AFFIDAVIT IN SUPPORT OF CRIMINAL SEARCH WARRANTS

I, Anthony Saler, being duly sworn, depose and state as follows:

I. INTRODUCTION

1. I have been a Special Agent with the United States Secret Service ("USSS") since August 2000. My duties include investigations of financial crimes, including wire, bank, and mail fraud. As such, I have participated in numerous financial crime investigations.

2. I have published articles related to money laundering and asset forfeiture in legal journals.

3. I graduated from Georgetown University Law Center in 1993, and worked as an attorney at the Federal Bureau of Investigation (FBI) Legal Forfeiture Unit. I also worked as an attorney at the Commodity Futures Trading Commission and the Immigration & Naturalization Service.

4. I am assigned to this investigation and have participated in it since it began. My involvement includes: interviewing witnesses and reviewing financial records, emails, and related documents.

5. This affidavit is submitted for the limited purpose of establishing probable cause. The facts in this affidavit are based on my investigation, personal observations, training and experience, as well as information conveyed to me by other law enforcement officials. Because this affidavit is submitted for limited purposes, I am not including all facts known to law enforcement authorities concerning this investigation.

II. PURPOSE OF AFFIDAVIT

6. The facts set out in this affidavit will show there is probable cause to believe that from in or about October 2003 to the present, Scott Eric Luellen engaged in a scheme to defraud investors in violation of Title 18, U.S.C., Section 1343.

7. This affidavit is submitted in support of applications for search warrants for locations described in ATTACHMENT A to this affidavit and incorporated herein. The facts will establish that there is probable cause to believe that the items described in ATTACHMENT B to this affidavit and incorporated herein, will be found at the

locations described in ATTACHMENT A.

III. OVERVIEW OF SCOTT LUELLEN'S FRAUD

8. A joint investigation conducted by the Secret Service and Loudoun County (VA) Sheriff's Office revealed that Scott Eric Luellen, acting through corporations that he controls, obtained over $800,000 from investors for real estate projects in Delaware that he promoted. Luellen obtained these funds as a result of a scheme to defraud investors.

9. Our investigation showed that Luellen made a number of materially false statements, representations, and promises to investors, causing them to invest in two real estate projects.

10. After receiving funds from investors, Luellen diverted the majority of those funds to his personal bank account for his own purposes.

11. In particular, Luellen solicited investors to provide funds for the development of a parcel of land known as the Smoot property in Seaford, Delaware by falsely representing that all or almost all of the necessary government approvals for the development of the property were obtained.

12. Similarly, Luellen solicited investors to provide funds for another parcel of land known as the Sapp property in

Georgetown, Delaware by falsely representing that the state of Delaware was currently reviewing his plans to develop the property.

IV. PROBABLE CAUSE: DETAILS OF THE SCHEME TO DEFRAUD SCOTT LUELLEN

13. Scott Luellen is the President and Managing Director of Ideal Ventures Management, LLC (Ideal Ventures). In a professional biography Luellen sent to potential investors and business contacts, he referred to Ideal Ventures as an international diversified holding company that owns and operates companies in real estate development and aviation leasing. Ideal Ventures' current website claims that it was founded in 2001 and has historical returns exceeding 300% per year.

14. Virginia State Corporation Commission records show that Ideal Ventures Management was created on July 31, 2003 and that its status was canceled on December 31, 2005. Luellen is listed as the registered agent.

15. On December 17, 2004, Ideal Ventures filed for Chapter 11 bankruptcy protection in the Eastern District of Virginia, Case Number 04-15111-RGM. On the bankruptcy petition, Luellen claimed that Ideal Ventures had $1,000,001 to $10,000,000 in liabilities.

16. According to Luellen's professional biography and the Ideal Ventures website, Luellen completed a Bachelor of Arts in liberal arts at American University. American University transcripts for Luellen show that he did not receive any degree from American University. Luellen also claims to have completed post-graduate studies at several universities, including Harvard Law school. My investigation revealed that Harvard Law school has no records for Scott Luellen attending any courses.

17. Luellen was chairman and chief executive officer of the Carpe Diem Group, Inc. A database search conducted by the Financial Crimes Enforcement Network (FINCEN) revealed that numerous federal and state tax liens have been filed against Carpe Diem. For example, the Comptroller of Maryland has a lien of $88,304.00 against Carpe Diem.

18. FINCEN database records also show that Luellen and a number of corporations he controls are the subject of numerous law suits.

IDEAL VENTURES, THE HERITAGE COMPANIES LIMITED, AND VHF II

19. Virginia State Corporation Commission records show that Luellen formed a limited liability company called Virginia Heritage Foundation II (VHF II) on July 22, 2003. Ideal Ventures is the registered agent for VHF II.

According to the Articles of Organization for VHF II, it is organized for the purpose of owning, buying, operating, improving, and selling investment properties.

20. In March 2004, Luellen signed a document entitled "Virginia Heritage Foundation II, LLC Operating Agreement." The operating agreement was between the Heritage Companies Limited, another entity created and controlled by Luellen, and VHF II. The document shows that: (a) Luellen formed VHF II on July 22, 2003; (b) Luellen was the sole member of VHF II; and (c) Luellen, as the sole of VHF II assigned any and all interests in VHF II to the Heritage Companies.

