

Criminal Division Significant Activity

Complex Financial Crimes (CFC) Branch A:

MAJOR OPERATIONAL MATTERS:

[REDACTED]

CASE INITIATIONS:

[REDACTED]

Transnational Organized Crime (TOC) Branch B:

MAJOR OPERATIONAL MATTERS:

[REDACTED]

Violent Criminal Threat (VCT) Branch C:

MAJOR OPERATIONAL MATTERS:

[REDACTED]

[REDACTED]

Squad C-20: SSA [REDACTED]
C-20; 50D-NY-3027571; Jeffrey Epstein; Child Sex Trafficking; SDNY; C/A(s) SA [REDACTED], Det. Paul Byrne: On 07/06/2020, Maxwell was transferred from the Merrimack County Jail in New Hampshire to the MDC in Brooklyn. Maxwell will have her arraignment and a bail hearing on 07/14/2020 in the SDNY. The courtroom will be closed; however, the hearing will be broadcast live via video link.

[REDACTED]

TRIALS / PLEAS / SENTENCINGS:

[REDACTED]

[REDACTED]

[REDACTED]

BRANCH D MUST ALWAYS BE ON A SEPARATE PAGE FROM BRANCHES A-C)**PUBLIC CORRUPTION/CIVIL RIGHTS/HEALTH CARE FRAUD (BRANCH D):****MAJOR OPERATIONAL MATTERS:**

Squad C-4: SSA Matthew Taylor

C-4; 194A-NY-3007131; Deep Rock; SDNY; C/A(s) SA Joseph Duome, TFO Marc Klausner: A criminal complaint will be sworn out on 07/09/2020 to charge case subjects Kenneth Wynder with wire fraud and case subject Steven Whittick with obstruction of justice. The arrests will be executed on 07/13/2020 at the subject residences. Wynder resides in FBI Philadelphia – Scranton RA's AOR. Whittick resides in FBI Albany's AOR. Wynder is the President of the Law Enforcement Employees Benevolent Association (LEEBA), a labor union he founded in 2005, which represents approximately 800 ancillary law enforcement employees of NYC. Wynder, Whittick, and other LEEBA employees misused union funds as well as funds from the NYC Welfare Fund, which consists of public money designated for dental, vision, and prescription benefits, for their own personal benefit. Wynder also withdrew over approximately \$500,000 from the members' annuity funds, which are provided by the City of New York. The \$500,000 was reallocated into the union's operating funds, from which the subjects used for their personal benefit. This investigation is being worked jointly with DOL.

C-4; 194A-NY-3085071; Cart Blanche; EDNY; C/A(s) SA Angel Agesta, SA David Calhoun: A criminal complaint is being drafted to charge case subject George Kalergios with bribery and wire fraud. Kalergios will be approached on 07/14/2020 in an attempt to gain cooperation. If cooperation is not gained, it is anticipated the complaint will be sworn out on 07/15/2020, with the arrest executed on 07/16/2020 at Kalergios's residence in Queens, NY. Captioned case was initiated based on CHS reporting Kalergios, a retired NYPD officer, through his company, Zeus Waste Management, was paying bribes to facilities directors to obtain carting contracts. During March 2019, the CHS, a facilities director at local college, consensually record a meeting with Kalergios in which the CHS was paid a \$2,800 bribe. The CHS additionally provided a ledger detailing all the bribes paid by Kalergios. Investigation has additionally revealed Zeus Waste Management created false invoices to overbill customers on their carting contracts.

Squad C-28: SSA Kevin Irwin

C-28; 318B-NY-2971966; EDNY; DAVID GENTILE, GPB CAPITAL; C/A(s) SA Telly Kougemitros, Jennifer Riker: On 07/16/2020, subject MICHAEL COHN will be charged in a superseding indictment with 18 USC 641 ("Public Money, Property or Records"). COHN was arrested and indicted in February 2019 and charged then with 18 USC 1512 (Obstruction of Justice) and 18 USC 1905 (Disclosure of Confidential Information). DAVID GENTILE is the CEO of GPB Capital, an asset management and private equity firm with offices in Manhattan and Garden City. COHN was hired as the Chief Operating Officer of GPB in October 2018. This investigation has revealed that GENTILE and others have made false representations to investors regarding GPB investment vehicles, misused investor funds in a Ponzi-scheme like activity, and misrepresented costs and expenses to investors. The SEC has a parallel investigation and we are working closely with them. In October 2018 we learned that COHN, in his prior employment with the SEC's Enforcement Division, accessed proprietary information stored in the SEC's servers regarding the SEC's investigation into GPB. He then relayed this information to GENTILE and others immediately prior to taking a position with GPB (COHN left the SEC in October 2018 and was immediately hired by GPB). This new indictment charges COHN with monetizing the value of the information he improperly accessed from the SEC's database. COHN's trial is currently scheduled for October 2020. The AUSAs assigned to this case are Lauren Elbert and Artie McConnell, EDNY.

