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2017 RDD 251

AO 91 (Rev. 11/11) Criminal Complaint

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UNITED STATES DISTRICT COURT

APR 07 2017

for the
District of Maryland

AT BALTIMORE
CLERK, U.S. DISTRICT COURT
DISTRICT OF MARYLAND
BY [Signature] DEPUTY

United States of America)
v.)

Case No. 17-1006-SAG

NATHANIEL THOMAS OAKS)

Defendant(s)

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of July 21, 2016 in the county of Baltimore in the
District of Maryland, the defendant(s) violated:

Code Section	Offense Description
18 U.S.C. Sections 1343 and 1346	Wire Fraud

This criminal complaint is based on these facts:

See Affidavit of Special Agent Steven Quisenberry which is attached hereto and incorporated herein by reference.

Continued on the attached sheet.

[Signature]
Complainant's signature

Steven Quisenberry, Special Agent, FBI
Printed name and title

Sworn to before me and signed in my presence.

Date: April 7, 2017

[Signature]
Judge's signature

City and state: Baltimore, Maryland

Stephanie A. Gallagher, U.S. Magistrate Judge
Printed name and title

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4/7/17

APR 07 2017

THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND BY

AT BALTIMORE
CLERK, U.S. DISTRICT COURT
DISTRICT OF MARYLAND
DEPUTY

UNITED STATES OF AMERICA

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v.

*

CRIMINAL CASE NO. 17-1006-SAG

*

NATHANIEL THOMAS OAKS

*

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AFFIDAVIT IN SUPPORT OF CRIMINAL COMPLAINT AND ARREST WARRANT

Your Affiant, Steven Quisenberry, a Special Agent of the Federal Bureau of Investigation ("FBI") duly sworn, deposes and states as follows:

INTRODUCTION

1. Your Affiant is presently assigned to an investigation involving **Nathaniel Thomas OAKS**, who is currently a member of the Maryland Senate. As set forth below, your Affiant has probable cause to believe **OAKS** has committed the federal offense of honest services wire fraud in violation of 18 U.S.C. §§ 1343 and 1346. From approximately April 2016 through September 2016, **OAKS** agreed to and did accept cash payments from a confidential human source in exchange for using his official position as a member of the Maryland House of Delegates to assist him with business-related matters as more fully described in the section below.

2. Your Affiant has been employed as a Special Agent of the FBI since 1996 and is currently assigned to one of the FBI Baltimore Division Public Corruption Squads. For approximately eighteen years, your Affiant has been assigned to work public corruption investigations, with a particular focus on the corruption of state and local public officials. Your

Affiant has participated in numerous public corruption investigations involving wiretaps, undercover operations, and the use of consensual recordings. Your Affiant has also reviewed hundreds of hours of recorded conversations pertaining to corrupt public officials; participated in the debriefing of numerous individuals involved in corruption, to include cooperators and confidential human sources; and conducted hundreds of interviews of subjects and witnesses involved in public corruption-related matters. Your Affiant has also participated in the execution of numerous arrest warrants and search and seizure warrants involving corruption offenses. Through training and experience, your Affiant is familiar with investigations concerning public corruption.

3. Your Affiant is familiar with the facts and circumstances of this investigation. Your Affiant has personally participated in this investigation and makes this affidavit based upon his own participation in the case. Your Affiant has also reviewed reports and had discussions with other Special Agents and employees of the FBI in connection with the investigation. Information obtained from these reports and discussions are referenced in this affidavit in substance or in part unless otherwise indicated. Since this affidavit is being submitted for the limited purpose of establishing probable cause in support of the Criminal Complaint and Arrest Warrant, your Affiant has not included every fact known to your Affiant or the United States. All assertions in this affidavit concerning dates are approximate, based upon information and evidence gathered to date.

4. Any reference in this affidavit by your Affiant to "the investigation to date" is a reference to all investigative activities performed to date to include, but not be limited to, debriefings of cooperating individuals and confidential human sources; the review of

consensually recorded conversations captured by cooperating individuals and a confidential human source; the review of public records and documents obtained through federal grand jury subpoenas; and the analysis of pen register data.

