

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

| | | |
|---------------------------|---|--------------------------------|
| UNITED STATES OF AMERICA, | : | Criminal No. 23-CR-193-RBW |
| | : | |
| v. | : | Violation: |
| | : | |
| | : | 26 U.S.C. § 7201 (Tax Evasion) |
| GHOLAM KOWKABI, | : | 18 U.S.C. § 1343 (Wire Fraud) |
| | : | |
| Defendant. | : | |
| | : | |

STATEMENT OF OFFENSE

The United States of America, by and through its attorney, the United States Attorney for the District of Columbia, and the defendant, GHOLAM KOWKABI, agree and stipulate to the facts presented below. These facts are presented for the purpose of demonstrating there is a factual basis for GHOLAM KOWKABI’s guilty plea pursuant to Federal Rule of Criminal Procedure 11, and do not represent all the evidence that could have been presented at a trial. At all times relevant to this Statement of Offense:

A. The Internal Revenue Service & Employment Taxes

1. The Internal Revenue Service (“IRS”) was an agency of the United States Department of Treasury responsible for administering the tax laws of the United States including the ascertainment, computation, assessment, and collection of income taxes and employment taxes.

2. Pursuant to the Internal Revenue Code and associated statutes and regulations, employers are required to withhold amounts from their employees’ gross pay including Federal Insurance Contribution Act (“FICA”) taxes, which represent Social Security and Medicare taxes, and federal income taxes (collectively “trust fund taxes.”). Employers hold the withheld amounts of trust fund taxes in trust until paid over to the

IRS. Employers are required to remit these withheld trust fund amounts to the IRS on a quarterly basis, no later than the last day of month following the end of the quarter.

3. In addition to the trust fund taxes that must be withheld from pay, employers are separately required to make contributions under FICA for Social Security and Medicare in amounts matching the amounts withheld from their employees' pay for those purposes. Such employer contributions are likewise required to be remitted to the IRS no later than the last day of the month following the end of the quarter. Collectively, these five components required to be remitted quarterly are commonly referred to as "employment taxes," made up of the trust fund taxes withheld (individual income, Social Security and Medicare taxes) and the matching amounts contributed by the employer.

4. Employers are required to file, one month after the conclusion of the calendar quarter, an Employer's Quarterly Federal Tax Return, Form 941 ("Form 941"), setting forth the total amount of income taxes withheld, the total amount of Social Security and Medicare taxes due, and the total tax deposits.

5. A person is responsible for collecting, accounting for, and paying over the employment taxes if he or she has the authority required to exercise significant control over the employer's financial affairs, regardless of whether the individual exercised such control in fact. More than one person may be considered a "responsible person" for the purpose of collecting, accounting for, and paying over employment taxes, including trust fund amounts and employers' matching amounts.

6. If a person that the IRS determines to be a responsible person fails to pay over the trust fund taxes, the IRS may impose a penalty of one hundred percent of the trust fund taxes on each responsible person, individually. This penalty is known as the

Trust Fund Recovery Penalty (“TFRP”).

B. Restaurants and Entities Owned and Operated by Gholam and Karen Kowkabi

7. GHOLAM KOWKABI and KAREN KOWKABI are long-time D.C.-based restaurateurs, who have owned and operated restaurants including Tuscana West, Catch 15, and Ristorante Piccolo, among others. Ristorante Piccolo, an Italian restaurant, has operated in Georgetown since 1986.

a. Tuscana West

8. In or about March 1997, Parasi, Inc. was formed and operated restaurant Tuscana West. On or about May 29, 2009, GHOLAM KOWKABI and KAREN KOWKABI formed Pezzo Forte, Inc., which assumed operation of restaurant Tuscana West from approximately June 2009 to February 2014. GHOLAM KOWKABI managed the daily operations of the business while KAREN KOWKABI handled marketing, was the primary point of contact for the bookkeeper, and purchased various supplies for the restaurant.

b. Catch 15

9. On or about December 1, 2013, GHOLAM KOWKABI and KAREN KOWKABI formed TK Restaurant Management, Inc., which operated restaurant Catch 15 from approximately December 13, 2013, to August 9, 2018. GHOLAM KOWKABI managed the daily operations of the business while KAREN KOWKABI handled marketing, was the primary point of contact for the bookkeeper, and purchased various supplies for the restaurant.

