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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
SANTA ANA

BY _____

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

September 2014 Grand Jury

UNITED STATES OF AMERICA,
Plaintiff,
v.

SA CR No. 15-00060-DOC(A)

F I R S T
S U P E R S E D I N G
I N D I C T M E N T

NADER SALEM ELHUZAYEL and
MUHANAD ELFATIH M. A. BADAWI,
Defendants.

[18 U.S.C. § 2339B: Conspiracy to Provide Material Support and Resources to a Designated Foreign Terrorist Organization; 18 U.S.C. § 2339B: Attempting to Provide Material Support and Resources to a Designated Foreign Terrorist Organization; 18 U.S.C. § 2339B: Aiding and Abetting an Attempt to Provide Material Support and Resources to a Foreign Terrorist Organization; 18 U.S.C. § 1344: Bank Fraud; 20 U.S.C. § 1097(a): Financial Aid Fraud; 18 U.S.C. § 2: Aiding and Abetting and Causing an Act to be Done; 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c): Forfeiture]

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1 The Grand Jury charges:

2 COUNT ONE

3 [18 U.S.C. § 2339B]

4 From a time unknown to the Grand Jury to on or about May
5 21, 2015, in Orange County, within the Central District of
6 California, and elsewhere, defendants NADER SALEM ELHUZAYEL
7 ("ELHUZAYEL") and MUHANAD ELFATIH M. A. BADAWI ("BADAWI"), each
8 one a national of the United States, knowingly conspired to
9 provide material support and resources, as that term is defined
10 in Title 18, United States Code, Section 2339A(b)(1), that is,
11 personnel, namely ELHUZAYEL, to the Islamic State of Iraq and
12 the Levant ("ISIL"), also known as the Islamic State of Iraq and
13 Syria, al-Qa'ida in Iraq, and the Islamic State, which had been
14 continuously designated by the Secretary of State as a foreign
15 terrorist organization since on or about May 15, 2014, knowing
16 that ISIL had been designated as a foreign terrorist
17 organization, and knowing that ISIL had engaged in, and was
18 engaging in, terrorist activity and terrorism.

COUNT TWO

[18 U.S.C. § 2339B]

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3 From a time unknown to the Grand Jury to on or about May
4 21, 2015, in Orange County, within the Central District of
5 California, and elsewhere, defendant NADER SALEM ELHUZAYEL
6 ("ELHUZAYEL"), a national of the United States, knowingly
7 attempted to provide material support and resources, as that
8 term is defined in Title 18, United States Code, Section
9 2339A(b)(1), that is, personnel, namely himself, to the Islamic
10 State of Iraq and the Levant ("ISIL"), also known as the Islamic
11 State of Iraq and Syria, al-Qa'ida in Iraq, and the Islamic
12 State, which had been continuously designated by the Secretary
13 of State as a foreign terrorist organization since on or about
14 May 15, 2014, knowing that ISIL had been designated as a foreign
15 terrorist organization, and knowing that ISIL had engaged in,
16 and was engaging in, terrorist activity and terrorism.

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COUNT THREE

[18 U.S.C. §§ 2339B, 2]

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3 From a time unknown to the Grand Jury to on or about May
4 21, 2015, in Orange County, within the Central District of
5 California, and elsewhere, defendant MUHANAD ELFATHIH M. A.
6 BADAWI ("BADAWI"), a national of the United States, knowingly
7 aided, abetted, counseled, commanded, induced, and procured
8 NADER SALEM ELHUZAYEL ("ELHUZAYEL") to attempt to provide
9 material support and resources, as that term is defined in Title
10 18, United States Code, Section 2339A(b)(1), that is, personnel,
11 namely ELHUZAYEL, to the Islamic State of Iraq and the Levant
12 ("ISIL"), also known as the Islamic State of Iraq and Syria, al-
13 Qa'ida in Iraq, and the Islamic State, which had been
14 continuously designated by the Secretary of State as a foreign
15 terrorist organization since on or about May 15, 2014, knowing
16 that ISIL had been designated as a foreign terrorist
17 organization, and knowing that ISIL had engaged in, and was
18 engaging in, terrorist activity and terrorism.

