

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

vs.

Case: 2:06-cr-20146

Assigned To: Tarnow, Arthur J

Referral Judge: Pepe, Steven D

Filed: 03-16-2006 At 03:45 PM

INDI MOHAMMED MUSTAFA ET AL (DA)

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH, and

D-3: ABDULLA A. AL-JUFAIRI,

Defendants.

VIO.: 18 U.S.C. § 371 (Conspiracy)

18 U.S.C. § 1001 (False Statements)

18 U.S.C. § 2 (Aiding and Abetting)

INDICTMENT

**THE GRAND JURY CHARGES:**

COUNT ONE

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH

D-3: ABDULLAH AL-JUFAIRI

(18 U.S.C. § 371- Conspiracy)

I. That from on or about August 17, 2000 to on or about the date of this indictment, defendants **MOHAMMED MUSTAFA ("MUSTAFA")**, **AHMED QDEIH ("QDEIH")** and **ABDULLAH AL-JUFAIRI ("AL-JUFAIRI")** conspired and agreed together, and with persons known and unknown to the Grand Jury, to defraud the United States, and to violate Title 18, United States Code, Section 1001, by knowingly and willfully making and causing to be made false statements as to material facts in a matter within the jurisdiction of the executive branch of the Government of the United States.

II. The ways and means, and objects, of the conspiracy are described essentially as

follows:

The Small Business Administration ("SBA") is an independent agency within the executive branch of government that was created by Congress in 1953 for the purpose of encouraging the development of small businesses by, among other things, guaranteeing certain loans (or portions of such loans) made by lenders to small businesses and thereby enabling the small businesses to obtain long-term credit that otherwise would not be available on reasonable terms and conditions. The SBA will issue guarantees of up to 90% of loan value. Generally, the principals of the small business receiving an SBA-guaranteed loan are required to put a certain amount of their own money into the business. This "equity injection" reduces the need for debt, provides an incentive for the principals to remain committed to the business, provides a cushion which helps the business endure economic slumps, and improves the value of the collateral as security for the loan.

Certain lenders who meet certain SBA criteria are given preferred lender status and receive a partial delegation of authority by the SBA. These lenders' applications for loan guarantees are given a quick turnaround by the SBA, assuming required documentation is complete. One such lender was Allied Capital SBLC Corporation, later known as Business Loan Center and then as Business Loan Express ("BLX").

**AL-JUFAIRI** was one of the principals of Global Construction, LLC, which did business as APCO Construction and Management ("APCO"). APCO was engaged in the renovation and construction of gas stations and gas-station mini-marts. **AL-JUFAIRI** also was one of the owners of Van Buren Oil, a supplier of gasoline to local gas stations. Additionally, **AL-**

**JUFAIRI** had a friendly relationship with one or more of the employees of **BLX**, essentially acting as a loan broker for **BLX**. As a result of the above, **AL-JUFAIRI** was able to represent to persons who might be interested in owning and operating a gas station that he was a "one-stop shop." That is, **AL-JUFAIRI** claimed to be able to handle all aspects of acquiring, building (or renovating), and operating a gas station, including obtaining any necessary financing. In some instances, **AL-JUFAIRI** was paid a "commission" by **BLX** for bringing in new borrowers.

Advance Auto Service Center, Inc. ("Advance Auto") was a Michigan corporation owned by **MUSTAFA**, its president, and **QDEIH**, its secretary. Advance Auto purchased a gas station/convenience store business located at 25025 Hoover, Warren, Michigan in approximately January 1999, financed by a promissory note with a ten-year term. The seller of business continued to own the real property and leased the land to Advance Auto. Under the terms of the lease, Advance Auto had an option to buy the real property for \$750,000. Advance Auto exercised this option and purchased the property on or about March 27, 2001.

