

AFFIDAVIT

I, _____, being, duly sworn, declare and state as follows:

I. INTRODUCTION

1. I am a Special Agent ("SA") with the Federal Bureau of Investigation ("FBI"), and have been so employed since December of 2010. I am currently assigned to a public corruption squad in the Los Angeles Field Office. My duties include, but are not limited to, investigating allegations of extortion, bribery, mail and wire fraud, and obstruction of justice.

II. PURPOSE OF AFFIDAVIT

2. This affidavit is made in support of an application for a criminal complaint and arrest warrants charging SUKHBIR SINGH ("SINGH") and JIMMY SANDHU ("SANDHU") with conspiracy to commit federal program bribery (18 U.S.C. § 666), in violation of 18 U.S.C. § 371.

3. Between August 2013 and March 2015, in Los Angeles County, within the Central District of California, SINGH and SANDHU corruptly gave, offered, and agreed to give a thing of value, namely \$2,650 in checks,¹ to a councilmember for the City

¹ The total amount of the checks provided to the councilmember was \$2650.00. Of that total, one check had an incorrect date and was rejected by the bank, one check was rejected by the bank for insufficient funds and one check rejected by due to an illegible signature. Therefore, of the
(footnote cont'd on next page)

paid for CS-1's lunch, which was estimated by CS-1 to be approximately \$15 to \$20.

27. Also toward the end of the meeting, Lobbyist A told CS-1 that she and SINGH would be there to help CS-1 if he/she needed help with any "kick off or remaining [campaign] debts" or future campaign events. Lobbyist A stated, "you don't have to ask [for support] because we will be there, ok, we will be there and that's because you make it that natural for us to want to help." [My understanding of this exchange is that SINGH and Lobbyist A were attempting to ingratiate themselves with CS-1 by telling CS-1 that they will provide campaign donations to him/her so that CS-1 would be more likely to support for HP Tow's proposal to raise the towing contact rates. As discussed below, the link between money from SINGH and SANDHU and CS-1's support became explicit in later meetings.]

September 26, 2013 Meeting Between CS-1, SINGH, and Lobbyist A:
SINGH Wants to Introduce CS-1 To SANDHU

28. On September 26, 2013, CS-1 once again met with Lobbyist A and SINGH, this time at a restaurant in Artesia, California. This meeting, like the last meeting, was audio-recorded by CS-1. [Prior to this meeting, FBI Special Agents met with CS-1, provided recording equipment and briefed CS-1 on the meeting. FBI Special Agents maintained positions within close proximity of the meeting location. Immediately after the

meeting, FBI Special Agents again met with CS-1 to take possession of the recording equipment and debrief CS-1.]

29. At the meeting, CS-1, Lobbyist A, and SINGH mainly talked about travel, food, family, and CS-1's full-time job. At one point during the conversation, however, Lobbyist A told CS-1 that she and SINGH had hoped SANDHU would join the meeting, because the purpose of the meeting was for CS-1 to meet SANDHU. Lobbyist A said SANDHU had a conference call and would try to join them later. During the meeting, Lobbyist A also told CS-1 that she had "ironed out" issues with CS-1's City Council colleagues. [My understanding of this exchange is that Lobbyist A is saying the City Council should be ready to vote again on the rate increase proposal.]

30. SINGH once again paid for CS-1's dinner, which was estimated by CS-1 to be approximately \$30. SANDHU did not join this meeting.

October 4, 2013 Meeting Between CS-1, SINGH, and SANDHU: SINGH Introduces CS-1 to SANDHU; SINGH and SANDHU Explain How to Structure Corrupt Payments to Maximize the Contributions and Minimize Scrutiny and Transparency

31. On October 4, 2013, CS-1 met with both SINGH and SANDHU at the HP Tow yard in Huntington Park. The meeting was audio-and video-recorded by CS-1. [Prior to this meeting, FBI

Special Agents met with CS-1, provided recording equipment and briefed the CS-1 on the meeting. FBI Special Agents maintained positions within close proximity of the meeting location.