STATEMENT OF PROBABLE CAUSE

A. OAKS' Background

5. From 1983 until early 1989, **OAKS** represented District 41 (Baltimore City) in the Maryland House of Delegates. In late 1988, **OAKS** was convicted in Baltimore City Circuit Court on theft and misconduct in office charges for stealing thousands of dollars from his re-election fund. As a result of the conviction, **OAKS** received a five-year suspended sentence and was ordered to perform 500 hours of community service. **OAKS** also was fined \$1,000 and placed on probation for three years. The conviction also resulted in **OAKS** losing his seat in the House of Delegates.

6. In 1994, **OAKS** was re-elected to represent District 41 in the House of Delegates and served in that position until he was appointed to the Maryland Senate to represent District 41 on or about February 10, 2017. **OAKS** is still serving in that position as a member of the Senate in the Maryland General Assembly.

7. The General Assembly is the State of Maryland's legislative body. The bicameral legislature is composed of the Senate and the House of Delegates.

B. Investigative Summary

8. On September 21, 2015, a cooperating individual who was the subject of a different FBI investigation (hereafter "the Cooperator") introduced **OAKS** to an FBI confidential human source (hereafter "the CHS") who portrayed himself as an out-of-town businessperson

interested in obtaining contracts in the City of Baltimore (hereafter “the City”) through a minority-owned business (hereafter “the Company”). The Company is a real business that is operated by a different cooperating defendant who is assisting the FBI with the investigation. The introduction took place during a dinner meeting at Ruth’s Chris Steak House in Pikesville, Maryland. The meeting was consensually recorded by the Cooperator and the CHS. During the meeting, **OAKS** offered to assist the CHS with business development in Maryland. At one point in the conversation, **OAKS** had the following exchange with the CHS:

OAKS: So (states the first name of the CHS), what’s our chance at getting into the airport?

CHS: The chance?

OAKS: I said us...

CHS: No. I need to ask you.

OAKS: I said us because uh, I’m at the table (unintelligible) now I wanna see what we can do and if it requires some um, Maryland Baltimore connections uh, to be a part of it, then that, that’s fine.

9. During the months following the September 21, 2015 meeting between the CHS and **OAKS**, the CHS consensually recorded numerous telephone and in-person conversations with **OAKS** during which the two discussed possible development and business-related opportunities that may be available to the CHS in Maryland. One such opportunity was a United States Department of Housing and Urban Development (“HUD”) project that the CHS told **OAKS** that he was interested in developing in the City. At times during conversations about this prospective HUD project, **OAKS** made statements to the CHS about wanting to help him with the HUD project because it would provide affordable housing and possible employment opportunities for City residents in the area where the project was developed.

Some of the examples of the type of assistance **OAKS** offered to the CHS with regard to the prospective HUD project are detailed in the following paragraphs.

10. On October 21, 2015, the CHS consensually recorded a telephone conversation with **OAKS** during which the CHS and **OAKS** discussed properties for sale in the City that **OAKS** had recently shown to the CHS as potential sites for his prospective HUD development. During the call, the CHS told **OAKS** that he wanted to return to Baltimore in November to meet with some of the owners of the properties. When **OAKS** offered to set up those appointments for the CHS, the CHS cautioned that **OAKS**' involvement as a State Delegate could actually make the prices of the properties go up, implying that the owners would think that there was State funding involved in the project. The CHS then explained to **OAKS** that he wanted to get the properties for "pennies on the dollar," and that he ultimately hoped to get financial support from the City, to include tax credits, for his HUD project. Toward the end of the call, **OAKS** told the CHS "I might need to be the one in the background to help ah, help ah, with my foot ah, not necessarily on their neck, but around their head some kind of way." Based on your Affiant's experience and training, and the investigation to date, your Affiant believes this statement was **OAKS**' way of telling the CHS that he would be willing to use his official position and/or influence as a State Delegate to assist the CHS behind the scenes with acquiring a property in the City for the CHS's HUD project.