21. The operating agreement also provides that the purpose of VHF II is to identify, secure, entitle, purchase, sell and otherwise deal in real estate. It states that Luellen is elected as manager of VHF II and is authorized to sign all contracts, agreements, deeds, and other legal documents on behalf of VHF II. The signature line reads: "Scott E. Luellen, Manager." Directly above Luellen's signature is the following: "The Heritage Companies Limited, Sole Member of Virginia Heritage Foundation II, LLC".

22. In response to interrogatories in a civil matter on October 25, 2005, Luellen said that he was employed by

the Heritage Companies Limited and paid an annual salary of $150,000. When asked whether he had control over Heritage Companies Limited bank account, Luellen said he "was a signatory on their bank account with limited authority, by the chairperson."

23. Please refer to ATTACHMENT C to see the relationship of these corporate entities and how they are controlled solely by Luellen.

THE SMOOT PROJECT

24. In October 2003, Luellen, on behalf of VHF II, signed a contract to purchase a parcel of real property in Seaford, Delaware known as the Smoot property. The contract price was $1,857,800. The contract called for a 90-day feasibility study after which VHF II was to place a $5,000 deposit on the property. The contract called for additional $5,000 deposits on a quarterly and then bi-monthly basis until settlement or the contract was terminated.

25. The contract was contingent on a number of conditions being satisfied prior to settlement. VHF II had the option to waive any or all of these contingencies. The contingencies included: (a) VHF II filing a re-zoning application and Seaford officials re-zoning the property to R-1; and (b) VHF II filing a subdivision application

and Seaford officials providing final subdivision approval.

LUELLEN'S FRAUDULENT SOLICITATION FOR THE SMOOT PROJECT

26. On or about September 28, 2004, Luellen sent e-mails to business acquaintances and contacts about investing in the Smoot property. The e-mails contained a number of attached documents, including: Luellen's professional biography; a document entitled "Smoot Project - Early Investor Buyout - $550k to $2.5M in 120 days" (Buyout Letter); and a document entitled "Smoot Development" (Smoot Overview). The Buyout Letter has an electronic signature of Scott E. Luellen and is on the letterhead of The Heritage Companies Limited.

27. In the Buyout Letter, Luellen writes: "Based on our experience in Virginia, we anticipated subdivision approval and all local and state approvals to take 12-18 months from May 2004. On August 25, we received the go-ahead from 24 state agencies. Last week, with that done, the Town favorably accepted the layout [and] agreed to recommend approval of the subdivision at their next meetings on October 7th and 11th, 2004, at which time, we understand it will be conditionally approved, allowing us to move ahead and sell the recorded lots by year's end."

28. The Buyout Letter further provides that "we are talking to several parties interested in contributing the $550,000, in return for a $2.5 million preferred return upon the sale of the lots, which we anticipate taking about 120 days, a return of 400% in approximately 120 days."

29. The Smoot Overview reads: "City officials are enthusiastic about the development, have given the plan preliminary approval and are recommending final approval at their Planning Commission and Council meetings on 7 and 11 October, 2004, respectively. The plan has also been approved by twenty-four state agencies in a combined review session on 25 August, 2004."

30. Both the Buyout Letter and the Smoot Overview that Luellen emailed on or about September 28, 2004, represent that on August 25, 2004, 24 state agencies approved or gave the go-ahead to develop the Smoot property. This is a false and misleading representation.

31. On August 25, 2004, some of Luellen's employees met with Delaware agency planners as part of a process called the Preliminary Land Use Survey review (PLUS review). The PLUS review allows all relevant state agencies to provide comments about potential development of land. It is a *pre-application* review process conducted prior to the

submission of any applications for entitlements such as re-zoning and subdivision. The purpose is to apprise the developer of all of the state requirements he must satisfy in order to develop the land.

32. On September 13, 2004, the Delaware Office of State Planning Coordination sent a letter to the Heritage Companies with comments from approximately 24 state agencies about the proposed development of the Smoot project. For example, the Department of Transportation commented that a Traffic Impact Study (TIS) would be required for the development of the Smoot property. It noted that completion and review of an average TIS takes over a year.

33. The State Fire Marshall's Office advised that its comments were for "information use only and do not constitute any type of approval." It then listed the plans that needed to be formally submitted prior to approval.

34. The letter concluded: "Following receipt of this letter and upon filing an application with the local jurisdiction, the applicant shall provide … a written response to comments received as a result of the pre-application process, noting whether comments were

incorporated into the project design or not and the reason therefore."

35. According to the Office of State Planning Coordination, Luellen did not file any of the required applications with state agencies, let alone obtain approvals from 24 state agencies.

36. The Buyout Letter represents that lots on the Smoot property could be sold within 120 days. This is a false and misleading representation. Lots on the Smoot property could not be sold until the land was developed. At the time Luellen issued the Buyout Letter to potential investors, he had received notice that numerous state agencies must grant approval prior to developing the land. The TIS study alone was expected to take, on average, over a year.