c. Ristorante Piccolo

10. On or about 1986, GHOLAM KOWKABI and KAREN KOWKABI

formed Ristorante Piccolo, Inc. which operated Ristorante Piccolo from approximately 1986 to 2011. On or about February 9, 2011, Ristorante Piccolo, Inc.'s name was changed to Rotini, Inc. Rotini, Inc. operated restaurant Ristorante Piccolo until August 9, 2018, when Rotini, Inc. was liquidated in Chapter 7 bankruptcy. Ristorante Piccolo has been operated by GHOLAM KOWKABI and KAREN KOWKABI since approximately 1987 under various business names. On August 10, 2018, Papardelle 1068, Inc. was incorporated in the name of PERSON 1, and operated Ristorante Piccolo from August 10, 2018 to present, after purchasing the assets of Rotini Inc out of Chapter 7 bankruptcy on August 9, 2018. On August 28, 2018, the president of Papardelle 1068, Inc. was changed from PERSON 1 to the daughter of GHOLAM and KAREN KOWKABI. On September 4, 2018, amended Articles of Incorporation for Papardelle 1068, Inc., with GHOLAM KOWKABI as the incorporator, established GHOLAM KOWKABI as the sole director and the president of Papardelle 1068, Inc. During the change of corporate ownership, there was no change to the operation of the restaurant and GHOLAM KOWKABI continued to manage the daily operations of the business and would occasionally stand in as chef, while KAREN KOWKABI handled marketing, was the primary point of contact for the bookkeeper, and purchased various supplies for the restaurant.

d. RRescues LLC

11. On or about September 19, 2018, GHOLAM KOWKABI and KAREN KOWKABI formed RRescues, LLC dba Restaurant Rescues. Restaurant Rescues did not own or operate any restaurants.

C. History of Bankruptcy Filings

12. Over the course of operating the businesses listed above, GHOLAM

KOWKABI and KAREN KOWKABI were, at various times, involved in collections actions by federal and state agencies, as well as private creditors, for unpaid debts. GHOLAM KOWKABI and KAREN KOWKABI have filed at least twelve personal and business bankruptcies, each of which stayed any collections actions pending at the time of filing:

| Year | Debtor | Docket | Type of bankruptcy |
|-------------|---|---|------------------------------------|
| 1994 | Gholam and Karen Kowkabi | 1994bk01052, District of Columbia | Personal |
| 2003 | Gholam and Karen Kowkabi | 2003bk1556, District of Columbia | Personal |
| 2004 | Alamo Grill of Georgetown | 2004bk00723, District of Columbia | Chapter 11 |
| 2004 | Parasi, Inc. d/b/a Tuscana West | 2004bk00724, District of Columbia | Chapter 11 |
| 2004 | Ristorante Piccolo, Inc. d/b/a Ristorante Piccolo | 2004bk00725, District of Columbia | Chapter 11 |
| 2013 | Pezzo Forte, Inc. d/b/a/ Tuscana West | 2013bk00381, District of Columbia | Chapter 11, converted to Chapter 7 |
| 2014 | Rotini, Inc. d/b/a/ Ristorante Piccolo | 2014bk00514, District of Columbia | Chapter 11 |
| 2014 | TK Restaurant Management, Inc. d/b/a/ Catch 15 | 2014bk00562, District of Columbia | Chapter 11 |
| 2016 | Gholam and Karen Kowkabi | 2016bk12338, Eastern District of Virginia | Chapter 11 |
| 2017 | Rotini, Inc. d/b/a/ Ristorante Piccolo | 2017bk00270, District of Columbia | Chapter 11, converted to Chapter 7 |
| 2017 | TK Restaurant Management, Inc. d/b/a/ Catch 15 | 2017bk00269, District of Columbia | Chapter 11, converted to Chapter 7 |
| 2019 | Papardelle 1068, Inc. d/b/a Ristorante Piccolo | 2019bk00554, District of Columbia | Chapter 11 |

13. As a result of the Chapter 7 bankruptcy, the assets of Pezzo Forte, Inc. were auctioned off and Tuscana West closed permanently.

14. As a result of Chapter 7 bankruptcy, the assets of TK Restaurant Management, Inc. were sold to a third-party buyer on August 9, 2018 and Catch 15

closed permanently.