11. On November 21, 2015, the CHS consensually recorded two telephone conversations with **OAKS** during which the CHS discussed his ideas for the prospective HUD project in the City, to include the mechanics of how such a project would work through HUD. During the second call, **OAKS** stated "The other thing is that, that you got um, help me with is

let me know about what size. Now that's a huge project as far as I'm concerned.

(Unintelligible) what kind of area we looking at and that kind of thing is, is what I need ah, when we get together next time..." Your Affiant believes that **OAKS** was telling the CHS in this statement that he needed specifics as to the scope of the CHS's prospective HUD project so he could assist the CHS with locating a property that could accommodate such a development.

12. On December 7, 2015, the CHS consensually recorded several telephone conversations with **OAKS** during which **OAKS** again offered to assist the CHS with his HUD project. During a call that took place at approximately 2:35 pm, the following exchange took place between the CHS and **OAKS**:

CHS: When I come in town, I'm looking to make some money now. I think I know the landscape a little bit.

OAKS: Okay. Plus there's something else. Once you get in town, I don't wanna necessarily talk a whole lot of stuff on the phone, but when you get in town, there's another kind of thing I wanna, wanna kind of talk to you about. See if you interested in it.

At approximately 2:46 pm the same day, the CHS consensually recorded a call with **OAKS** during which the CHS asked **OAKS** for more detail about what **OAKS** wanted to talk to the CHS about the next time the CHS was in town. **OAKS** stated "A guy I know who helped me out on some things, he got some property and he want to develop it in the area you talking about. I wanna take you by there and see if I can hook you all up..." At approximately 3:36 pm the same day, the CHS consensually recorded another call with **OAKS** during which the following exchange took place:

CHS: You watch me try to make some money around there...

OAKS: All right. I'mma do that. I'mma do that. I'mma try to, I'mma do everything within my power and my authority to lead you right into the, to the place where you can do well.

Your Affiant believes that in this last statement, **OAKS** is again letting the CHS know that he is willing to use his official position and/or influence as a State Delegate to assist the CHS with business development matters in Maryland.

13. Approximately three months into their relationship, **OAKS** made reference to his personal finances, specifically a need for money, during a December 15, 2015 telephone conversation that was consensually recorded by the CHS. During the call, the CHS made a comment about purchasing airline tickets at the last minute to which **OAKS** responded "I can't afford to do it like that." In response, the CHS joked about **OAKS** having "pots of money" and "all kinds of retirement money" to which **OAKS** replied "I can always use some improvement." When the CHS suggested that **OAKS** should go see one of **OAKS**' close associates who could make **OAKS** rich, **OAKS** stated "You gotta have some money to get money and I ain't got no money." Later the same day, the CHS consensually recorded another telephone conversation with **OAKS** during which the CHS jokingly cautioned that politicians should never tell developers that they are in need of money. **OAKS** responded to the CHS by stating "I ain't got no money man." Based on your Affiant's training and experience, and the investigation to date, your Affiant believes that during both of these conversations, **OAKS** deliberately told the CHS that he was in need of money so the CHS would consider paying **OAKS** for his assistance with business development matters in Maryland.

14. On January 19, 2016, the CHS consensually recorded a dinner meeting with **OAKS**. During the meeting, the CHS told **OAKS** that he really wanted to do business in

Baltimore; that he planned to take calculated risks; and that he would take care of the people who took care of him. The CHS went on to state that he knew that he would not be able to come into Baltimore and make a lot of money without taking care of the people who were going to help him. Soon afterward, the CHS and **OAKS** had the following exchange while in the presence of one of **OAKS**' close associates who was engaged in a telephone conversation at the time:

OAKS: And I'm fine. I'm not, I'm not looking for anything. I'm not saying I'm not accepting it. I'm just saying I'm not looking for nothing. I want to make sure that we place (unintelligible)...

CHS: Wait a minute. Wait a minute. I need to know. You ain't looking for nothing? Because if, if we cut a deal and I make me some money, don't come back, don't jump in the back of the truck. The truck gone.

OAKS: No. No. First of all... No. First of all, if, if, if that's where I am, then you already gave me what you wanted to give me whether it is something or isn't something.