37. The Buyout letter represents that Seaford city officials are going to recommend approval of the subdivision plan in meetings on October 7 and October 11, 2004. This is a false and misleading representation.

38. According to Seaford city officials, VHF II never submitted a preliminary subdivision application to Seaford. VHF II submitted a sketch plan, which is a one-page concept plan for development. Only the sketch plan was reviewed at meetings on October 7 (Seaford Planning

and Zoning Commission) and October 12 (Mayor and Council Meeting).

PRESTANCIA MANAGEMENT GROUP

39. Prestancia Management Group, Inc., (Prestancia) is a corporation based in Florida. The president of Prestancia is Barbara S. On or about September 28, 2004, Barbara S. received an email containing Luellen's solicitation materials for the Smoot project from a business acquaintance and attorney, Henry N., who is based in Austin, Texas.

40. Both Barbara S. and Henry N. had phone calls with Luellen to discuss investing in the Smoot property. In these conversations, Luellen made representations consistent with the solicitation materials he had sent.

41. There were also numerous emails from Barbara S. and Henry N. to Luellen, and from Luellen to them discussing a potential investment in the Smoot project.

42. On October 11, 2004, Luellen, through VHF II, and Barbara S, through Prestancia, entered into a contract entitled "Partial Transfer and Assignment of Real Estate Contract and Right to Priority Payment on Sale of Real Property."

43. The contract called for Prestancia to provide $500,000 to VHF II in exchange for a 24% interest in VHF II's interest in the Smoot Contract and receipt of the first

$2,500,000.00 of proceeds from the resale of the Smoot property.

44. Luellen sent and received working drafts of the contract via email with Henry N. and Barbara S. Luellen sent and received the final version of the contract though a facsimile machine at Virginia Heritage's offices in Middleburg, Virginia. He also mailed the final version of the contract.

45. On October 12, 2004, Prestancia wired $500,000 from Union Planters Bank in Florida to VHF II's account at Marshall National Bank and Trust Company, number XXXXXX. Luellen is the sole signatory on this account.

46. After receiving the $500,000 from Prestancia, Luellen made wire transfers from the VHF II account. Some of these transfers were for an amount over $10,000. For example, on October 14, 2004, Luellen wired $15,000 from the VHF II account to a fiduciary account in the name of Gannong & Cottrell. Gannong & Cotrell is a law firm that represented Luellen in his divorce proceedings.

THE FRAUDULENT CONTRACT BETWEEN VHF II AND PRESTANCIA

47. Section 5 of the contract between VHF II and Prestancia is entitled "Assignor's Warranties and Representations." In this section, VHF II represented that the City of Seaford had: (a) rezoned the Smoot property to R-1; and

(b) given final approval to a subdivision site plan consisting of "a minimum of 401 residential lots." This is a false and misleading representation. A Seaford city official advised me that the property was not, in fact, rezoned to R-1 and that VHF never submitted a preliminary subdivision application.

48. VHF II further represented in the contract that "any and all approvals of the State of Delaware or any political subdivision thereof, for construction of subdivision improvements, residential improvements, public utilities, rights of way to and/or on the [Smoot] property" have been obtained. This is a false and misleading representation. As discussed above, Delaware and Seaford officials have advised me that VHF II had not obtained the necessary approvals to develop the property.

49. During a follow-up interview with Luellen on August 15, 2006, I showed him a copy of the executed, final version of the four page contract between VHF II and Prestancia, which he had signed. Luellen told me that a law firm had drafted the contract, but he could not recall the name of the firm. When I asked about Section 5 of the contract, Luellen said that Henry N. had inserted those provisions without Luellen's knowledge. Luellen claimed he did not

review the final version of the contract before signing it.

THE SAPP PROJECT

50. In March 2004, Luellen, on behalf of VHF II, signed a contract to purchase a parcel of real property for $1,800,000 in Georgetown, Delaware known as the Sapp property. A $5,000 deposit was required at the signing of the agreement, followed by additional $5,000 deposits 30 days later and 60 days later.

51. The contract called for a 90 day feasibility study. The agreement was contingent on a number of conditions being satisfied prior to settlement, including VHF II filing a preliminary subdivision plan with Sussex County within 60 days following the expiration of the feasibility study. The language in the contract referring to contingencies in general provides that they can be waived by VHF II. However, the specific language relating to the filing of the subdivision application provides that failure of VHF II to timely file the subdivision for reasons other than the seller's delay, constitutes a default.

LUELLEN'S FRAUDULENT SOLICITATION FOR THE SAPP PROJECT

52. In or about November 2004, Luellen sent e-mails to business acquaintances and contacts about investing in the Sapp property. The e-mails contained a number of

documents, including a one-page document entitled "Sapp Project - $1m to $2m - 6 months" (Sapp Buyout Letter). The Sapp Buyout Letter has an electronic signature of Scott E. Luellen and is on the letterhead of The Heritage Companies Limited. The letter reads in part: "The project is going through the state agency review process as we speak."