15. As a result of Chapter 7 bankruptcy, the assets of Rotini, Inc. were sold to PERSON 1 on August 9, 2018, but Ristorante Piccolo did not close or cease business operations. On August 28, 2018, the president of Papardelle 1068 was changed to the daughter of GHOLAM KOWKABI and on September 4, 2018, amended Articles of Incorporation established GHOLAM KOWKABI as the President and sole Director of Papardelle 1068. GHOLAM KOWKABI maintained control and possession of Ristorante Piccolo during all of the above changes in ownership.

D. Failure to Pay Personal and Business Taxes

16. From 2000 through 2018, GHOLAM KOWKABI and KAREN KOWKABI routinely filed personal income tax returns (Forms 1040, U.S. Individual Income Tax Returns), business income tax returns (Forms 1120, U.S. Corporation Income Tax Returns), quarterly employer tax returns (Forms 941, Employer's Quarterly Federal Tax Returns), and employer unemployment tax returns (Forms 940, Employer Federal Unemployment Tax Returns), reporting tax due and owing, including interest and penalties, but often willfully failing to make full payments in those amounts, knowing that they were required to make full payment.

17. With regard to Rotini, Inc:

- a. On January 31, 2013, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2012Q4 Form 941 in the name of Rotini, Inc. reporting \$23,530.73 in tax due and owing and willfully failing to pay \$17,450.19 in tax due and owing.

- b. On July 1, 2013, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q1 Form 941 in the name of Rotini, Inc. reporting \$20,615.11 in tax due and owing and willfully failing to pay \$9,245.18 in tax due and owing.
- c. On August 23, 2013, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q2 Form 941 in the name of Rotini, Inc. reporting \$25,000.88 in tax due and owing and willfully failing to pay \$25,000.88 in tax due and owing.
- d. On January 5, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q3 Form 941 in the name of Rotini, Inc. reporting \$21,945.98 in tax due and owing and willfully failing to pay \$8,162.63 in tax due and owing.
- e. On February 14, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q4 Form 941 in the name of Rotini, Inc. reporting \$27,998.92 in tax due and owing and willfully failing to pay \$27,998.92 in tax due and owing.
- f. On May 15, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q1 Form 941 in the name of Rotini, Inc. reporting \$22,890.17 in tax due and owing and willfully failing to pay \$22,890.17 in tax due and owing.
- g. On October 31, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q3 Form 941 in the name of

Rotini, Inc. reporting \$28,669.50 in tax due and owing and willfully failing to pay \$21,879.72 in tax due and owing.

- h. On September 12, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q4 Form 941 in the name of Rotini, Inc. reporting \$38,015.23 in tax due and owing and willfully failing to pay \$38,015.23 in tax due and owing.
- i. On April 30, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q1 Form 941 in the name of Rotini, Inc. reporting \$23,025.81 in tax due and owing and willfully failing to pay \$4,463.34 in tax due and owing.
- j. On July 31, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q2 Form 941 in the name of Rotini, Inc. reporting \$23,485.76 in tax due and owing and willfully failing to pay \$23,485.76 in tax due and owing.
- k. On October 31, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q3 Form 941 in the name of Rotini, Inc. reporting \$23,225.16 in tax due and owing and willfully failing to pay \$18,725.16 in tax due and owing.
- l. On January 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q4 Form 941 in the name of Rotini, Inc. reporting \$36,625.24 in tax due and owing and willfully failing to pay \$36,625.24 in tax due and owing.

- m. On April 30, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q1 Form 941 in the name of Rotini, Inc. reporting \$22,976.82 in tax due and owing and willfully failing to pay \$22,976.82 in tax due and owing.
 - n. On July 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q2 Form 941 in the name of Rotini, Inc. reporting \$23,252.38 in tax due and owing and willfully failing to pay \$23,252.38 in tax due and owing.
 - o. On October 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q3 Form 941 in the name of Rotini, Inc. reporting \$27,448.15 in tax due and owing and willfully failing to pay \$4,662.99 in tax due and owing.
 - p. On March 6, 2017, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q4 Form 941 in the name of Rotini, Inc. reporting \$28,205.37 in tax due and owing and willfully failing to pay \$19,637.54 in tax due and owing.
 - q. On July 31, 2017, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2017Q2 Form 941 in the name of Rotini, Inc. reporting \$31,096.96 in tax due and owing and willfully failing to pay \$6,941.74 in tax due and owing.
18. With regard to TK Restaurant Management, Inc.:
- a. On February 10, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q1 Form 941 in the name of TK