It is your Affiant's belief that when **OAKS** said "I'm not saying I'm not accepting it" in the aforementioned exchange, **OAKS** meant that he would be open to getting paid by the CHS in exchange for assisting the CHS with his business development matters in Maryland.

15. On February 1, 2016, the CHS consensually recorded a telephone conversation with **OAKS** during which they discussed the CHS's progress with regard to the prospective HUD project in the City. During the call, the CHS told **OAKS** that he had a contact at HUD in Chicago, later identified by the CHS as "John," who was helping him to get approved under HUD's Choice Neighborhood program. The CHS then told **OAKS** to "put your thinking cap on man and help me make some money around here." **OAKS** responded "I hear you. I hear

you.” When the CHS told **OAKS** that he was serious, **OAKS** stated “I’m there for you my man.”

16. On February 25, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. During the call, the CHS told **OAKS** that he had received the pre-approval from HUD to proceed with a housing development in the Greater Baltimore area pursuant to HUD’s Choice Neighborhood program (hereafter “the Project”).

17. By mid-March 2016, the CHS had made it known to **OAKS** that he made regular \$5,000 cash payments to the Cooperator to compensate him for assisting with the CHS’s business development matters in Maryland. Also by this time, the CHS had made two “payments” to the Cooperator while in the presence of **OAKS**. The “payments” were in the form of white, letter-sized envelopes that had been filled by your Affiant with items to make it appear as though the envelopes contained cash.

18. On March 16, 2016, the CHS consensually recorded a meeting with **OAKS**. During the meeting, the CHS talked to **OAKS** about his financial arrangement with the Cooperator and about similarly compensating **OAKS**. At one point in the conversation, the CHS stated “But he [the Cooperator] can’t make the, the stuff you can do for me. And, and there ain’t even no question about that right?” **OAKS** responded “I agree with that.” Later in the conversation, the CHS and **OAKS** had the following exchange:

CHS: The relationship with you make sense because I know number one, you gonna be quiet. Number two, we gonna try and get stuff done. We ain’t trying to just be flashy, flamboyant, or talking.

OAKS: Right.

CHS: And so, I would need your help and I’m gonna take, I’m gonna compensate you. You gonna tell me how you want to be paid.

I'm not gonna do you like I did [states the first name of the Cooperator]. The reason [states the first name of the Cooperator]... You saw the env, the envelope with [states the first name of the Cooperator]. That was protecting me.

OAKS: I see. I know (unintelligible).

CHS: You know what I'm saying?

OAKS: I gotcha.

Later in the conversation, the CHS talked to **OAKS** about what type of assistance he would need from **OAKS** concerning the Project. The CHS and **OAKS** then had the following exchange:

CHS: I just need a relationship. That you taking care of me. I got your back. Now, how much? You, you don't want to say a number and I don't want to go too crazy. We already done established a number through my boy [the Cooperator]. Some kind of number, right?

OAKS: Yeah. Right. Right. I hear you. I hear you well.

Several times throughout the conversation, the CHS asked **OAKS** how much **OAKS** would want to be paid for assisting the CHS. Each time, **OAKS** was either non-responsive or evaded the topic. At one point during the conversation when the CHS was discussing money, **OAKS** told the CHS that he had "chewing gum in his mouth." Your Affiant knows from the investigation to date that **OAKS** used coded language such as this to convey to the CHS that he did not want to openly discuss getting paid for assisting the CHS in his capacity as a State Delegate. At one point during the conversation, the CHS and **OAKS** had the following exchange about being careful so as to avoid detection by law enforcement:

CHS: Well, if you trying to speak in code to me, I got it loud and clear.

OAKS: Okay.

CHS: You don't need...

OAKS: Okay.

CHS: That's why we need to work out no trail.

OAKS: That's right. That's right. . And we will de...we will determine what, what, what's what.

CHS: (Unintelligible) yeah.

OAKS: Can't nobody come back say I got you on tape. You ain't got me on tape saying a mother fucking thing but mother fuck.

CHS: See, that's why I know you all right. (Laughs). That's why I know you all right. That's why I'm comfortable. Cause we...This ain't just...Nobody ain't trying to just slap us on the wrist on nothing like this.

