

ATTACHMENT A

COUNTS 1 AND 2
(Wire Fraud)

On or about the dates listed below, in Middlesex County, in the District of New Jersey and elsewhere, the defendant,

MORTEN NIELSEN,

knowingly and intentionally devised a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, and sounds for the purpose of executing such scheme and artifice, each constituting a separate count of this Complaint:

Count	Approximate Date	Description
1	22-Jun-19	Wire transfer payment of approximately \$14,995.00 initiated in Edison, New Jersey at Company A sent to a Company B account, for payment of Invoice Number 3345.
2	22-Jun-19	Wire transfer payment of approximately \$4,995.00 from a Company B account to a bank account in New Jersey ending in 7814 controlled by NIELSEN.

In violation of Title 18, United States Code, Section 1343, and Section 2.

ATTACHMENT B

I, Luciano Dimino, a Special Agent with the Federal Bureau of Investigation, having conducted an investigation and discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts which I believe are necessary to establish probable cause. Unless specifically indicated, all conversations and statements described in this affidavit are related in substance and in part.

BACKGROUND

1. At all times relevant to this Complaint:
 - a. Company A was a freight forwarding company which provided logistical and transportation services for both international corporations and government entities. Company A maintained an office in Edison, New Jersey.
 - b. Defendant MORTEN NIELSEN (“NIELSEN”) was a citizen of Denmark residing in Jersey City, New Jersey. NIELSEN was employed by Company A in its Edison, New Jersey office from approximately September 1, 2014, to approximately July 19, 2019.
 - c. The United States Department of Defense (“DoD”) is an executive branch department of the federal government charged with coordinating and supervising all agencies and functions of the government directly related to national security and the United States Armed Forces.
 - d. The Defense Finance and Accounting Service (“DFAS”) was an agency of the DoD, headquartered in Indianapolis, Indiana, responsible for all DoD payments to service members, employees, vendors, and contractors.
 - e. Company B was a public company that provided services that allowed customers to make financial transactions online by granting the ability to transfer funds electronically between individuals and businesses. Company B’s headquarters were located in San Jose, California. Company B processed financial transactions on behalf of its customers through its data processing centers were located in Arizona, Utah and Nevada.
 - f. Company C was a financial services company that specialized in the issuance of credit cards, process of payments and travel related services to both individuals and corporations with its headquarters located in in New York, New York. Company C processed financial

transactions on behalf of its customers through a third party bank account located Minneapolis, Minnesota.

g. Summit Transportation (“Summit” or “Summit Transportation”) was a company created by NIELSEN to facilitate his scheme to defraud Company A. Summit Transportation purportedly has no employees or office space, did not transact any business and shared an address with NIELSEN’s home address in Jersey City, New Jersey.

THE EGYPTIAN FOREIGN MILITARY SALES PROGRAM

2. The Egypt Foreign Military Sales Program (“EFMP”) was a program run by the Egyptian government through its Egyptian Program Office (“EPO”). The EPO contracted with the DoD and facilitated the sale and repair of military equipment from the DoD to the Government of Egypt.

3. Company A provided freight forwarding services for the EFMP. During the course of his employment at Company A, NIELSEN served as Company A’s Program Manager for the EFMP and was responsible for coordinating logistics for the transportation of military equipment between the United States and the Government of Egypt. NIELSEN was also responsible for submitting to the EPO Company A’s invoices for the work Company A and its subcontractors performed for the EFMP. Once the EPO reviewed and approved the invoices from Company A, the EPO sent the invoices to DFAS for payment. Upon receiving the invoices from the EPO, DFAS remitted payment directly to Company A. As Company A’s Program Manager for the EFMP, NIELSEN knew that Company A’s invoices were paid by DFAS.

THE FAKE INVOICE SCHEME

4. From at least as early as in or about June 2017 through in or about July 2019, NIELSEN orchestrated a fraudulent invoice scheme. As part of his scheme, NIELSEN caused Company A to send fraudulent invoices to the EPO that included charges for services Summit Transportation purportedly performed on its behalf in support of the EFMP. The invoices were false in that Summit Transportation did not perform any services for Company A. Once the EPO approved the fraudulent Company A invoices submitted by NIELSEN, the EPO forwarded them to DFAS for payment to Company A. Upon Company A’s receipt of payment from DFAS for the fraudulent invoices, NIELSEN caused Company A to remit payments to Summit Transportation’s Company B account.

5. During the course of the conspiracy, NIELSEN caused Company A to submit fraudulent invoices to the EPO purporting to bill the EPO for logistical and transportation services Company A and its subcontractors performed in support of the EFMP. Some of these invoices contained

fraudulent charges from Summit Transportation as well as charges from legitimate subcontractors who actually preformed transportation services on behalf of Company A. One of the invoices NIELSEN caused to be submitted to the EPO included a \$14,995.00 charge for work purportedly performed by Summit Transportation relating to the EFMP. Summit Transportation, however, was not a Company A subcontractor and did not perform any services on Company A's behalf. The EPO approved and forwarded the invoice containing the fraudulent charge of \$14,995.00 to DFAS for payment to Company A.

6. Sometime thereafter, DFAS remitted payment to Company A for the fraudulent \$14,995.00 charge billed on the invoice. Thereafter, on or about June 22, 2019, NIELSEN used Company A's credit card to initiate a wire transmission from Company A's Edison, New Jersey office to Summit Transportation's account at Company B for the \$14,995.00 that NIELSEN fraudulently billed to the EPO. That payment ultimately was transmitted from Company C's bank account to Summit Transportation's Company B account.

7. On or about June 22, 2020, NIELSEN initiated a wire transfer from Summit Transportation's Company B account for \$4,995.00 to his personal bank account in New Jersey ending in 7814.

8. Throughout the scheme, NIELSEN repeated this pattern, causing Company A to submit to the EPO approximately eighty-four (84) fraudulent invoices for services that Summit Transportation did not perform for Company A's work for the EMSP. As a result of his conduct, NIELSEN unlawfully obtained approximately \$559,000.00 in payments from Company A.