- Restaurant Management Inc. reporting \$32,107.00 in tax due and owing and willfully failing to pay \$18,985.84 in tax due and owing.
- b. On February 4, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2013Q4 Form 941 in the name of TK Restaurant Management Inc. reporting \$5,046.37 in tax due and owing and willfully failing to pay \$5,046.37 in tax due and owing.
 - c. On May 15, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q1 Form 941 in the name of TK Restaurant Management Inc. reporting \$32,107.91 in tax due and owing and willfully failing to pay \$32,107.77 in tax due and owing.
 - d. On March 10, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q2 Form 941 in the name of TK Restaurant Management Inc. reporting \$29,979.00 in tax due and owing and willfully failing to pay \$29,979.00 in tax due and owing.
 - e. On October 31, 2014, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q3 Form 941 in the name of TK Restaurant Management Inc. reporting \$29,979.84 in tax due and owing and willfully failing to pay \$29,979.84 in tax due and owing.
 - f. On March 6, 2017, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2014Q4 Form 941 in the name of TK Restaurant Management Inc. reporting \$37,146.21 in tax due and owing and willfully failing to pay \$37,146.21 in tax due and owing.

- g. On July 31, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q2 Form 941 in the name of TK Restaurant Management Inc. reporting \$29,702.84 in tax due and owing and willfully failing to pay \$25,346.12 in tax due and owing.
- h. On October 31, 2015, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q3 Form 941 in the name of TK Restaurant Management Inc. reporting \$27,786.83 in tax due and owing and willfully failing to pay \$16,286.83 in tax due and owing.
- i. On January 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2015Q4 Form 941 in the name of TK Restaurant Management Inc. reporting \$32,203.01 in tax due and owing and willfully failing to pay \$32,203.01 in tax due and owing.
- j. On April 30, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q1 Form 941 in the name of TK Restaurant Management Inc. reporting \$23,584.03 in tax due and owing and willfully failing to pay \$23,584.03 in tax due and owing.
- k. On July 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q2 Form 941 in the name of TK Restaurant Management Inc. reporting \$30,752.18 in tax due and owing and willfully failing to pay \$30,752.18 in tax due and owing.
- l. On October 31, 2016, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q3 Form 941 in the name of TK

- Restaurant Management Inc. reporting \$31,017.86 in tax due and owing and willfully failing to pay \$23,745.80 in tax due and owing.
- m. On March 6, 2017, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2016Q4 Form 941 in the name of TK Restaurant Management Inc. reporting \$27,405.00 in tax due and owing and willfully failing to pay \$27,405.00 in tax due and owing.
- n. On October 31, 2017, KAREN KOWKABI and GHOLAM KOWKABI caused to be filed a 2017Q3 Form 941 in the name of TK Restaurant Management Inc. reporting \$32,096.26 in tax due and owing and willfully failing to pay \$17,096.00 in tax due and owing.

E. Federal Employment Tax Debt at the Time of Chapter 7 Liquidations

19. On August 9, 2018, Rotini, Inc. and TK Restaurant Management, Inc. were liquidated in Chapter 7 bankruptcy. By that date, GHOLAM KOWKABI and KAREN KOWKABI had amassed the following federal employment tax debt from Rotini, Inc. and TK Restaurant Management, Inc., including interest and penalties:

| Year | Taxpayer/Entity | Tax Due as of August 9, 2018 |
|-------------|-------------------------|-------------------------------------|
| 2012 | Rotini, Inc. - Form 941 | 27,987.82 |
| 2013 | Rotini, Inc. - Form 941 | 85,920.35 |
| 2014 | Rotini, Inc. - Form 941 | 155,263.93 |
| 2015 | Rotini, Inc. - Form 941 | 97,574.21 |
| 2016 | Rotini, Inc. - Form 941 | 87,984.79 |
| 2017 | Rotini, Inc. - Form 941 | 70,940.21 |
| 2018 | Rotini, Inc. - Form 941 | 25,848.60 |
| 2011 | Rotini, Inc. - Form 940 | 8,172.99 |
| 2012 | Rotini, Inc. - Form 940 | 4,095.66 |
| 2013 | Rotini, Inc. - Form 940 | 9,683.12 |
| 2014 | Rotini, Inc. - Form 940 | 2,412.17 |
| 2015 | Rotini, Inc. - Form 940 | 915.84 |
| 2016 | Rotini, Inc. - Form 940 | 1,076.42 |