OAKS: No. No. Hell no.

CHS: They trying to slap something on our wrists.

OAKS: (Unintelligible). That's right.

By the end of the March 16, 2016 conversation, the CHS told **OAKS** that he was going to need a letter sent to his contact at HUD on behalf of the Project. **OAKS** directed the CHS to get him the letter, and that he would put it on his letterhead. The CHS concluded the meeting by telling **OAKS** "When I come back, we take of our business" followed by "I'll take care of you" to which **OAKS** responded "Bring me that letter when you come." It is your Affiant's belief that by the conclusion of the March 16, 2016 meeting, **OAKS** had agreed to be compensated by the CHS for an unspecified amount in exchange for using his official position and/or influence as a State Delegate on matters that would benefit the CHS, specifically, with issuing a letter to HUD on **OAKS'** House of Delegates letterhead.

19. On April 1, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. During the call, the CHS and **OAKS** discussed the letter to HUD that the CHS needed from **OAKS**. At one point in the conversation, the CHS said he would need to “embellish” some things in the letter to which **OAKS** responded “Yeah. I like, I like that word.” Later in the conversation, the CHS asked **OAKS** if they could trust the person in **OAKS**’ office who would be typing the letter to which **OAKS** responded “Probably trust her as much as anybody you have met so far.”

20. On April 7, 2016, the CHS traveled to Maryland to meet with **OAKS** about the HUD letter. During their meeting, the CHS gave **OAKS** a draft letter of support for the Project. The letter, which was addressed to HUD’s Chicago Regional Office, contained various false statements about **OAKS**’ relationship to the CHS and **OAKS**’ involvement and knowledge of the Project. After reviewing the letter, **OAKS** had his assistant type it on **OAKS**’ Maryland House of Delegates letterhead. **OAKS** then signed the letter and faxed it to a number in Chicago that **OAKS** believed was associated with HUD¹.

21. On April 28, 2016, an FBI Undercover Employee, posing as a HUD official who was verifying the contents of the CHS’s HUD file for the Project, contacted **OAKS** by telephone about the letter. During the consensually recorded call, **OAKS** verified the contents of the letter, stated he had signed the letter, and advised he had faxed the letter to Chicago.

22. Also on April 28, 2016, the CHS consensually recorded a meeting with **OAKS** during which the two discussed additional ways that **OAKS** could assist the CHS. At one point in the conversation, **OAKS** stated “If there’s something on the State level, I can do it myself.”

¹ Due to a malfunction of the recording device, this meeting was not recorded.

When the topic of hiring consultants was brought up by **OAKS** during the conversation, the CHS told **OAKS** that he did not use consultants stating "I'm hiring you cause of who you are and what you represent" followed by "I ain't hiring you...nobody as no consultant. You...I hire you cause you can make it happen if you want to make it happen" to which **OAKS** responded "Right." At another point in the conversation, the CHS and **OAKS** talked about the risk associated with their relationship and they agreed they should minimize what they say on the phone and in text messages. Later in the conversation, the CHS again asked **OAKS** to tell him how much he expected to be compensated for assisting the CHS with matters such as the letter to HUD by stating "But the only thing we gotta work on, and we, you can think about it. Do you, what kind of deal you want? Do you want the same deal, I'm talking about monetarily, as [states the first name of the Cooperator], or you got your own number?" **OAKS** did not respond. Toward the end of the conversation, the CHS and **OAKS** had the following exchange:

CHS: I'm gonna do what I do with ah, [states the first name of the Cooperator], and then we'll move it up. We ain't gonna never go down. (Unintelligible)...

OAKS: I'm fine with that.

CHS: All right.

OAKS: Whatever you do, I'm fine with.

CHS: All right.

OAKS: And the (unintelligible) fine.