COUNTS FOUR THROUGH TWENTY-NINE

[18 U.S.C. §§ 1344, 2]

A. INTRODUCTORY ALLEGATIONS

1. At all times relevant to this First Superseding Indictment, Wells Fargo Bank, Chase Bank, and Bank of America were banks, the deposits of which were insured by the Federal Deposit Insurance Corporation (collectively, "the Banks").

2. At all times relevant to this First Superseding Indictment, defendant NADER SALEM ELHUZAYEL ("ELHUZAYEL") maintained the following bank accounts:

a. Wells Fargo Bank personal checking account XXXXXX9021 (the "Wells Fargo Account"), located at a Wells Fargo Bank branch office in Anaheim, California;

b. Chase Bank personal checking account XXXXXX6763 (the "Chase Account"), located at a Chase Bank branch office in Anaheim, California; and

c. Bank of America personal checking account XXXXXX8880 (the "Bank of America Account"), located at a Bank of America branch office in Anaheim, California, (collectively, the "Elhuzayel Accounts"). Defendant ELHUZAYEL had sole signature authority over the Elhuzayel Accounts.

B. THE SCHEME TO DEFRAUD

3. From on or about a date unknown to the Grand Jury, but no later than April 4, 2015, through on or about May 21, 2015, in Orange County, within the Central District of California, and elsewhere, defendant ELHUZAYEL, together with others known and unknown to the Grand Jury, knowingly and with intent to defraud, executed a scheme to defraud the Banks as to material matters,

1 and to obtain money, funds, credits, assets, securities, and
2 other property owned by and in the custody and control of the
3 Banks by means of material false and fraudulent pretenses,
4 representations, and promises, and the concealment of material
5 facts.

6 4. The fraudulent scheme operated, in substance, in the
7 following manner:

8 a. Defendant ELHUZAYEL and his co-schemers obtained
9 stolen checks (the "Stolen Checks") that were drawn on bank
10 accounts that did not belong to any of the schemers.

11 b. Defendant ELHUZAYEL and his co-schemers deposited
12 and caused to be deposited the Stolen Checks into the Elhuzayel
13 Accounts.

14 c. Defendant ELHUZAYEL and his co-schemers concealed
15 from the Banks that the deposited Stolen Checks were stolen.

16 d. Defendant ELHUZAYEL and his co-schemers withdrew
17 and caused to be withdrawn funds from the Elhuzayel Accounts
18 through cash withdrawals drawn against the deposited Stolen
19 Checks.

20 e. The deposited Stolen Checks were ultimately
21 returned unpaid, and defendant ELHUZAYEL's and his co-schemers'
22 cash withdrawals caused overdrafts in the Elhuzayel Accounts.

23 f. Defendant ELHUZAYEL and his co-schemers failed to
24 deposit funds into the Elhuzayel Accounts to pay the outstanding
25 overdrafts, causing the Banks to suffer losses.

26 C. THE EXECUTIONS OF THE SCHEME

27 5. On or about the following dates, within the Central
28 District of California and elsewhere, defendant ELHUZAYEL and

1 his co-schemers committed and caused others to commit the
 2 following acts, each of which constituted an execution of the
 3 fraudulent scheme:

COUNT	DATE	ACT
4 FOUR	4/4/2015	Deposited check in amount of \$687.79 into the Wells Fargo Account
5 FIVE	4/4/2015	Withdrew \$200.00 cash from the Wells Fargo Account
6 SIX	4/9/2015	Deposited check in amount of \$1674.91 into the Wells Fargo Account
7 SEVEN	4/9/2015	Withdrew \$200.00 cash from the Wells Fargo Account
8 EIGHT	4/10/2015	Withdrew \$200.00 cash from the Wells Fargo Account
9 NINE	4/10/2015	Withdrew \$1,000.00 cash from the Wells Fargo Account
10 TEN	4/16/2015	Deposited check in amount of \$200.00 into the Wells Fargo Account
11 ELEVEN	4/16/2015	Withdrew \$200.00 cash from the Wells Fargo Account
12 TWELVE	4/29/2015	Deposited check in amount of \$570.00 into the Wells Fargo Account
13 THIRTEEN	4/29/2015	Withdrew \$200.00 cash from the Wells Fargo Account
14 FOURTEEN	4/30/2015	Withdrew \$220.00 cash from the Wells Fargo Account
15 FIFTEEN	5/1/2015	Deposited check in amount of \$750.00 into the Chase Bank Account
16 SIXTEEN	5/1/2015	Withdrew \$300.00 cash from the Chase Account
17 SEVENTEEN	5/2/2015	Withdrew \$300.00 cash from the Chase Account
18 EIGHTEEN	5/2/2015	Withdrew \$200.00 cash from the Chase Account
19 NINETEEN	5/4/2015	Withdrew \$20.00 cash from the Wells Fargo Account
20 TWENTY	5/5/2015	Deposited check in amount of \$2,195.00 into the Wells Fargo Account

