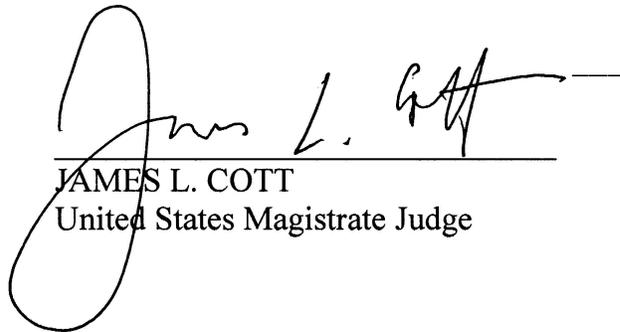
d. Based upon a border search performed by CBP officials at John F. Kennedy International Airport, the phone

carried by APPIEDU had sent text messages earlier in the day to one individual stating, in substance and in part, that APPIEDU needed to leave the country, and to another individual stating, in substance and in part, that APPIEDU was not coming back to the United States.

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

/s/William R. Mckeen  
WILLIAM R. MCKEEN  
Special Agent  
Federal Bureau of Investigation

Sworn to before me this  
19th day of October, 2020

  
JAMES L. COTT  
United States Magistrate Judge