When the CHS was debriefed the following day by your Affiant about the April 28, 2016 meeting with **OAKS**, the CHS advised that during the meeting, when the CHS asked **OAKS** how much he would want to be compensated, **OAKS** placed a Tootsie Pop with a chocolate-

colored wrapper in his mouth. The CHS subsequently held up five fingers to signify a \$5,000 payment to **OAKS**, an amount commensurate with what the CHS had told **OAKS** he had been paying the Cooperator. In response, **OAKS** shook his head from side to side and then made an upward motion with his thumb. The CHS interpreted these actions by **OAKS** as meaning **OAKS** wanted to be paid more than \$5,000.

23. On May 11, 2016, the CHS paid **OAKS** \$5,000² in cash in the CHS's hotel room. The \$5,000 was supplied to the CHS by the FBI. The payment was consensually recorded by the CHS using audio/video recording equipment. During the meeting, the CHS specified that the payment was for the false letter **OAKS** had sent to HUD on April 7, 2016 and for the telephone call with the HUD official handled by **OAKS** on April 28, 2016. During the meeting, the CHS cautioned **OAKS** not to put the \$5,000 cash into his bank account to which **OAKS** replied "Oh no!"

24. On several occasions leading up to the May 11, 2016 meeting, **OAKS** told the CHS that he feared the FBI was monitoring his telephone conversations. As a result, **OAKS** had been reluctant to talk openly to the CHS on his cellular telephone about the details of their corrupt arrangement and the \$5,000 payment to **OAKS** for the HUD letter. Therefore on June 15, 2016, the CHS and **OAKS** went to an AT&T store in the City where the CHS purchased a prepaid cellular telephone ("the prepaid cellphone") for **OAKS** using FBI funds. The CHS

² After the payment, it was determined that the CHS had inadvertently given **OAKS** \$5,300 in cash. During a consensually recorded telephone conversation on May 13, 2016, the CHS and **OAKS** discussed the \$300 overpayment using coded language. During the call, **OAKS** told the CHS "The score was off by three. I won by three."

provided **OAKS** the prepaid cellphone so **OAKS** would be more comfortable talking to the CHS over the phone about their corrupt dealings going forward.

25. In July 2016, the CHS told **OAKS** over the course of several consensually recorded conversations that he had an opportunity to receive additional funding from HUD, in the form of a grant, by incorporating certain energy efficient fixtures into the Project. The CHS said the grant from HUD was strictly contingent on the CHS obtaining matching funds from the state and/or local government where the Project was to be constructed. The CHS told **OAKS** that he needed **OAKS** to issue a second false letter to HUD that would misrepresent that **OAKS** had already secured such matching funds from the State of Maryland for the Project. After several conversations about how to phrase the false information in the letter in such a way that it would be acceptable to **OAKS**, **OAKS** agreed to issue the letter. In exchange for the second false letter to HUD, the CHS agreed to make another cash payment to **OAKS**. The following is an excerpt from a July 7, 2016 telephone conversation between the CHS and **OAKS** that took place over the prepaid cellphone during which the CHS told **OAKS** about the letter and the corresponding payment:

CHS: I need you to help me ah, basically fool him [John]. He don't give a damn. All he need it is in his files. All right. So...

OAKS: Yeah.

CHS: Basically I got to get some support from you, and I don't know all the support I need. I'm gonna try to call him [John] tomorrow and find out what I need so we can get this done.
(Unintelligible).

OAKS: Fair enough. That's good. You... Yep. You, you come with your laundry list so we know we can go down, say okay, we can do this, we can do this, we can do that. And then we... Right. I like that. That's good.

CHS: Well, well, I'm just... All he asked me for is just give him some proof of matching state funds and we can do the same thing. All we got to do between you and I is ah, find out what he needs and then get him a letter out and I'll take care of you when I see you. Can we get that handled?

OAKS: Yeah.

26. On July 21, 2016, the CHS paid **OAKS** \$5,000 in cash in the CHS's hotel room in accordance with their agreement that **OAKS** would issue the second false letter to HUD. The \$5,000 was supplied to the CHS by the FBI. The payment was consensually recorded by the CHS using audio/video recording equipment. Later that day, the CHS consensually recorded a meeting with **OAKS** during which **OAKS** directed his assistant to type a letter addressed to HUD's Chicago Regional Office on **OAKS**' Maryland House of Delegates letterhead. The letter falsely stated that **OAKS**' office was sponsoring legislation which had already been pre-filed for the 2017 session of the Maryland General Assembly which would secure state funding for the Project. Subsequently, the CHS and **OAKS** went to a FedEx Office location and had the letter faxed to a number in Chicago that **OAKS** believed was associated with HUD.