COUNT	DATE	ACT
TWENTY-ONE	5/5/2015	Withdrew \$300.00 cash from the Wells Fargo Account
TWENTY-TWO	5/6/2015	Withdrew \$200.00 cash from the Wells Fargo Account
TWENTY-THREE	5/6/2015	Withdrew \$900.00 cash from the Wells Fargo Account
TWENTY-FOUR	5/6/2015	Withdrew \$890.00 cash from the Wells Fargo Account
TWENTY-FIVE	5/6/2015	Deposited check in amount of \$1,005.00 into the Chase Account
TWENTY-SIX	5/7/2015	Withdrew \$500.00 cash from the Chase Account
TWENTY-SEVEN	5/7/2015	Withdrew \$500.00 cash from the Chase Account
TWENTY-EIGHT	5/14/2015	Deposited check in amount of \$5,000.00 into the Bank of America Account
TWENTY-NINE	5/14/2015	Withdrew \$200.00 cash from the Bank of America Account

COUNT THIRTY

[20 U.S.C. § 1097(a)]

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3 On or about May 7, 2015, in Orange County, within the
4 Central District of California, and elsewhere, defendant MUHANAD
5 ELFATHIH M. A. BADAWI ("BADAWI"), a national of the United
6 States, did knowingly and willfully misapply, obtain by fraud,
7 false statement, and forgery, and fail to refund \$671.60 in
8 funds, assets, and property provided and insured under
9 subchapter IV of Chapter 28 of United States Code Title 20 and
10 part C of subchapter I of chapter 34 of United States Code Title
11 42, in that BADAWI used \$671.60 of federal financial aid to
12 purchase a plane ticket for another person, namely defendant
13 Nader Salem Ehuzayel, to travel to Turkey.

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FORFEITURE ALLEGATION ONE

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

1. Notice is hereby given pursuant to Federal Rule of Criminal Procedure 32.2(a), Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c) that if defendant NADER SALEM ELHUZAYEL ("ELHUZAYEL") is convicted of any offense set forth in Counts Four through Twenty-Nine of this First Superseding Indictment, defendant ELHUZAYEL shall forfeit to the United States the following property:

a. All right, title, and interest in any property which constitutes or is derived from proceeds traceable to such violation.

b. To the extent the actual property described in paragraph 1(a) is not available, a sum of money equal to the total value of the property so described.

2. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), defendant ELHUZAYEL shall forfeit substitute property, up to the value of the amount described in paragraph 1, if, by any act or omission of said defendant, such property, or any portion thereof, cannot be located upon the exercise of due diligence; has been transferred, sold to or deposited with a third party; has been placed beyond the jurisdiction of this

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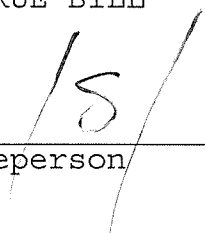
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1 court; has been substantially diminished in value; or has been
2 commingled with other property which cannot be divided without
3 difficulty.

4
5 A TRUE BILL

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8 _____
9 Foreperson

8 EILEEN M. DECKER
9 United States Attorney

10 
11 PATRICIA A. DONAHUE
12 Assistant United States Attorney
13 Chief, National Security Division

13 CHRISTOPHER GRIGG
14 Assistant United States Attorney
15 Chief, Terrorism and Export Crimes Section

15 JUDITH A. HEINZ
16 Assistant United States Attorney
17 Senior Litigation Counsel, National Security Division

17 CELESTE CORLETT
18 Assistant United States Attorney
19 Terrorism and Export Crimes Section