Immediately after the meeting, FBI Special Agents met with CS-1 to take possession of the recording equipment and debrief CS-1.]

32. At the beginning of the meeting, SINGH introduced CS-1 to SANDHU. As the meeting progressed, SANDHU told CS-1 that the City of Huntington Park needed "help," and it was time for "new leadership" that could bring in big companies and help local businesses create jobs.

33. SANDHU went on to explain to CS-1 how certain policies that were adopted by "the government" in the end of 2007 have limited HP Tow's ability to tow cars. Specifically, SANDHU referred to laws that prohibit law enforcement from towing vehicles from drivers who are unlicensed because of their immigration status.

34. SANDHU eventually brought up HP Tow's storage fees measure. He explained how HP Tow does not have automatic fee increases built into their contract with the City, which he said were a problem because of HP Tow's increasing overhead costs.

35. At one point during the meeting when SANDHU, SINGH, and CS-1 were outside touring the facility, SANDHU left to get something from inside the HP Tow office. At this point, CS-1

and SINGH were alone. CS-1 told SINGH that he/she wanted to ask SINGH something in private. CS-1 said, "I know when we first met, I don't know if it was you or [Lobbyist A] who mentioned you could help me with" SINGH then interrupted CS-1 by saying, "Yeah, yeah, yeah, yeah for sure, let's go inside."

36. SINGH and CS-1 proceeded to go inside the HP Tow office where SANDHU was present. Without CS-1 saying anything, SINGH told CS-1, "definitely, if you have any debts after the election, we can help you to take care of that and we can set something up for next month sometime." SINGH said they could meet after the next city council meeting -- after SINGH had received checks for CS-1 from his family and friends.

37. CS-1 asked SINGH if they could "just handle it in a, without a check, because with checks, and I mean and then someone is going to say, 'oh well you voted in favor because you got support.'" SINGH replied by saying, "Yeah, yeah, yeah, yeah, I know, I see."

38. While SANDHU was present in the office space and in a location where he could overhear the conversation (as evidenced in the video recording), SINGH then told CS-1 "we" could get checks from friends, "which doesn't [sic] show it's [sic] under HP Tow." SINGH said, "We always get checks from our friends that doesn't [sic] have any of our names or HP Tow's name, and we give it to you." SINGH discussed giving CS-1 "a couple

course. If all five say can you help me? Of course. But if [a City Councilmember] gets mad because [HP Tow] helps the other [Councilmember], then [HP Tow] get[s] punished."

23. SINGH then told CS-1 that he was planning to put the storage fees increase measure back on the City Council agenda, suggested he may lower the increase "down a little bit more if it will go through," and said that HP Tow can revisit the increase again in the "last couple years." [My understanding of this conversation is SINGH is explaining to CS-1 how SINGH needs to line up all the votes on the City Council in order to make sure that he gets the HP Tow contract increase passed, and SINGH is indicating in this meeting that HP Tow might request a smaller increase than originally proposed if that helps to get the measure passed. I do not believe that either CS-1 or HP Tow ever actually requested a smaller increase. In October 2013, when the matter was resubmitted to the City Council, HP Tow attached an appendix with the same rate increases it proposed in August. In January 2014, HP Tow once again used the same proposed rate increase schedule from previous requests.]

24. SINGH proceeded to ask CS-1 for his/her "support" and "blessing" to move the measure forward. SINGH explained how the pricing was "extremely reasonable."

25. Lobbyist A told CS-1 that HP Tow "[doesn't] want to get caught up in the drama and [was] not [t]here to tattletale," but rather "there [was] a real concern."

26. Toward the end of the lunch meeting, SINGH and CS-1 exchanged telephone numbers and agreed to meet again. SINGH

of Huntington Park, California -- a local government receiving in a one-year period benefits in excess of \$10,000 under a federal program involving a grant, contract, subsidy, loan, guarantee, insurance, or other form of federal assistance -- intending to influence and reward that councilmember in connection with a business and transaction having a value of \$5,000 or more.

