

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

UNITED STATES OF AMERICA

v.

HUSSAM HAWI

and

RACHA FARHAT,

Defendants.

Case No. 1:21-MJ-64

UNDER SEAL

AFFIDAVIT IN SUPPORT OF A CRIMINAL COMPLAINT

I, Christopher S. Laydon, being first duly sworn, hereby depose and state as follows:

I. Introduction and Agent Background

1. I am a Special Agent with the Federal Bureau of Investigation ("FBI"), assigned to the Washington Field Office. I have been an FBI Special Agent for approximately five years. In preparation for this assignment, and as part of my continued education, I have successfully completed law enforcement and national security focused training, to include formal courses and training exercises. I have participated in many aspects of federal investigations including, but not limited to, subject, victim and witness interviews, analysis of telephone and financial records, and assisting with the preparation and execution of arrest and/or search warrants. As a federal agent, I am authorized to investigate violations of the laws of the United States. As a law enforcement officer, I am authorized to execute warrants issued under the authority of the United States.

2. This affidavit is submitted in support of a criminal complaint charging HUSSAM HAWI (hereinafter "HAWI") and RACHA FARHAT (hereinafter "FARHAT") with conspiring to defraud the United States for the purpose of impeding, impairing, obstructing, and defeating the lawful Government functions of the Internal Revenue Service of the Treasury Department in the ascertainment, computation, assessment, and collection of revenue: to wit, income taxes. FARHAT and HAWI committed this crime by knowingly and willfully failing to declare FARHAT's income from the Saudi Arabian Cultural Mission (hereinafter "SACM") to the Internal Revenue Service (hereinafter "IRS") on their joint tax returns, in violation of 18 U.S.C. § 371 (Conspiracy to Defraud the United States). This activity occurred in and around Fairfax County, Virginia, in the Eastern District of Virginia, for tax years 2015, 2016, 2017, 2018 and 2019.

3. This affidavit is being submitted for the limited purpose of establishing probable cause and obtaining a criminal complaint and arrest warrant. As a result, it does not include each and every fact known by me or the government. When I assert that an event occurred or a communication was made on a certain date, I mean that the event occurred or the communication was made "on or about" that date. The information in this affidavit is based on my personal knowledge, evidence development during the investigation, information provided to me by others involved in this investigation, including FBI Special Agents, IRS Special Agents, task force officers, and other employees of the FBI, information otherwise obtained by credible and reliable sources, and my training and experience as a Special Agent.

II. Facts Establishing Probable Cause

A. Background

4. HAWI was born in Kherbet Selem, Lebanon. HAWI is married to FARHAT. FARHAT was born in Arab Salim, Lebanon. HAWI and FARHAT immigrated to the United States in 2002. HAWI and FARHAT became lawful permanent residents of the United States in February of 2009 and became United States citizens on April 16, 2014. HAWI and FARHAT reside together in Vienna, Virginia with their children.

5. In 2019, the FBI and the IRS developed evidence that HAWI and FARHAT had failed to declare FARHAT's income from the SACM to the IRS. Throughout this joint investigation, the FBI and the IRS determined that HAWI and FARHAT knowingly and willfully failed to report FARHAT's income from the SACM to the IRS for tax years 2015, 2016, 2017, 2018 and 2019, which resulted in a total tax due of over \$76,000.00.

B. FARHAT's Employment with the SACM

6. Since October 2013, FARHAT has been employed with the SACM located in Fairfax, Virginia. FARHAT's current position is a Cultural Advisor within the Cultural, Social Inquiries, Cultural & Social Department of the SACM. Between April 2015 and December 2019, FARHAT was paid approximately \$3,200.00 per month. All these payments were deposited into either a joint Bank of America checking account in the name of HAWI and FARHAT or an individual Bank of America checking account in the name of FARHAT. All the deposits were via check or direct deposit. All the checks included the title SAUDI ARABIAN CULTURAL MISSION and were paid to the order of FARHAT. All the direct deposits listed "SAUDI CULTURAL," "PAYROLL," and FARHAT's name. After analysis of HAWI's and FARHAT's Bank of America accounts and after consultation with the IRS, it was determined that in 2015, FARHAT's SACM wages totaled \$31,000.00; in 2016, FARHAT's SACM wages totaled

\$39,400.00; in 2017, FARHAT's SACM wages totaled \$40,900.00; in 2018, FARHAT's SACM wages totaled \$ 38,400.00; and in 2019, FARHAT's SACM wages totaled \$39,400.00.

7. It should be noted that your affiant reviewed information provided by the IRS, and the IRS has examined the nature, character, and source of FARHAT's SACM income, and has concluded that as a United States citizen, FARHAT's SACM wages are taxable income.

8. The FBI has conducted surveillance of FARHAT and observed her driving to and/or from work at the SACM on multiple occasions.

C. HAWI and FARHAT's Tax Returns

9. Analysis of records received from Intuit, Inc. for tax years 2015, 2016, 2017 and 2018 determined that HAWI and FARHAT's tax returns were self-prepared. Their tax returns were filed jointly, listing their filing status as "married filing jointly," and their tax returns were filed electronically using TurboTax software. HAWI's email address and/or telephone number was associated with each of the filings, and the internet protocol ("IP") addresses associated with the filings resolved to HAWI and FARHAT's known address in Vienna, Virginia.

10. Further examination of their tax returns revealed that FARHAT's employment with the SACM was not reported, nor was FARHAT's income from the SACM reported. Instead, FARHAT's occupation was falsely listed as "STAY HOME MOM." All entries in the tax records received from Intuit, Inc., for the tax years noted above, were determined to be substantively the same as the certified tax returns received from the IRS for the same relevant tax years.

11. Pursuant to the information above, the IRS obtained HAWI and FARHAT's certified tax records for tax year 2019. A review of those records determined that once again,

FARHAT's occupation was falsely listed as "STAY HOME MOM" and that her wages from the SACM were not reported.

12. The certified tax returns for each year contain an attestation that reads, "Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete." HAWI digitally signed under the "Your signature" box, and FARHAT digitally signed under the box reading: "Spouse's signature. If a joint return, **both** must sign." FARHAT's occupation of "STAY HOME MOM" is listed underneath this attestation.

E. HAWI and FARHAT's Continued Activity

13. Based on the information herein, HAWI and FARHAT have willfully chosen not to disclose FARHAT's income to the IRS. This is evident by the fact that FARHAT has been working at this job since October 2013, that wages have been regularly deposited into bank accounts controlled by FARHAT or both FARHAT and HAWI, that FARHAT and HAWI listed FARHAT as a "STAY HOME MOM" on their tax return, and that both signed their tax returns and thereby attested to the truth of the contents therein.

III. Conclusion

14. Based on the forgoing, there is probable cause to believe that for tax years 2015, 2016, 2017, 2018 and 2019, in Fairfax County, Virginia, in the Eastern District of Virginia, HAWI and FARHAT conspired to defraud the United States, by knowingly and willfully failing to declare FARHAT's income from the SACM, which occurred within the jurisdiction of the Executive Branch of the Government of the United States, in violation of 18 U.S.C. § 371.


15. Wherefore, I request that the Court issue arrest warrants pursuant to the Federal Rules of Criminal Procedure for subjects HAWI and FARHAT.

Respectfully submitted,



Christopher S. Laydon
Special Agent
Federal Bureau of Investigation

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone on February 24, 2021.

_____/s/ 
Michael S. Nachmanoff
United States Magistrate Judge

HON. MICHAEL S. NACHMANOFF
UNITED STATES MAGISTRATE JUDGE
Alexandria, Virginia