53. It further provides: "we believe a return of 100% in six-months is the better balance between the amount of equity we will need to give-up and still exceed the expectations of prospective investors, financiers or partners."

54. The Sapp Buyout Letter represents that state agencies are currently reviewing the Sapp project. This is a false and misleading statement. A Georgetown, Delaware city official told me that VHF failed to even file for a PLUS review for the development of the Sapp property.

55. The Sapp Buyout Letter represents that potential investors could receive a 100% return on their investment within six months. This is a false and misleading statement. A Georgetown, Delaware city official told me that they had not processed any applications from VHF II to develop the Sapp property. Furthermore, VHF II did not file any applications with state agencies for the development of the Sapp property.

VEDAT D.

56. In or around November 2004, Luellen sent solicitation materials to Vedat D. about the Sapp project. Vedat D. had recently invested, on October 18, 2004, $100,000 with VHF II in the Smoot project.

57. On December 14, 2004, based on the claims set out in the Sapp Buyout Letter, Vedat D. wired $20,000 from Illinois to VHF II's account at Marshall National Bank and Trust Company, number XXXXXX, as an investment in the Sapp project.

LUELLEN'S DIVERSION OF INVESTOR FUNDS

58. On or about October 16, 2003, Luellen opened a business checking account, number XXXXXX at Marshall National Bank & Trust in Marshall, Virginia under the name of Virginia Heritage Foundation II, LLC (VHF II). Luellen was the sole signatory on the account. This account was closed on or about December 22, 2004.

59. On or about October 31, 2003, Luellen opened an individual checking account, number XXXXXX, at Marshall National Bank & Trust in Marshall, Virginia under the name of Scott Luellen. Luellen was the sole signatory on the account. The account was closed on or about January 24, 2005.

60. During my investigation, I reviewed the transactional records for both of these accounts. During the time period that the VHF II account was open, Luellen transferred nearly $500,000 to his personal account. He also wrote checks totaling approximately $80,000 payable to "Scott Luellen". Additionally, Luellen wrote checks totaling approximately $10,000 payable to cash. On the memorandum line for theses checks, Luellen typically referenced "LOC" or "Prom. Note" to "Scott Luellen" or "SEL" or a variation thereof.

61. On October 17, 2003, Luellen transferred $101,291.88 from the VHF II account to EMC. Based on my investigation, I believe this was a payment for the mortgage on Luellen's residence at XXXX Zulla Rd., Middleburg, VA.

62. On October 12, 2004, Luellen transferred $75,000 from the VHF II account to Commonwealth Trustees. Based on my investigation, this payment was part of a forbearance agreement to stop the foreclosure process on his residence at XXXX Zulla Rd.

LUELLEN'S SCHEME TO DEFRAUD IS ONGOING

63. As recently as June 9, 2006, Luellen sent an e-mail to Vedat D. about the status of the Sapp project. Luellen wrote that "surveys on file with the local municipal [sic] were in error and it was necessary to complete new

boundary and topographical surveys of the site for the subdivision application." This is a false and misleading statement. A Georgetown, Delaware city official told me that no subdivision application for the Sapp property was ever filed.

64. Luellen currently maintains a website under the Ideal Ventures name, claiming that the firm typically invests in ventures that "(1) profoundly benefit society … and (2) return a minimum of 100% per year after-tax in cash … [and that Ideal Venture's] historical returns exceed 300% per year."

65. Under the "Management" section of the website, "Scott E. Luellen, President," is the sole listing.

66. Under the "Historic Ventures" section, the website touts previous deals by Ideal Venture subsidiaries, including: "Securing a 61-acre site in Sussex County, Delaware, entitling and selling the building rights for 150 single-family homes, down-developed from by-right zoning for 264 single-family homes." Based on my investigation, this is a reference to the Sapp property. The Sapp property is a 60.62 acre site in Sussex County, Delaware.

67. The representation about the Sapp property on the Ideal Ventures website is false and misleading. A Georgetown, Delaware official told me that Georgetown has no record

of any applications for entitlements or zoning on the Sapp property by Ideal Ventures or any corporation controlled by Luellen.

68. Notably, the Ideal Ventures website lists no office address or contact numbers at which to reach Luellen, save for an inquiry box that allows one to send an email to the site.

LUELLEN'S OFFICE: 1054 31st STREET, NW, SUITE 200

69. On August 10, 2006 Investigator Doug Taylor of the Loudon County Sheriff's Department and I interviewed Luellen at his office located at 1054 31st Street, NW, Suite 200 in Washington, D.C. Luellen occupies an office from the law firm of Galland, Kharasch, Greenberg, Fellman & Swirsky. Luellen is not a lawyer and has no professional affiliation with the law firm.

70. During our interview, Luellen said he was currently developing two real estate projects in Charlottesville, Virginia, and he pointed to photos of what appeared to be real estate on a bulletin board. I also observed a lone laptop computer on a chair in his office.

71. During my investigation, I interviewed an engineer from a firm in Charlottesville. He told me that Luellen is a client who deals with them using the Ideal Ventures and Virginia Heritage company names. He also verified that

Luellen uses the 1054 31st Street, NW address as his office headquarters. Based on my interview with this person, I believe him to be a credible witness.

