

PRESS RELEASE

Four Men Convicted of Conspiracy and Schemes to Defraud the Small Business Administration, State Workforce Agencies, and Private Lenders

Wednesday, October 18, 2023

For Immediate Release

U.S. Attorney's Office, Eastern District of Wisconsin

Gregory J. Haanstad, United States Attorney for the Eastern District of Wisconsin, announced that on October 17, 2023, defendants Aziz Hassan Bey, Letez Osiris Bey, Minister Zakar Ali, and Divine-Seven El were convicted after a week-long jury trial. A federal grand jury returned an indictment on August 23, 2022, charging the four defendants with conspiring to commit wire fraud, in violation of 18 U.S.C. § 1349, wire fraud, in violation of 18 U.S.C. § 1343, and mail fraud, in violation of 18 U.S.C. § 1341. Defendants Aziz Bey and Divine-Seven El were also charged with money laundering, in violation of 18 U.S.C. § 1957.

The evidence presented at trial showed that between June 2020 and July 2021, the four defendants participated in a conspiracy to attempt to obtain over \$9.5 million in loans from the Small Business Administration (SBA) and private lenders, through the Economic Injury Disaster Loan (EIDL) program and Paycheck Protection Program (PPP). Each of the defendants filed multiple fraudulent EIDL and PPP loan applications. The defendants also engaged in a scheme to defraud the SBA into paying approximately \$775,000 in EIDL loan proceeds to which the defendants were not entitled. To obtain those funds, the defendants submitted applications for businesses that were not operational and submitted false representations regarding the companies' number of employees, gross revenues, and cost of goods sold.

Additionally, the evidence demonstrated that defendants Aziz Bey, Letez Bey, and Ali participated in a scheme to defraud state workforce agencies by submitting false and

fraudulent applications for unemployment insurance (UI). As part of the scheme, the three defendants filed false UI applications in the State of Georgia. Aziz Bey and Ali received approximately \$33,680 and \$43,525, respectively, from Georgia, where they had not lived or worked. Defendant Letez Bey filed UI applications in the states of Illinois and California in the names of other individuals, and caused those states to mail debit cards containing UI funds to addresses used by Aziz Bey and Ali.

Letez Bey received hundreds of thousands of dollars in UI funds from unemployment claims in the names of others.

Defendants Aziz Bey, Ali, and El were also convicted of participating in a scheme to defraud lenders by submitting false information to the Wisconsin Department of Motor Vehicles (DMV) to remove liens that lenders held on vehicles, including a Land Rover, a BMW, and a Corvette. As a result, the defendants were able to keep for their own use or sell the vehicles without repaying the outstanding loans.

With the fraud proceeds they received, the defendants transferred funds to each other and purchased personal items, such as vehicles and jewelry. Defendants Aziz Bey and El were also convicted of conducting money laundering transactions. Aziz Bey used fraud proceeds to purchase a Maserati and to write a \$43,000 check to El. El also used fraud proceeds to purchase a Porsche and to write a \$60,000 check to himself.

The defendants are scheduled to be sentenced before United States District Court Judge J.P. Stadtmueller on February 1, 2024. They face up to 20 years' imprisonment on the conspiracy and mail and wire fraud convictions and up to ten years' imprisonment on the money laundering charges. They also face up to five years of supervised release.

"The jury's verdict reflects the fact these defendants sought to enrich themselves at the expense of taxpayers across the country," stated U.S. Attorney Haanstad. "In addition to fraud targeting private businesses, they sought to take unlawful advantage of programs meant to help individuals, businesses, and the entire economy survive the impact of the pandemic. I commend the hard work and relentless efforts of everyone involved in pursuing justice in this case."

"This fraud scheme was dismantled through excellent collaboration between the FBI and our law enforcement partners." Said FBI Special Agent in Charge Michael E. Hensle. "The FBI has an unwavering commitment to combat fraudulent activities and will ensure that those who seek personal gain through such schemes are held accountable."

"The jury's verdict affirms the U.S. Department of Labor, Office of Inspector General's commitment to ensuring the integrity of the unemployment insurance program. We will

continue working with our law enforcement partners to aggressively investigate these types of allegations,” said Irene Lindow, Special Agent in Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

The Federal Bureau of Investigation investigated this case, with valuable assistance from the U.S. Department of Labor, Office of Inspector General. Assistant United States Attorneys John P. Scully and Benjamin P. Taibleson prosecuted the case.

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