On or about March 15, 2001, **MUSTAFA** and **QDEIH** signed a formal application and related papers on behalf of Advance Auto for a \$1.1 million SBA-guaranteed loan to be issued by **BLX**. The stated purpose of the requested loan was-- \$712,500 to be used for land acquisition (i.e. the purchase of the real property); \$150,000 to be used for construction, repairs, and renovations; and the balance applied to working capital, debt repayment, and closing costs. The borrowers were to contribute \$37,500 towards the land purchase; \$60,000 towards building improvements; \$10,000 towards closing costs; and \$22,000 towards debt-refinancing. The total amount to be contributed by the borrowers, \$129,500, represented the "owner's equity injection"

required by the SBA as a condition of issuing its guarantee of 75% of the loan. The loan was approved.

**AL-JUFAIRI** was the person who introduced **MUSTAFA** and **QDEIH** to BLX, and acted as an intermediary between BLX and **MUSTAFA** and **QDEIH** during the processing of the loan. **AL-JUFAIRI** received a \$11,000 commission from BLX.

Among the material presented to BLX on or before the closing of the loan on March 27, 2001 to document that **MUSTAFA** and **QDEIH** had made the required \$129,500 equity injection was an APCO invoice, number 11010, purportedly reflecting that APCO had provided \$210,000 in renovations and repairs to Advance Auto's gas station/convenience store, and that APCO had already been paid \$60,000, leaving a balance owing of \$150,000. The \$60,000 was credited towards the required \$129,500 equity injection. At closing, the loan was disbursed, in part, in the form of a Devon Title Company check payable to APCO and Advance Auto in the amount of \$150,000, which was the balance allegedly owed to APCO for services already rendered.

In truth, APCO did not perform any work for Advance Auto, and the documentation purportedly showing that it had was fraudulent and was provided by **AL-JUFAIRI** for the purpose of falsely and fraudulently documenting that **MUSTAFA** and **QDEIH** had provided \$60,000 of the required equity injection, when they had not. Furthermore, the \$150,000 loan disbursement intended as payment to APCO for work it had supposedly already done was *not* paid to APCO. Rather, the \$150,000 loan disbursement check was deposited into the account of **QDEIH**'s brother-in-law, less a cash-out of \$25,000 which was deposited into an account of **AL-**

**JUFAIRI** and his wife.

The loan went into default, and on or about September 1, 2005, the SBA purchased its guaranteed 75% share with allowable interest, paying a total of \$798,186.18.

III. In furtherance of the conspiracy and to accomplish the objects thereof, the conspirators performed and caused to be performed in the Eastern District of Michigan, and elsewhere, the following overt acts, among others:

- a) The offenses alleged in counts two through five were within the scope of the conspiracy and were committed by the conspirators in the course of and in furtherance of the conspiracy, as each conspirator could reasonably foresee. These offenses are alleged and incorporated herein as overt acts.
- b) On or about March 15, 2001, **MUSTAFA** and **QDEIH** signed a BLX commitment letter.
- c) On or about March 15, 2001, **MUSTAFA** and **QDEIH** signed a SBA Application for Business Loan.
- d.) On or about March 15, 2001, **QDEIH** signed a "Statement of Financial Need."
- c) On or about March 27, 2001, **AL-JUFAIRI** faxed, or caused to be faxed, a fraudulent APCO "Waiver of Lien" to Devon Title Company and BLX.
- f). On or about March 27, 2001, **MUSTAFA** and **QDEIH** signed a SBA Note.
- g). On or about March 27, 2001, **MUSTAFA** and **QDEIH** signed a Loan Agreement.
- h.) On or about March 27, 2001, **MUSTAFA**, **QDEIH**, and **AL-JUFAIRI** endorsed a Devon Title Company check payable in the amount of \$150,000 to Advance Auto Service

Center, Inc. and APCO.

I.) On or about March 28, 2001, **AL-JUFAIRI** deposited or caused to be deposited \$25,000 into his bank account at Comerica Bank.