4. The facts set forth in this affidavit are based upon my personal observations, my training and experience, and information obtained from various law enforcement personnel and witnesses. This affidavit is intended to show merely that there is sufficient probable cause for the requested complaint and warrants and does not purport to set forth all of my knowledge of or investigation into this matter. Unless specifically indicated otherwise, all conversations and statements described in this affidavit are related in substance and in part only. My descriptions of recorded conversations are summaries based on my review of the recordings. These descriptions are not based on final, verbatim transcripts, even where I have provided quotes. In places within this affidavit, I have also indicated my understanding of certain recorded statements, included in brackets after the statements. Where noted, my understanding of

total of \$2650.00 in checks, \$1850.00 was negotiable and a total of \$800.00 was not negotiable.

the recorded statement is based on the entire context of the recorded conversations and all of the information I have learned in the investigation.

III. STATEMENT OF PROBABLE CAUSE

5. As described below, there is probable cause to believe that SINGH and SANDHU have engaged in a conspiracy to commit federal program bribery, in violation of 18 U.S.C. § 371 and 18 U.S.C. § 666. Specifically, SINGH and SANDHU corruptly gave and offered to give money to a cooperating witness ("CS-1"),² who is a city councilmember for the City of Huntington Park, California (the "City" or "Huntington Park"), with intent to influence and reward CS-1 for favorable treatment on towing and business matters for SINGH and SANDHU's business, H.P. Automotive and Tow, Inc. ("HP Tow").

Background on HP Tow

6. Based on recordings of conversations between CS-1 and SINGH and SANDHU, I know that SINGH and SANDHU have owned and operated HP Tow since approximately 2001. According to tax returns attached to loan application documents I received as

² CS-1 is an unpaid confidential source working voluntarily with the FBI since 2013. During that time period, CS-1 has provided credible and reliable information to the FBI concerning public corruption matters in the Los Angeles County area. CS-1 is not receiving any benefits from the FBI. I have reviewed available criminal history records and interviewed CS-1, and I believe that CS-1 has no criminal history.

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part of this investigation, SINGH owned 100% of HP Tow from 2003-2006, and that Mandiala Property Management, LLC owned HP Tow from 2007 through 2010. Corporate records list SANDHU and SINGH as affiliated with Mandiala Property Management, LLC.

7. I also know that HP Tow operates a tow yard and public garage that contracts with government entities throughout the Los Angeles area to provide towing services. The HP Tow website indicates that it holds contracts with several government and law enforcement agencies in Los Angeles County. Its headquarters are located at 7300 Roseberry Avenue, Huntington Park, California, 90255.

The City of Huntington Park and the Huntington Park City Council

8. The City of Huntington Park is located in southeast Los Angeles County. According to its website, Huntington Park is a "General Law City operated by a Council/Manager form of government." The City Council serves as the legislative body for the City and consists of five members, who are elected at large by the registered voters of Huntington Park. City Councilmembers are elected in March on odd-numbered years for terms of four years. At the second City Council meeting in March of each year, the City Council chooses one of its members to serve as Mayor and one to serve as Vice Mayor for a one-year term.

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9. The City of Huntington Park is a local government pursuant to 18 U.S.C. §§ 666(a)(1) and (b) because it received more than \$10,000 under federal programs during the years relevant to this affidavit. For example, I have reviewed public records kept by the U.S. Department of Housing and Urban Development (HUD), Office of Community Planning and Development, and determined that during the time period from July 1, 2013 to June 30, 2014, the City of Huntington Park received federal HUD funds in excess of \$10,000. With regard to the time period from July 1, 2014 to June 30, 2015, I spoke with CS-1 who confirmed that the City of Huntington Park received federal HUD funds well in excess of \$10,000.

The Huntington Park City Council Votes Against a Measure to Increase Storage Fees for HP Tow

10. Based on my investigation and review of public records I know that the City of Huntington Park has had a towing contract with HP Tow since at least 2009. The Huntington Park City Council is responsible for ratification and oversight of the towing contract with HP Tow.