LUELLEN'S HOME: 2127 BANCROFT PLACE

72. I interviewed an individual who told me that she knows Luellen to keep business records and documents at his home. She said that she has seen records and documents bearing the names Ideal Ventures and Virginia Heritage Foundation at Luellen's previous home address: XXXX Zulla Road, Middleburg, Virginia. She also said that Luellen sometimes uses a laptop to conduct business from home. Based on my interview with this person, I believe her to be a credible witness.

73. In November 2005, Luellen and Vedat D. signed a contract entitled "Revised Limited Liability Company (LLC) Membership Interest Purchase Agreement." Luellen signed the contract as Manager of Delaware Heritage Foundation. The contract revised an earlier contract on the Sapp property.

74. The address listed for Delaware Heritage Foundation in the contract is: The Heritage Companies Limited, 2017 Allen Place, Washington D.C., 20009. An e-mail address of scottluellen02@aol.com is also listed in the contract. Luellen used to live at 2017 Allen Place.

75. During my August 10, 2006 interview of Luellen, he said that he recently moved from 2017 Allen Place and that his current home address is 2127 Bancroft Place, NW, Washington, D.C.

76. I interviewed an individual who told me that on August 12, 2006, at the direction of Luellen, he moved documents, laptop computers, and facsimile machines from 2017 Allen Place to 2127 Bancroft Place, NW, Washington, D.C. Based on my interview with this person, I believe him to be a credible witness.

LUELLEN'S BUSINESS RECORDS CONTINUE TO EXIST AT HOME AND OFFICE

77. Because Luellen's scheme is ongoing, I believe that evidence of his fraud will be found at his office at 1054 31st Street, NW, Suite 200, Washington, D.C., as well as his current home at 2127 Bancroft Place, NW, Washington, D.C. Based on my investigation, I am unaware of Luellen using any other location, other than those listed, as a place of business.

78. Based on recent interviews with witnesses, I know that Luellen works from both his home and his office and maintains business records and office equipment at both locations. I also know that Luellen continues to manage and direct Ideal Ventures and related entities, and that

he continues to engage in the development of real estate projects in Virginia.

79. Based on my experience as a Special Agent who focuses on white collar crimes, I know that businesses generally keep business records on file for a period of months or years, and do not immediately destroy them. It is also my experience that most individuals keep important personal business records on hand in their homes for a similar period of time, and do not immediately destroy them.

IDEAL VENTURES, THE HERITAGE COMPANIES, VHF II, DELAWARE HERITAGE COMPANY AND RELATED ENTITIES ARE PERMEATED WITH FRAUD

80. Based on the facts set out in this affidavit, including but not limited to:

a. Luellen's positions as "sole member" of VHF II and the Heritage Companies, and President and Managing Director of Ideal Ventures;

b. Luellen's materially false statements, representations, and promises to investors;

c. Luellen's failure to file the required applications for development of the Smoot and Sapp projects;

d. Luellen's diversion of investor funds for his own personal expenses;

e. The fraudulent provisions in the contract between Prestancia and VHF II;

f. The Ideal Ventures website, which is replete with misrepresentations concerning Luellen's professional biography and the Sapp Project, and which boasts a "historical return" of 300%, notwithstanding a bankruptcy filing in December 2004;

g. And based on my experience and training as a Special Agent with the Secret Service, I have concluded the following:

81. The business affairs of Ideal Ventures, the Heritage Companies, VHF II, Delaware Heritage Foundation and related entities were dominated by Scott Eric Luellen, who served as President, Managing Director, and "sole member" among other titles. These entities were from the beginning permeated by fraudulent conduct and do not conduct any legitimate business.

82. The files and records to be seized pursuant to these search warrants will comprise evidence, fruits, and instrumentalities of wire fraud, in violation of Title 18, U.S.C., Section 1343.

83. In particular, there is probable cause to believe that the items listed in ATTACHMENT B will be found at the locations listed in ATTACHMENT A.

LUELLEN'S USE OF COMPUTERS

84. Based on my investigation, I know that Luellen maintains computers at his office and his home, and that he created and received the majority of documents related to the Smoot and Sapp projects with a computer.

A. SEARCH METHODOLOGY

85. Based upon my knowledge, training, and experience, as well as information related to me by agents and others involved in the forensic examination of computers, I know that computer data can be stored on a variety of systems and storage devices. I also know that during the search of the premises it is rarely possible to complete on-site examination of computer equipment and storage devices for a number of reasons, including the following:

a. Searching computer systems is a highly technical process which requires specific expertise and specialized equipment. There are so many types of computer hardware and software in use today that it is rarely possible to bring to the search site all of the necessary technical manuals and specialized equipment necessary to conduct a thorough search. In addition, it may also be necessary to consult with computer personnel who have specific expertise in the type

of computer, software application or operating system that is being searched.

b. The best practices for analysis of computer systems and storage media rely on rigorous procedures designed to maintain the integrity of the evidence and to recover hidden, mislabeled, deceptively-named, erased, compressed, encrypted, or password-protected data while reducing the likelihood of inadvertent or intentional loss or modification of data. A controlled environment, such as a law enforcement laboratory, is typically required to conduct such an analysis properly.

c. The volume of data stored on many computer systems and storage devices will typically be so large that it will be highly impractical to search for data during the execution of the physical search of the premises. The hard drives commonly included in desktop computers are capable of storing millions of pages of text.

d. The ability to encrypt data also can complicate the mere mirroring of hard drives on site, since recreating the data may require the exact same hardware setup to function properly. It is, therefore, often necessary to re-connect all the

original hardware and software in a controlled computer laboratory setting in order to retrieve the relevant evidence and data accurately.