| | | |
|------|---------------------------|---------------------|
| 2017 | Rotini, Inc. - Form 940 | 1,966.00 |
| 2014 | Rotini, Inc. - Form 1120S | 1,170.00 |
| 2013 | TKRM, Inc. - Form 941 | 36,590.38 |
| 2014 | TKRM, Inc. - Form 941 | 172,235.78 |
| 2015 | TKRM, Inc. - Form 941 | 90,608.56 |
| 2016 | TKRM, Inc. - Form 941 | 132,551.38 |
| 2017 | TKRM, Inc. - Form 941 | 91,089.05 |
| 2018 | TKRM, Inc. - Form 941 | 25,820.26 |
| 2013 | TKRM, Inc. - Form 940 | 147.15 |
| 2014 | TKRM, Inc. - Form 940 | 2,710.21 |
| 2015 | TKRM, Inc. - Form 940 | 1,311.60 |
| 2016 | TKRM, Inc. - Form 940 | 2,033.40 |
| 2017 | TKRM, Inc. - Form 940 | 1,291.09 |
| 2013 | TKRM, Inc. - Form 1120S | 2,340.00 |
| 2014 | TKRM, Inc. - Form 1120S | 153.29 |
| 2015 | TKRM, Inc. - Form 1120S | 390.00 |
| | | 1,140,284.26 |

20. As a result of the Chapter 7 bankruptcy, the above tax debt was rendered uncollectible against Rotini, Inc. and TK Restaurant Management, Inc. which were liquidated in Chapter 7 bankruptcy.

21. However, the IRS assessed TFRPs against GHOLAM KOWKABI and KAREN KOWKABI for certain amounts of the trust fund portion of taxes owed by Rotini, Inc. and TK Restaurant, Inc. as the “responsible persons” who were responsible for collecting, accounting for, and paying over employment taxes, including trust fund amounts and employers’ matching amounts.

22. On March 31, 2014, the assets of Pezzo Forte, Inc. were sold at auction. Pezzo Forte, Inc. was then liquidated in Chapter 7 bankruptcy. By the time Pezzo Forte, Inc. was liquidated, GHOLAM KOWKABI and KAREN KOWKABI had amassed the following federal employment tax debt, including interest and penalties:

| Year | Taxpayer/Entity | Tax Due as of March 31, 2014 |
|-------------|------------------------|---|
| 2012 | Pezzo Forte - Form 941 | \$38,011.68 |

| | | |
|------|------------------------|---------------------|
| 2013 | Pezzo Forte - Form 941 | \$70,021.71 |
| 2010 | Pezzo Forte - Form 940 | \$5,912.05 |
| 2012 | Pezzo Forte - Form 940 | \$1,306.84 |
| | | \$115,252.28 |

23. As a result of the Chapter 7 bankruptcy, the above federal employment tax debt was rendered uncollectible against Pezzo Forte, Inc.

24. However, the IRS assessed TFRP against GHOLAM KOWKABI and KAREN KOWKABI for certain amounts of the trust fund portion of taxes owed by Pezzo Forte as the “responsible persons” who were responsible for collecting, accounting for, and paying over employment taxes, including trust fund amounts and employers’ matching amounts.

F. Tax Due and Owing to the IRS

25. GHOLAM KOWKABI agrees that the amount currently due to the Internal Revenue Service for tax periods 1998 through 2018, based on his self-reported tax due and owing and TFRP assessments made by the IRS, is **\$1,351,038.51**.

| MFT | Form / Penalty | Tax Period | Unpaid Assessed Balance |
|------------|-------------------------------|-------------------|--------------------------------|
| 30 | 1040 | 200012 | \$ 78,995.39 |
| 30 | 1040 | 200112 | \$ 46,602.58 |
| 30 | 1040 | 200212 | \$ 36,159.45 |
| 30 | 1040 | 200412 | \$ - |
| 30 | 1040 | 200512 | \$ 55,170.72 |
| 30 | 1040 | 200612 | \$ 14,505.42 |
| 30 | 1040 | 200712 | \$ 13,229.27 |
| 30 | 1040 | 201112 | \$ 4,959.38 |
| 30 | 1040 | 201312 | \$ 4,109.32 |
| 30 | 1040 | 201412 | \$ 7,753.01 |
| 30 | 1040 | 201512 | \$ 8,366.20 |
| 30 | 1040 | 201612 | \$ 3,253.57 |
| 30 | 1040 | 201712 | \$ 1,004.83 |
| 30 | 1040 | 201812 | \$ 12,014.52 |
| 30 | 1040 | 202112 | \$ 13,162.43 |
| 35 | Shared Responsibility Payment | 201712 | \$ 3,726.01 |