11. The HP Tow contract and addendums with the City of Huntington Park provide for the following: setting the rates and charges for the towing and impounding, including labor charges, of all vehicles towed by HP Tow in the City Of Huntington Park; setting the terms by which HP Tow may apply for an adjustment of

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the rates set forth in the contract; and that HP Tow "shall make no payments for this contract and shall give no gifts to any of [City of Huntington Park's] officers or employees."

12. On May 4, 2009, the Huntington Park City Council voted to extend the contract with HP Tow for seven years.

13. On or about July 15, 2013, HP Tow proposed a measure to the Huntington Park City Council that would have increased the towing and storage fees HP Tow was permitted to charge. Specifically, SANDHU sent a letter to the Huntington Park Chief of Police. In the letter, SANDHU requested an increase in the towing rate and storage fees charged by HP TOW for various vehicle classes. The letter included a schedule of the proposed rate increases. SANDHU requested to increase the towing rate from \$132 to \$150 for standard vehicles, from \$170 to \$190 for mid-heavy duty vehicles, and from \$250 to \$280 for heavy duty vehicles. SANDHU requested to increase the storage rate from \$40 to \$55 for standard vehicles, from \$40 to \$60 for mid-heavy duty vehicles, and from \$55 to \$70 for heavy duty vehicles. SANDHU also requested to change the after-hours gate fee from \$60 to \$70.

14. According to the Huntington Park City Council minutes for the August 19, 2013 City Council meeting, a storage fee increase proposal submitted by HP Tow was presented on that day. The City Council voted against the measure by a vote of 3-2.

15. CS-1 was a member of the Huntington Park City Council at the time of the storage fees vote, and he/she voted against the measure. According to CS-1, he/she voted against the measure because the requested increase was significant and he/she did not think that it was fair to the citizens of Huntington Park.

16. On August 20, 2013, the day after the storage fees vote, CS-1 informed me that he/she was contacted by Lobbyist A by phone. According to CS-1, Lobbyist A called CS-1 and told him/her that she worked for HP Tow and wanted to meet with CS-1 to discuss HP Tow operations in Huntington Park. CS-1 informed me that Lobbyist A and CS-1 had scheduled an in-person meeting.

August 29, 2013 Meeting Between CS-1, SINGH, and Lobbyist A:
SINGH Seeks CS-1's Support for a Proposal to Raise the City's
Towing Contact Rates in Exchange for Corrupt Payments to CS-1

17. On August 29, 2013, CS-1 met with Lobbyist A and SINGH for lunch at a restaurant in Los Angeles. The meeting was audio-recorded by CS-1. [Prior to this meeting, FBI Special Agents met with CS-1, provided recording equipment and briefed CS-1 on the meeting. FBI Special Agents maintained positions within close proximity of the meeting location. Immediately after the meeting, FBI Special Agents again met with CS-1 to take possession of the recording equipment and debrief CS-1.]

18. Lobbyist A told CS-1 that she had worked for HP Tow for approximately two months and was responsible for introducing the companies she represents, like HP Tow, to elected officials and vice versa. She stated that because CS-1 was "new and [...] in the game, [they] ha[d] to get to know [him/her]."

19. In particular, Lobbyist A told CS-1 in SINGH's presence that HP Tow had recently had an "incident where a coin was flipped from [their] issue" and the City Council did not support HP Tow, even though HP Tow "ha[d] been extremely helpful, not just to one person, because you know it's so political, but [to] everyone across the board."

20. SINGH proceeded to explain how, as part of HP Tow's contract with the City of Huntington Park, HP Tow is entitled to request an annual towing and storage fees increase. SINGH told CS-1 that HP Tow had recently requested an increase but the City Council had voted against it despite HP Tow "ha[ving] enough votes actually."

21. Lobbyist A told CS-1 that she agreed that HP Tow had sufficient votes "straight across," but then explained to CS-1 in Spanish that one city council woman voted against the measure only to go against another city council woman. According to Lobbyist A, "it was personal," and "there was no reason" not to support the measure.

22. SINGH then stated that HP Tow "got punished" because the City Councilmembers had personal issues. Lobbyist A agreed and described how HP Tow does a lot to help the community. Lobbyist A stated, "If one person says, can you help me? Of