86. Due to the volume of data at issue and the technical requirements set forth above, may be necessary that the above-referenced equipment, software, data, and related instructions be seized and subsequently processed by a qualified computer specialist in a laboratory setting. Under the appropriate circumstances, some types of computer equipment can be more readily analyzed and pertinent data seized on-site, thus eliminating the need for its removal from the premises. One factor used in determining whether to analyze a computer on-site or to remove it from the premises is whether the computer constitutes an instrumentality of an offense and is thus subject to immediate seizure as such or whether it serves as a mere repository for evidence of a criminal offense. Another determining factor is whether, as a repository for evidence, a particular device can be more readily, quickly, and thus less intrusively, analyzed off-site, with due considerations given to preserving the integrity of the evidence. This, in turn, is often dependent upon the amount of data and number of discrete files or file areas that must be analyzed, and this is frequently

dependent upon the particular type of computer hardware involved. As a result, it is ordinarily impossible to appropriately analyze such material without removing it from the location where it is seized.

87. Based upon my knowledge, training, and experience, as well as information related to me by agents and others involved in forensic examination of computers, I am aware that searches and seizures of evidence from computers taken from the premises commonly require agents to seize most or all of a computer system's input/output and peripheral devices. This is done so that qualified computer experts can accurately retrieve the system's data in a laboratory or other controlled environment. Therefore, in those instances where computers are removed from the premises, in order to fully retrieve data from a computer system, investigators must seize all the storage devices, as well as the central processing units (CPUs), and applicable keyboards and monitors which are an integral part of the processing unit. If, after inspecting the input/output devices, system software, and pertinent computer-related documentation, it becomes apparent that these items are no longer necessary to retrieve and preserve the data evidence, and are not

otherwise seize able, such materials and/or equipment will be returned within a reasonable time.

B. ANALYSIS OF ELECTRONIC DATA

88. The analysis of electronically stored data, whether performed on-site or in a laboratory or other controlled environment, may entail any or all of several different techniques. Such techniques may include, but shall not be limited to, surveying various file directories and the individual files that they contain (analogous to looking at the outside of a file cabinet for the markings it contains and opening a drawer capable of containing pertinent files, in order to locate the evidence authorized for seizure by the warrant); examining all the structured, unstructured, deleted, and overwritten data on a particular piece of media; opening or reading the first few pages of such files in order to determine their precise contents; scanning storage areas to discover and possibly recover recently deleted data; scanning storage areas for deliberately hidden files; and performing electronic key-word searches through all electronic storage areas to determine whether occurrences of such language contained in the storage areas are intimately related to the subject matter of the investigation.

V. CONCLUSION

89. Based on my training and experience, and the evidence in this case, I submit that there is probable cause to believe that Luellen participated in an ongoing pattern of criminal activity from on or about October 2003 to the present. Accordingly, I believe that specific locations described in ATTACHMENT A to this affidavit contain the fruits, instrumentalities, and evidence of violations of Title 18 U.S.C., Section 1343, and in particular, that the items described in ATTACHMENT B, will be found at those locations.

90. Wherefore, pursuant to Rule 41 of the Federal Rules of Criminal Procedure, I respectfully request warrants to search the locations described in ATTACHMENT A to this affidavit and search and seize the items described in ATTACHMENT B to this affidavit.

91. Your affiant requests that the Court seal this affidavit and its contents until further order of this Court.

Anthony Saler
Special Agent
United States Secret Service

Sworn and subscribed to before me this ___ day of August, 2006.