COUNT TWO

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH

D-3: ABDULLA A. AL-JUFAIRI

(18 U.S.C. §§ 1001, 2- False Statements, Aiding and Abetting)

I. That the allegations set forth in Count I, paragraph II, are recalled and incorporated herein.

II. That on or about March 22, 2001, in the Eastern District of Michigan, Southern Division, defendants **MOHAMMED MUSTAFA** ("**MUSTAFA**"), **AHMED QDEIH** ("**QDEIH**"), and **ABDULLA A. AL-JUFAIRI** ("**AL-JUFAIRI**") knowingly and willfully made and caused to be made a false statement as to a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States. That is, **MUSTAFA**, **QDEIH**, and **AL-JUFAIRI** falsely stated and represented, and knowingly caused to be falsely stated and represented, on page 1 of a United States Small Business Administration ("**SBA**") "Application for Business Loan" (SBA form 4) dated March 15, 2001, that \$150,000 of the proceeds from the requested loan to Advance Auto would be used to pay for "New Construction/Expansion Repair/ Renovations." This page of the form was forwarded to the SBA on or about March 22, 2001. In truth, and as **MUSTAFA**, **QDEIH**, and **AL-JUFAIRI** well-knew, \$150,000 of the loan proceeds was not going to be used for the stated purposes.

ALL IN VIOLATION TO TITLE 18, UNITED STATES CODE, SECTIONS 1001 and 2.

COUNT THREE

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH

D-3: ABDULLA A. AL-JUFAIRI

(18 U.S.C. §§ 1001, 2- False Statements, Aiding and Abetting)

I. That the allegations set forth in Count 1, paragraph II, are realleged and incorporated herein.

II. That on or about March 26, 2001, in the Eastern District of Michigan, Southern Division, defendants **MOHAMMED MUSTAFA** ("**MUSTAFA**"), **AHMED QDEIH** ("**QDEIH**"), and **ABDULLA A. AL-JUFAIRI** ("**AL-JUFAIRI**") knowingly and willfully made and caused to be made a false statement as to a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States. That is, **MUSTAFA, QDEIH, and AL-JUFAIRI** falsely stated and represented, and knowingly caused to be falsely stated and represented, in a purported invoice from APCO to Advanced [sic] Auto Service Center, Inc., that Advance Auto had made a payment of \$60,000 towards the \$210,000 that Advanced Auto allegedly owed to APCO for construction and renovation services. The invoice was presented to BLX as proof that \$60,000 of the SBA's \$129,500 equity injection requirement had been satisfied. In truth, and as **MUSTAFA, QDEIH, and AL-JUFAIRI** well-knew, APCO had not performed the listed services and had not received a \$60,000 payment from Advance Auto.

ALL IN VIOLATION TO TITLE 18, UNITED STATES CODE, SECTIONS 1001 and 2.

COUNT FOUR

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH

D-3: ABDULLAH AL-JUFAIRI

(18 U.S.C. §1001 & §2- False Statements; Aiding and Abetting)

I. That the allegations set forth in Count 1, paragraph II, are realleged and incorporated herein.

II. That on or about March 27, 2001, in the Eastern District of Michigan, Southern Division, defendants **MOHAMMED MUSTAFA** ("**MUSTAFA**"), **AHMED QDEIH** ("**QDEIH**"), and **ABDULLA A. AL-JUFAIRI** ("**AL-JUFAIRI**") knowingly and willfully made and caused to be made a false statement as to a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States. That is, **MUSTAFA**, **QDEIH**, and **AL-JUFAIRI** falsely stated and represented, and knowingly caused to be falsely stated and represented, in a "U.S. Small Business Administration Settlement Sheet" (SBA Form 1050) that "[T]he borrower . . . certifies (1) that the proceeds at this disbursement will be, and all Previous disbursements have been, used in accordance with the Loan Authorization . . ." Exhibit A attached to the form represented that \$150,000 of the loan proceeds was to be "[p]ayment for completed renovations." In truth, and as **MUSTAFA**, **QDEIH**, and **AL-JUFAIRI** well-knew, \$150,000 of the loan proceeds had not, and would not, be used to pay for "New Construction/Expansion Repair/ Renovations" of the gas station/convenience store located at 25025 Hoover Road, Warren, Michigan.