27. On August 26, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. **OAKS** called the CHS on the prepaid cellphone. During the call, the CHS said he was getting pressure from his bank to find a site for the Project; and he decided to pursue acquiring the City-owned property located on Druid Park Lake Drive. The CHS and **OAKS** had gone to see this particular property when the CHS was in town on July 21, 2016. The property, which consists of a large vacant lot on Druid Park Lake Drive, is located outside of **OAKS**' legislative district.

28. On September 2, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. **OAKS** called the CHS on the prepaid cellphone. During the call, the CHS again told **OAKS** about the pressure that he was getting from the bank because the Project was not progressing more quickly. The CHS then said that he needed **OAKS** to file a bond bill³ request for the Project, implying that such an action on **OAKS**' part would show the bank that the CHS had strong political support for the Project. The following are excerpts from that conversation during which the CHS explained to **OAKS** that they would not be able to lie to the CHS's bank like they had lied to HUD in the two letters because the CHS did not have an insider at the bank:

CHS: I got to do ah, some kind of pre-filing ah, the bond bill. I looked at it. It's only a one page. But I got to do this one a little different than I did with HUD. With HUD, I had the, I had the hookup. John was gonna take care of me. John's assistant was gonna take care of John, and I didn't have to worry about it. I...everything that you did with John, we safe. Nobody ain't looked at it.

Later in the conversation, the CHS and **OAKS** had the following exchange:

CHS: I got to do again the, the pre-filing ah, on the bond bill. It's a simple deal, but I can't lie to the bank like I lied to HUD right?

OAKS: Right. Right.

CHS: I can't play that because the bank might just want to look it up. HUD, HUD, they ain't gonna look nothing up because of John.

The CHS then told **OAKS** that he intended to use the Company as the applicant on the bond bill because it is a local company and it would "look better." Subsequently, **OAKS** made a

³ A bond bill is legislation filed by a member of the Maryland General Assembly to obtain funding to support a specific local or non-state-owned capital project.

statement about getting the Company bonded. In response, the CHS clarified with **OAKS** that he was talking about a bond bill, not bonding, by stating "I said bond bill" and "They gonna have to have they own bonding." Later in the conversation, the CHS and **OAKS** had the following exchange:

CHS: I'm gonna need your help on the pre-filing. Whether I get that money or not, I'm gonna need that help on the pre-filing. That's all I need you to do. And that's probably the last thing you gotta do this year on this project. No more than support it. You know?

OAKS: Right.

The CHS then discussed with **OAKS** the form that would need to be filed for the bond bill, and the possibility of paying the Cooperator to assist **OAKS** with the administrative portion of the filing. Later in the conversation, the CHS and **OAKS** had the following exchange:

CHS: I just need to know about, are you, you comfortable with ah, the filing?

OAKS: With filing for a bond bill?

CHS: Yeah. For the project.

OAKS: First of all, the bond...If, if I understand, if I understand what you saying in reference to the bond bill, only, only a legislator can, can, if, if we talking about going through the legislative process, only a legislator can file that. [States the first name of the Cooperator] can't do that.

CHS: Nah. I said he can do the footwork that you do though right?

OAKS: Oh yeah, yeah. He definitely, definitely can help us out with that. (Unintelligible).

CHS: I don't want you to do no footwork. I want him to do the footwork. Cause I ain't giving him no free money. And he'll do the footwork, and he'll bring it all back to you and get it all done.

OAKS: Okay. Okay. We can work... That, that's excellent.

