

UNITED STATES DISTRICT COURT

for the

Northern District of Texas

FILED

September 14, 2020

KAREN MITCHELL
CLERK, U.S. DISTRICT COURT

United States of America

v.

Steven Riad Jalloul

Case No.

3:20-MJ-974-BN

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of _____ in the county of _____ in the

Northern District of Texas, the defendant(s) violated:

Code Section

Offense Description

18 USC 1014

Making False Statements to a Bank

This criminal complaint is based on these facts:

See the attached affidavit by FDIC OIG Special Agent Clarice Bramley

Continued on the attached sheet.

Clarice Bramley

Complainant's signature

Clarice Bramley, Sepcial Agent, FDIC OIG

Printed name and title

Agent sworn and signature confirmed via reliable electronic means, pursuant to Fed. R. Crim. P. 4.1.

Date: September 14, 2020

[Handwritten Signature]

Judge's signature

City and state: Dallas, Texas

DAVID L. HORAN, U.S. Magistrate Judge

Printed name and title

**AFFIDAVIT IN SUPPORT OF
APPLICATION FOR CRIMINAL COMPLAINT**

I, Clarice Bramley, being first duly sworn on oath, state as follows:

I. Identity and Experience of Affiant

1. I am a Special Agent with the Federal Deposit Insurance Corporation (“FDIC”) Office of Inspector General (“OIG”), where I have been employed since May 2015. I am currently assigned to the Dallas, Texas office. My current duties include the investigation of financial crimes including wire fraud, bank fraud, false statements, embezzlement, money laundering, identity theft, and mail fraud. In that capacity, I have received training and become familiar with the investigation and prosecution of these types of crimes, including the use of various criminal methods used to perpetrate these frauds. Prior to becoming a special agent, I was a risk management examiner with FDIC for nearly seven years. I have also provided testimony based on this banking knowledge as a prosecution witness in cases I was not directly involved in investigating. I received criminal investigator training and specialized training for OIG investigations at the Federal Law Enforcement Training Center in Glynco, Georgia.

II. Purpose of the Affidavit

2. This affidavit is made in support of a criminal complaint charging **Steven Jalloul** with violations of 18 U.S.C. § 1014 (False Statements to a Financial Institution).

3. The facts set forth in this affidavit are based upon my personal investigation, information obtained from other law enforcement officers, my review of documents and computer records related to this investigation, and witnesses.

4. This affidavit does not include each and every fact known to the government, but only those facts necessary to support a finding of probable cause to support the requested arrest warrant.

III. Paycheck Protection Program

5. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around 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 around April 2020, up to \$310 billion in additional PPP funding was authorized by Congress.

6. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was 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 PPP loan application, the small business, through its authorized representative, was required to state, among other things, the business’s (i) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

7. Under the PPP's terms, a small business was eligible to receive a PPP loan if it was in operation as of February 15, 2020.

8. A PPP loan application had to be processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which are 100 percent guaranteed by the 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 in the course of processing the loan.

9. PPP loan proceeds had to 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 entirely forgiven if the business spent the loan proceeds on these 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.

IV. Probable Cause Exists to Believe That Steven Jalloul Violated Federal Law

10. As set forth below, there is probable cause to believe that **Steven Jalloul**, violated federal law by submitting a false and fraudulent PPP loan application to BBVA USA ("BBVA"), a bank insured by the FDIC.

11. **Jalloul** is a resident of Plano, Texas. Texas Secretary of State Records listed **Jalloul** as the owner and director of **Amical Investment Group, Inc.** ("Amical") as of October 19, 2018.

12. According to bank records from BBVA, on or about April 22, 2020, a PPP loan application was submitted to BBVA on behalf of **Amical**, doing business as

BurgerIM UTA.¹ While this application requested a PPP loan in the amount of \$93,425, BBVA eventually approved and deposited a PPP loan in the amount of \$76,345 into **Amical**'s BBVA account. **Jalloul** was the signatory on that BBVA account.

13. In the PPP loan application, **Jalloul** specifically certified the following through initials:

- a. "The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments as specified under the Paycheck Protection Program Rule; I understand that if the funds are knowingly used for unauthorized purposes the federal government may hold me legally liable, such as for charges of fraud"
- b. "I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federal insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000."

14. According to a BBVA investigator, **Amical**'s PPP loan documentation was signed at a BBVA branch in Arlington, Texas, within the Northern District of Texas. That same branch processed the PPP loan disbursement into **Amical**'s BBVA account.

15. As set forth below, the investigation has revealed that **Amical**'s PPP loan application contained false and fraudulent statements.

¹ Open-source research revealed that "BurgerIM" was the brand of a fast food franchise. "UTA" is believed to stand for the "University of Texas at Arlington."