ALL IN VIOLATION TO TITLE 18, UNITED STATES CODE, SECTIONS 1001 and 2.



COUNT FIVE

D-1: MOHAMMED M. MUSTAFA,

D-2: AHMED M. QDEIH

D-3: ABDULLAH AL-JUFAIRI

(18 U.S.C. §1001 & §2- False Statements; Aiding and Abetting)

I. That the allegations set forth in Count 1, paragraph II, are recalled and incorporated herein.

II. That on or about March 27, 2001, in the Eastern District of Michigan, Southern Division, defendants **MOHAMMED MUSTAFA** ("MUSTAFA"), **AHMED QDEIH** ("QDEIH"), and **ABDULLA A. AL-JUFAIRI** ("AL-JUFAIRI") knowingly and willfully made and caused to be made a false statement as to a material fact in a matter within the jurisdiction of the executive branch of the Government of the United States. That is, **MUSTAFA, QDEIH, and AL-JUFAIRI** presented and caused to be presented to BLX a "Waiver of Lien" purportedly signed by Hani Hamawi, a principal of APCO, stating that APCO's contract for material and labor for the improvements to "property located at 25025 Hoover, Warren, MI 48089" had been "fully paid and satisfied." In truth, and as **MUSTAFA, QDEIH, and AL-JUFAIRI** well-knew, the purported signature of Hani Hamawi was a forgery, and APCO had not provided any "material and labor for the improvement to property located at 25025 Hoover, Warren, MI 48089."

ALL IN VIOLATION TO TITLE 18, UNITED STATES CODE, SECTIONS 1001 and 2.

Dated: March 16, 2006

**THIS IS A TRUE BILL.**

s/ Grand Jury Foreperson  
GRAND JURY FOREPERSON

STEPHEN J. MURPHY  
United States Attorney

s/ Stephen T. Robinson  
STEPHEN T. ROBINSON (P28030)  
Assistant United States Attorney

United States District Court  
Eastern District of Michigan

### Criminal Case Co

Case: 2:06-cr-20146  
Assigned To: Tarnow, Arthur J  
Referral Judge: Pepe, Steven D  
Filed: 03-16-2006 At 03:45 PM  
INDI MOHAMMED MUSTAFA ET AL (DA)

It is the responsibility of the Assistant U.S. Attorney signing this form to complete

<b>Companion Case Information:</b>		<b>Companion Case Number:</b>	
This may be a companion case based upon LCrR 57.10 (b)(4) <sup>1</sup> :		<b>Judge Assigned:</b>	
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<b>AUSA's Initials:</b>	STR

**Case Title:** USA v. MOHAMMED M. MUSTAFA, et al.

**County where offense occurred :** Oakland

**Check One:**       Felony                       Misdemeanor                       Petty

- Indictment  /Information \_\_\_\_\_ no prior complaint.
- Indictment \_\_\_\_\_ /Information \_\_\_\_\_ based upon prior complaint [Case number: \_\_\_\_\_]
- Indictment \_\_\_\_\_ /Information \_\_\_\_\_ based upon LCrR 57.10 (d) [Complete Superseding section below].

### Superseding Case Information:

**Superseding to Case No:** \_\_\_\_\_ **Judge:** \_\_\_\_\_

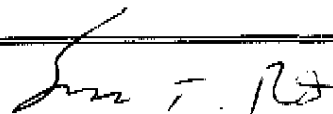
- Original case was terminated; no additional charges or defendants.
- Corrects errors; no additional charges or defendants.
- Involves, for plea purposes, different charges or adds counts.
- Embraces same subject matter but adds the additional defendants or charges below:

**Defendant name**

**Charges**

March 16, 2006

Date

 Stephen T. Robinson  
Assistant United States Attorney

313-226-9670

Phone Number

<sup>1</sup> Companion cases are matters in which it appears that substantially similar evidence will be offered at trial or the same or related parties are present, and the cases arise out of the same transaction or occurrence. Cases may be companion cases even though one of them may have already been terminated.