Toward the end of the conversation, the CHS brought up the topic of paying **OAKS** when he came to town for filing the bond bill on the CHS's behalf. Subsequent to the April 28, 2016 meeting, the CHS and **OAKS** had established the word "lollipop" as code for \$1,000, a reference to the Tootsie Pop **OAKS** had placed in his mouth. When the CHS asked **OAKS** "How many lollipops should I bring," **OAKS**, after clarifying that the CHS was talking about the payment to **OAKS** and not to the Cooperator, stated "I have faith in you and I will ah, and I'm sure that ah, I will be ah, I'm, I'm sure that everything will work out." Your Affiant believes this last statement was **OAKS** confirming with the CHS that he expected to be paid for filing the bond bill and that he was confident that the amount of the payment would be sufficient.

29. On September 12, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. **OAKS** called the CHS on the prepaid cellphone. During the call, the CHS and **OAKS** discussed the bond bill request to be filed by **OAKS** regarding the Project. The CHS and **OAKS** agreed that certain things should be done to prevent the bond bill filing from being scrutinized, such as keeping the amount of the bond bill request from being too high.

30. On September 21, 2016, the CHS consensually recorded a meeting with **OAKS** during which they discussed the bond bill request to be filed by **OAKS** on behalf of the Project. During the meeting, **OAKS** called the Maryland Department of Legislative Services ("DLS") to determine whether a legislator could file a bond bill request for a project located outside of the legislator's district. The DLS representative affirmed that such a request could be filed. After the call, **OAKS** told the CHS that he would file the bond bill request for the Project the following day.

31. On September 22, 2016, the CHS paid **OAKS** \$5,000 in cash in the CHS's hotel room in accordance with their agreement that **OAKS** would file the bond bill request with DLS later that day on behalf of the Project. The \$5,000 was supplied to the CHS by the FBI. The payment was consensually recorded by the CHS using audio/video recording equipment. Subsequently, the CHS and **OAKS** drove to the DLS office in Annapolis where **OAKS** filed a bond bill request for \$250,000 for the Project. **OAKS** filed the bond bill request in the presence of the CHS.

32. On October 13, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. **OAKS** called the CHS on the prepaid cellphone. During the call, they discussed the status of an email that was supposed to be issued by DLS as a follow up to **OAKS** filing the bond bill request on September 22, 2016.

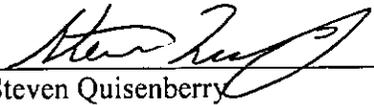
33. On November 3, 2016, the CHS consensually recorded a telephone conversation with **OAKS**. The CHS called **OAKS** on the prepaid cellphone. During the call, **OAKS** said he had personally gone to DLS that day to obtain a legislative reference ("LR") number for the bond bill. **OAKS** provided the CHS with LR-680 as the legislative reference number for the bond bill.

34. On November 21, 2016, the CHS received a forwarded email from **OAKS**. The email forwarded to the CHS from **OAKS** was an email dated November 17, 2016 that had been sent to **OAKS** from a DLS employee (hereafter "the email"). The subject of the email was "Draft of LR0680." The body of the email stated "As requested, I am forwarding a copy of proposed legislation (see attachment) drafted by the Department of Legislative Services. It is a draft copy provided for informational purposes only. Please contact the Department of

Legislative Services at 410-946-5350 if you have any questions or wish to make any changes to the draft.” Attached to the email was a three-page draft of a Bill by **OAKS** entitled “Creation of a State Debt – Baltimore City – Multifamily Housing Development at Druid Lake Park.” The Bill authorized the creation of a State Debt not to exceed \$250,000 with the proceeds to be used for the Project.

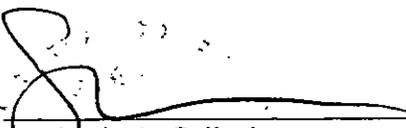
CONCLUSION

35. Based on the information set forth in this affidavit, your Affiant respectfully submits that there is probable cause to issue a Criminal Complaint and Arrest Warrant for **OAKS**, for committing the offense of honest services wire fraud in violation of 18 U.S.C. §§ 1343 and 1346 by accepting illegal payments from the CHS in exchange for using his official position or influence as a Maryland State Delegate to assist him on business-related matters.



Steven Quisenberry
Special Agent, FBI

Sworn to and subscribed before me
this 7th day of April 2017



Stephanie A. Gallagher
United States Magistrate Judge