| | | | | |
|----|-------------------------------|--------|----|-----------|
| 35 | Shared Responsibility Payment | 201812 | \$ | 2,420.00 |
| 55 | TFRP - IRC 6672 | 199806 | \$ | 3,789.23 |
| 55 | TFRP - IRC 6672 | 200206 | \$ | 9,774.92 |
| 55 | TFRP - IRC 6672 | 200209 | \$ | 25,904.87 |
| 55 | TFRP - IRC 6672 | 200212 | \$ | 26,695.50 |
| 55 | TFRP - IRC 6672 | 200303 | \$ | 24,913.63 |
| 55 | TFRP - IRC 6672 | 200306 | \$ | 22,142.57 |
| 55 | TFRP - IRC 6672 | 200309 | \$ | 27,821.36 |
| 55 | TFRP - IRC 6672 | 200312 | \$ | 28,382.75 |
| 55 | TFRP - IRC 6672 | 200403 | \$ | 12,274.66 |
| 55 | TFRP - IRC 6672 | 200406 | \$ | 11,979.66 |
| 55 | TFRP - IRC 6672 | 200606 | \$ | 13,425.25 |
| 55 | TFRP - IRC 6672 | 200609 | \$ | 22,303.54 |
| 55 | TFRP - IRC 6672 | 200612 | \$ | 25,816.17 |
| 55 | TFRP - IRC 6672 | 200703 | \$ | 24,965.10 |
| 55 | TFRP - IRC 6672 | 200706 | \$ | 26,019.18 |
| 55 | TFRP - IRC 6672 | 200709 | \$ | 15,452.94 |
| 55 | TFRP - IRC 6672 | 200803 | \$ | 2,974.92 |
| 55 | TFRP - IRC 6672 | 200809 | \$ | 1,393.83 |
| 55 | TFRP - IRC 6672 | 200812 | \$ | 15,443.79 |
| 55 | TFRP - IRC 6672 | 200903 | \$ | 3,072.63 |
| 55 | TFRP - IRC 6672 | 200906 | \$ | 16,902.72 |
| 55 | TFRP - IRC 6672 | 200909 | \$ | 2,427.95 |
| 55 | TFRP - IRC 6672 | 200912 | \$ | 1,631.48 |
| 55 | TFRP - IRC 6672 | 201006 | \$ | 5,716.49 |
| 55 | TFRP - IRC 6672 | 201203 | \$ | 7,899.81 |
| 55 | TFRP - IRC 6672 | 201206 | \$ | 6,397.82 |
| 55 | TFRP - IRC 6672 | 201212 | \$ | 28,129.52 |
| 55 | TFRP - IRC 6672 | 201303 | \$ | 28,966.26 |
| 55 | TFRP - IRC 6672 | 201306 | \$ | 32,165.57 |
| 55 | TFRP - IRC 6672 | 201309 | \$ | 20,023.69 |
| 55 | TFRP - IRC 6672 | 201312 | \$ | 38,590.53 |
| 55 | TFRP - IRC 6672 | 201403 | \$ | 46,804.94 |
| 55 | TFRP - IRC 6672 | 201406 | \$ | 42,896.17 |
| 55 | TFRP - IRC 6672 | 201409 | \$ | 37,619.42 |
| 55 | TFRP - IRC 6672 | 201412 | \$ | 46,583.20 |
| 55 | TFRP - IRC 6672 | 201503 | \$ | 7,803.53 |
| 55 | TFRP - IRC 6672 | 201506 | \$ | 27,068.14 |
| 55 | TFRP - IRC 6672 | 201509 | \$ | 26,600.45 |
| 55 | TFRP - IRC 6672 | 201512 | \$ | 34,491.59 |
| 55 | TFRP - IRC 6672 | 201603 | \$ | 23,451.98 |
| 55 | TFRP - IRC 6672 | 201606 | \$ | 27,061.37 |
| 55 | TFRP - IRC 6672 | 201609 | \$ | 20,183.82 |