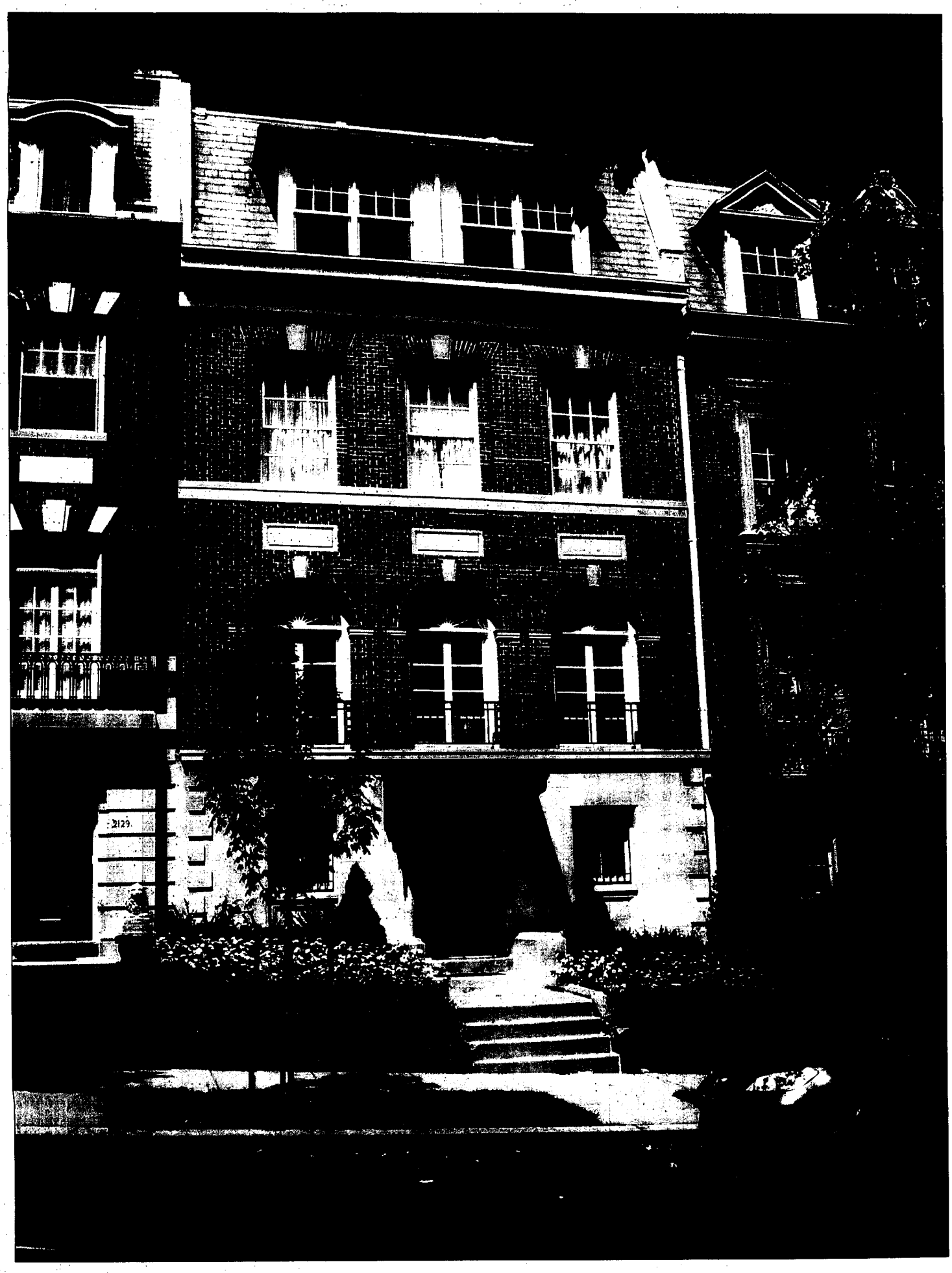
United States Magistrate Judge

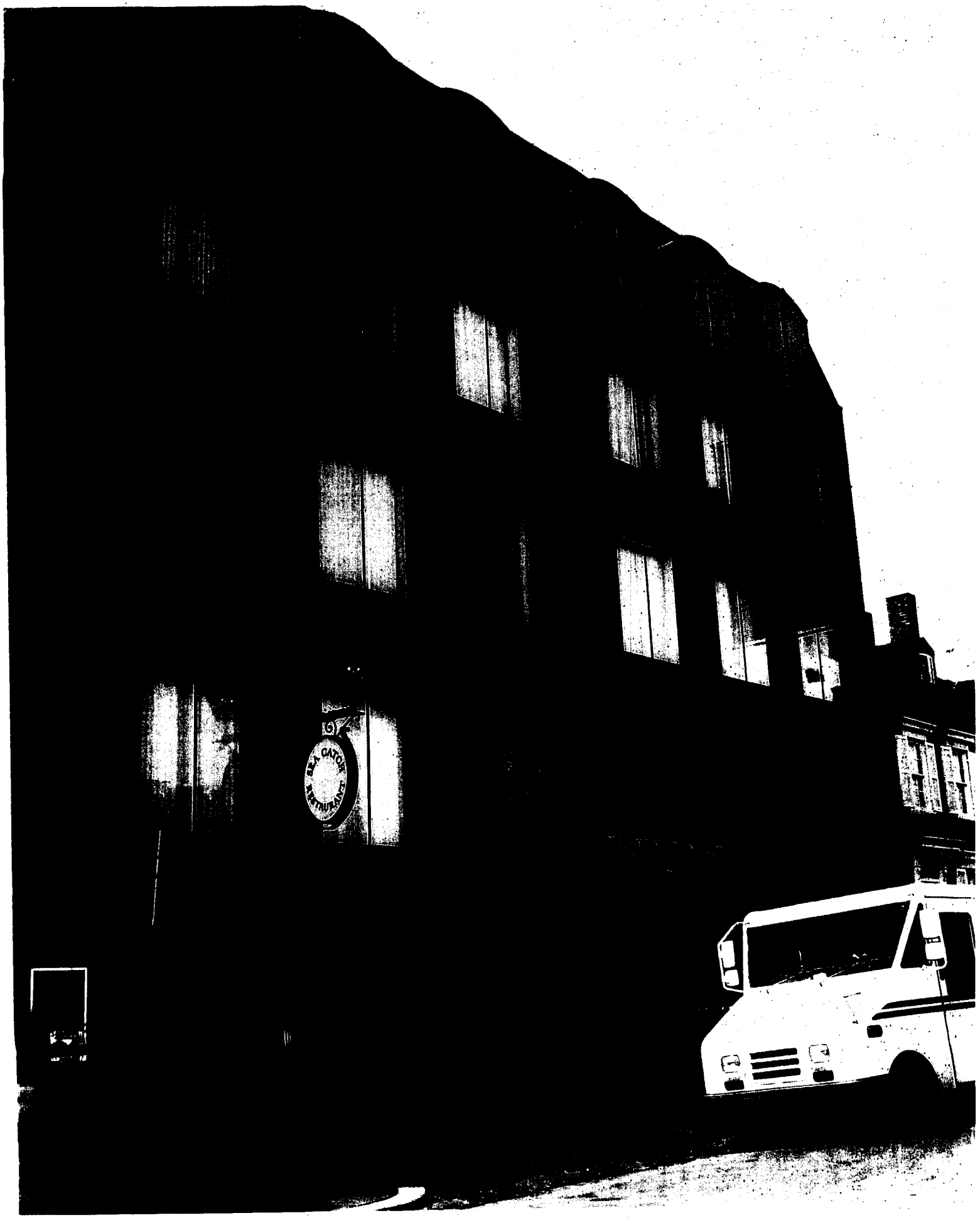
ATTACHMENT A

LOCATIONS TO BE SEARCHED

1. Luellen's current residence is located at 2127 Bancroft Place NW, Washington, DC and is described as a brown brick townhouse with a red entry door on the front. The red entry door displays brass house numbers "2127" and a brass mail slot. Above the door is a black metal overhang. A black porch light is mounted on the exterior of the home on each side of the red door. To the left of the red door is a square brass plaque mounted on the exterior wall. The townhouse is located on the north side of Bancroft Place, NW, between Phelps Place, NW, and Connecticut Ave., NW. Please see attached photo.

2. Luellen's office is located at 1054 31st St. NW, Suite 200, Washington, DC within the offices of the law firm of Galland, Kharasch, Greenberg, Fellman & Swirsky. The building has a brown brick exterior with "Canal Square" and "1054" metal lettering displayed on the exterior. The name "Galland, Kharasch, Greenberg, Fellman & Swirsky" appears below 1054. The building has a pedestrian walkway through an opening in the exterior which leads to a courtyard. There is an archway in the courtyard with "Tower Lobby" displayed on the exterior of the archway. The elevator that provides public access to Suite 200 is located within the archway. If one enters the elevator and presses the "2" button, the elevator will open directly into Suite 200. In order to reach Luellen's office within Suite 200, one would make a left from the elevator, go past the receptionist's desk, and make an immediate left at the first hallway. Luellen's office door is a brown wood door that is the second door on the left. Please see attached photo.


2129


CAJUN
RESTAURANT

ATTACHMENT B

ITEMS TO BE SEARCHED AND SEIZED