16. **Amical**'s PPP loan application, signed by **Jalloul**, stated that **Amical** had 20 employees as well as an average monthly payroll of \$18,032. The PPP loan application was also accompanied by W-2 statements for tax year 2019 for 14 employees showing that the total annual wages paid by **Amical** to all employees in 2019 was \$17,529. The PPP loan application also included a 2019 "profit and loss statement" for **Amical** purporting to show 2019 wages totaling \$242,257.57. Notably, the statement showed monthly payroll of \$111,013.36 for September 2019.

17. **Amical**'s PPP loan application was also accompanied by a "summary report" of 2019 payments made to six individuals as 1099-MISC payments totaling \$152,964. However, according to BBVA bank records, the total amount of payments that **Amical** made to the six individuals identified in the 1099-MISC printout in 2019 was only approximately \$27,376.

18. Additionally, **Jalloul** certified and initialed a statement on PPP's loan application stating that none of the **Amical**'s owners were "subject to an indictment" or pleaded guilty to any felony within the last five years. However, **Jalloul**, **Amical**'s sole owner, was indicted for tax crimes on February 21, 2019. Subsequent to his arrest, he pled guilty before this Court in January 2020 to two counts of Preparing False Tax Returns, in violation of 26 U.S.C. § 7206(2), a felony, and is currently on pre-trial release pending sentencing, which is scheduled for November 19, 2020.²

² *United States v. Jalloul*, 3:19-CR-00094-B (U.S. District for the Northern District of Texas, Dallas Division).

19. Further, **Amical**'s PPP loan application stated that that **Amical** was in operation on February 15, 2020 (a requirement under the PPP). And in support of this submission, the PPP loan application was accompanied by a March 24, 2020 Final Notice letter from the University Center Director with the University of Texas at Arlington ("UTA"), stating that **Amical** was delinquent on rent, water, property taxes and fees on its **BurgerIM UTA** fast food restaurant lease on the UTA campus.

20. However, UTA's University Center Director recently told me that the **BurgerIM UTA** fast food restaurant at UTA actually closed for business in January 2020, and has not been in operation since then. In fact, UTA' University Center Director stated that when he and **Jalloul** met in January 2020 to discuss the **BurgerIM UTA** lease, **Jalloul** informed him that **Jalloul** intended to have another tenant take over the **BurgerIM UTA** lease.

21. Moreover, a review of **Amical**'s BBVA deposit account showed that the last known payment to a commercial food vendor occurred in August 2019, and that the last payment for rent made to UTA was on or about December 18, 2019. Similarly, according to BBVA bank records, incoming deposits for merchant settlements for credit card sales ceased on or about January 2, 2020.

22. Moreover, **Amical** made no payments in in the first quarter of 2020 that appear to be payroll related. And while in April and May 2020, shortly before the disbursement of the PPP loan, **Amical** wrote five checks totaling \$7,418 purportedly for "payroll" (including to **Rascheita Jalloul**, **Steven Jalloul**'s ex-wife) as well as four additional checks totaling \$3,750 to individuals identified by **Amical** as independent

contractors, that amount was significantly less than the monthly payroll amount provided in **Amical**'s PPP loan application (*i.e.*, \$18,032).

23. In addition, **Jalloul** certified in **Amical**'s PPP loan application that the loan proceeds would be used for payroll, lease, utilities, supplies and marketing.

24. However, of all the payments made out of **Amical**'s BBVA account purportedly for "payroll" after the PPP loan was disbursed, only \$6,000 was paid to (two) individuals who had received payments from **Amical** prior to January 2020.

25. According to BBVA's bank records, after the PPP loan was disbursed, **Amical** also wrote a \$5,000 check purportedly for "payroll" to North Texas Auto Finance, which open-source research revealed to be a used car dealership in Garland, Texas. However, just days prior, **Amical** had written three checks totaling \$70,562 to this same car dealership for "equipment," "equipment purchase," and "commission."

26. Moreover, bank records showed that **Amical** failed to use any PPP loan proceeds to pay rent for the **BurgerIM UTA** lease which, as UTA's University Center Director recently confirmed to me, remained unpaid.

V. Conclusion

27. Based on the foregoing, I respectfully submit that there is probable cause to believe that beginning at least in or around April 2020 through the present, within the Northern District of Texas, and elsewhere, **Steven Jalloul** committed violations of 18 U.S.C. § 1014 (False Statements to a Financial Institution).

VI. Request for Sealing

28. I further request that the Court order that all papers in support of this complaint, including the affidavit and arrest warrant, be sealed until further order of the Court. These documents discuss an ongoing criminal investigation that is neither public nor known to the target of the investigation. Accordingly, there is good cause to seal these documents because their premature disclosure may give the target an opportunity to feel, destroy or tamper with evidence, change patterns of behavior, or otherwise seriously jeopardize the investigation.

Clarice Bramley

Clarice Bramley, Special Agent
Federal Deposit Insurance Corporation
Office of Inspector General

Agent sworn and signature confirmed via reliable electronic means pursuant to Fed. R. Crim. P. 4.1 on September 14, 2020.



HONORABLE DAVID L. HORAN
UNITED STATES MAGISTRATE JUDGE