| | | | | |
|---------------|-----------------|--------|-----------|---------------------|
| 55 | TFRP - IRC 6672 | 201612 | \$ | 28,098.12 |
| 55 | TFRP - IRC 6672 | 201703 | \$ | 22,931.91 |
| 55 | TFRP - IRC 6672 | 201706 | \$ | 12,559.24 |
| 55 | TFRP - IRC 6672 | 201709 | \$ | 29,629.04 |
| 55 | TFRP - IRC 6672 | 201712 | \$ | 29,246.53 |
| 55 | TFRP - IRC 6672 | 201803 | \$ | 29,248.04 |
| 55 | TFRP - IRC 6672 | 201806 | \$ | 13,309.54 |
| 55 | TFRP - IRC 6672 | 201809 | \$ | 6,621.04 |
| | | | | |
| TOTALS | | | \$ | 1,351,038.51 |

G. Tax Evasion Offense Conduct

26. GHOLAM KOWKABI willfully attempted to evade and defeat the payment of tax due and owing including federal income tax, employment taxes, and Trust Fund Recovery Penalties assessed against him and due to the United States of America, for the calendar years 1998 through 2018, by committing the following affirmative acts, among others:

- (a) On or about October 8, 2021, causing the purchase of a condo in Ocean City, Maryland for \$503,809.53 in the name of a nominee entity;
- (b) On or about August 22, 2020, transferring \$132,500 into a joint venture held in a nominee;
- (c) On or about September 13, 2021, transferring \$125,000 into a joint venture held in the nominee;
- (d) Issuing and causing to be issued payments to third parties for personal expenses from bank accounts he controlled which were held under the names of businesses;
- (e) Causing the creation of false entries in books and records of Rotini, Inc. and TK Restaurant Management, Inc. to obscure payment of personal expenses by the business bank accounts;
- (f) Issuing and causing to be issued payments to family members for no business purpose;
- (g) Writing checks to "cash," signing a family member's name on the back of the checks, depositing those checks into a family member's bank account, and deducting the deposits as business expenses.

H. Misappropriation of COVID-19 Relief Funds

27. From May 13, 2020 to July 27, 2021, GHOLAM KOWKABI obtained more than \$1.6 million in COVID-19 relief funds including a first draw Paycheck Protection Program (PPP) loan (\$197,500.00 on May 13, 2020), a second draw PPP loan (\$276,500.00 on February 10, 2021), an Economic Injury Disaster Loan (EIDL) (\$350,000.00 on June 22, 2020 and 149,900.00 on July 27, 2021), and a grant from the Restaurant Revitalization Fund (RRF) (\$631,823.28 on June 11, 2021).

28. First Draw PPP loans could be used to help fund payroll costs, including benefits, and could also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations. Second Draw PPP loans could be used to help fund payroll costs, including benefits. Second Draw PPP loan funds could also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations. EIDL loan proceeds could be used for working capital to make regular payments for operating expenses, including payroll, rent/mortgage, utilities, and other ordinary business expenses, and to pay business debt. Restaurant Revitalization Funds could be used for specific expenses including business payroll costs (including sick leave), payments on any business mortgage obligation, business rent payments (not including prepayment), business debt service (not including prepayment), both principal and interest, business utility payments, business maintenance expenses, construction of outdoor seating, business supplies, business food and beverage expenses, covered

supplier costs, business operating expenses.

29. In these applications and loan agreements, GHOLAM KOWKABI fraudulently and falsely promised that the PPP, EIDL, and RRF proceeds would be used by GHOLAM KOWKABI only for business-related and eligible purposes as specified in the applications.

30. GHOLAM KOWKABI then used a portion of the PPP funds, EIDL funds, and RRF funds for unauthorized purposes and for his own personal enrichment, including the purchase of a waterfront condo in Ocean City, Maryland for \$503,809.53, to make two joint venture investments for the construction of homes in Great Falls, Virginia, totaling more than \$250,000, to open a brand new restaurant in McLean, Virginia, and to pay personal expenses including his mortgage, his child's college tuition, vacations, and restaurants as described below.

The Joint Ventures

31. On or about July 27, 2020, GHOLAM KOWKABI entered into a joint venture with family members to invest \$132,500.00 in the construction of a residential property in Great Falls, Virginia.

32. On or about July 28, 2020, GHOLAM KOWKABI wrote a check from RRescues LLC bank account x5363 for \$7,500 to V.C.H. as a deposit for the 702 Walker Road Joint Venture. On or about September 1, 2020, GHOLAM KOWKABI wrote a check from the same account for \$125,000.00 payable to V.C.H.