C-28; 318B-NY-2967864; FRANCIS SMOOKLER; EDNY; C/A SA Craig Minsky: On or about 07/15/2020, the Title III monitoring in connection with the above captioned case will be extended for 30

Monday, July 13, 2020

days to approximately 08/15/2020. C-28 is working an investment fraud case that has Organized Crime ties jointly with Squad C-5. In May C-5 went up on a Title III on 2 phones. Monitoring is taking place at 26 Fed. The wire was extended on June 15th for 30 days with the addition of another line monitored by C-28 at LIRA. Francis SMOOKLER and his co-conspirators operate a merchant cash advance business called Cheddar Capital. The subjects have been siphoning funds from investors for their own personal use. Suspicious activity is in excess of \$40 million. The SEC has a parallel investigation and we are coordinating with them as well. The AUSA assigned to this is Lindsay Gerdis, EDNY - Brooklyn.

C-28; 196D-NY-3256937; KENNETH KUSHNER; EDNY; C/A SA John J. Janus: On 07/15/2020, at the request of the Chicago Division, C-28 will execute search warrants in Manhattan and Huntington, LI. The above captioned investigation is a COVID-19 N95 Mask Fraud Scheme being conducted by subject KUSHNER, a lawyer residing in Huntington. COVID-19 precautions will be followed by all search personnel. Face masks and gloves will be worn at all times. The Chicago case agent, Kristin Goodchild, will be onsite to assist with the searches. Ops orders will be prepared and submitted by C-28.

Squad C-44: A/SSA Robert Heuchling

C-44; 205A-NY-2219181 – Odebrecht – Panama: C/A SA Trombly Garett: The main subjects of the investigation, brothers Luis and Ricardo Martinelli, were arrested in Guatemala. They are being held pending receipt of official extradition request, which is expected to be filed by the end of this week.

SOPHISTICATED TECHNIQUES:

Stats below are for FY 2020 (10/1/2019 to 09/30/2020)

FY 2020 Sophisticated Techniques / Stats					
Technique/Stat	CFC Br A	TOC Br B	VCT Br C	PC/CR/HCF Br D	Total
Current Title IIIs	1	17	29	4	51
Current Group Is	2	2	1	1	6
Current Group IIs	0	3	2	1	6
Current GPS	5	51	11	1	68
Current Pen Registers	98	669	123	107	997
Arrests (YTD)	39	98	388	86	611
Convictions (YTD)	36	31	113	58	238
Informations/ (YTD)	12	1	14	28	55
Indictments (YTD)	44	84	236	90	454
Disruptions/Dismantlements (YTD)	48	40	79	41	208
Seizures (NYO YTD)**	\$54,819,131.58 (167)			5	5
Money Judgments (YTD)**	\$264,341,725.51 (99)			0	0
Forfeiture (YTD)***	\$487,461,960.46 (140)			0	0
** represents total numbers for the Criminal Division for the period 10/01/2019 thru 07/05/2020.					

C-40's Sophisticated Techniques for the period 10/01/2019 thru 07/05/2020.

*** This number is derived from the CATS Database on a weekly basis and at times is subject to

fluctuate due to U.S. Attorney Office prosecutorial decisions.

Seizure – Any asset or thing of value the government has taken possession or control of, either through a seizure warrant, restraining order or pursuant to probable cause. This includes FIRE (Frozen, Indicted, Restrained or Encumbered) assets. The defendant no longer has access to the asset.

Forfeiture Money Judgment – An amount ordered by the court, equal to the amount the defendant either profited or attempted to profit from the underlying criminal activity. The judgment is entered on the record. Directly traceable and substitute assets may be used to satisfy the judgment.

Forfeitures – The dollar value of the assets which have been forfeited to the government to which the government has vested title.