33. On or about September 17, 2020, GHOLAM KOWKABI put the joint venture in the name of his daughter.

34. On or about February 28, 2021, GHOLAM KOWKABI entered into a

second joint venture with family members to invest \$125,000.00 in the construction of a second residential property in Great Falls, Virginia in the name of his daughter.

35. On or about March 2, 2021, GHOLAM KOWKABI wrote a check from the Ristorante Piccolo (Papardelle1068) bank account x3557 for \$25,000.00 to V.C.H. as a deposit for 321 Walker Road Joint Venture. On or about September 13, 2021, KAREN KOWKABI wrote a check from Center for Hospitality (Divan Restaurant) bank account x3670 for \$100,000.00 to V.C.H.

The Ocean City Condo

36. On or about October 4, 2021, GHOLAM KOWKABI caused the creation of the entity ERAMCY, LLC with his youngest son as the sole shareholder.

37. On or about October 12, 2021, GHOLAM KOWKABI purchased a waterfront condo in Ocean City Maryland for \$503,809.53 in the name of ERAMCY, LLC.

38. On or about September 20, 2021, GHOLAM KOWKABI transferred \$20,000.00 from RRescues LLC bank account x4170 as a down payment for the waterfront condo. On or about October 8, 2021, GHOLAM KOWKABI transferred from the same account \$483,809.53 to complete payment on the property in Ocean City, Maryland. The RRF monies were initially deposited into Papardelle1068 bank account x3549 on June 11, 2021; transferred to Papardelle1068 bank account x4715 on June 11, 2021; then were transferred to RRescues LLC bank account x4170 between June 11, 2021 and June 14, 2021, from where the Restaurant Revitalization Fund proceeds were used to purchase the waterfront condo.

39. On or about March 21, 2022, GHOLAM KOWKABI caused a loan to be

taken out against the waterfront condo and caused the proceeds of the loan to be deposited into a bank account for ERAMCY and then to be transferred by check to Pappardelle1068 in the amount of \$288,959.95.

Misappropriated COVID-19 Relief Funds

40. In total, GHOLAM KOWKABI agrees that he fraudulently misappropriated COVID-19 relief funds to make *at least* the following personal expenses, according to the lowest intermediate balance rule:

| Purchases | Amount |
|---|---------------------|
| Ocean City Condo (less loan) | \$214,849.58 |
| Joint Venture investments to build residences | \$237,077.62 |
| Construction of Divan Restaurant | \$78,535.60 |
| Cash withdrawals | \$54,914.03 |
| TD Ameritrade | \$37,093.42 |
| Home mortgage | \$11,388.90 |
| College tuition payments | \$5,509.00 |
| Vacations | \$14,392.44 |
| Personal Legal Expenses | \$62,417.86 |
| Home Improvement | \$20,562.32 |
| Restaurants | \$1,068.38 |
| Miscellaneous | \$848.03 |
| Total: | \$738,657.18 |

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Acting Deputy Assistant Attorney General

By:

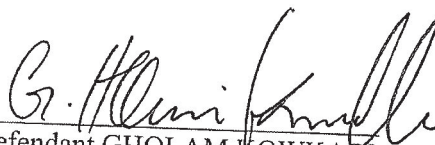


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Defendant's Acceptance

I have read this Statement of the Offense and carefully reviewed every part of it with my attorney. I am fully satisfied with the legal services provided by my attorney in connection with this Statement of the Offense and all matters relating to it. I fully understand this Statement of the Offense and voluntarily agree to it. No threats have been made to me, nor am I under the influence of anything that could impede my ability to understand this Statement of the Offense fully.

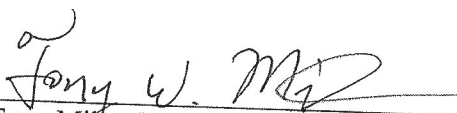
6/6/23
Date


Defendant GHOLAM KOWKABI

Defense Counsel's Acknowledgment

I am Defendant GHOLAM KOWKABI's attorney. I have reviewed every part of this Statement of the Offense with him. It accurately and completely sets forth the Statement of the Offense agreed to by Defendant, the Department of Justice Tax Division, and the Office of the United States Attorney for the District of Columbia.

6/6/2023
Date


Tony Miles, Esq.