All materials relating to Scott Eric Luellen's scheme to defraud investors from on or about October 2003 to the present, which constitute evidence of the commission of a violation of Title 18, United States Code, Section 1343 (wire fraud), including the following:

1. Books, records[1], receipts, notes, ledgers, and other papers related to Ideal Ventures, Ideal Ventures Management, The Heritage Companies, Virginia Heritage Foundation, Delaware Heritage Foundation, the Sapp Property, the Smoot property, and investors or potential investors of either the Sapp or Smoot properties.

2. Books, records, receipts, notes, ledgers, and other papers related to the purchase, sale, or development of real estate, or the solicitation of potential real estate investors.

3. Books, records, receipts, notes, ledgers, and other papers related to the educational and professional background of Scott Eric Luellen.

4. Books, records, receipts, notes, ledgers, bank statements and records, money drafts, letters of credit, money order and cashier's checks, passbooks, bank checks, safe deposit box keys, papers, wire transfer records, loan/credit applications, real estate and mortgage records, automobile titles and registrations, tax documents, and any other financial documentation evidencing the obtaining, control, secreting, transfer, expenditure,

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[1] As used above, the term "Records" includes letters, correspondence, agreements, contracts, spreadsheets, documents, memoranda, facsimiles, applications or materials created, modified or stored in any form, including any electrical, electronic, or magnetic form (such as any information on an electronic or magnetic storage device, including floppy diskettes, hard disks, SIP disks, CD ROMs, optical disks, thumbdrives, backup tapes, printer buffers, smart cards, memory calculators, pagers, personal digital assistants, as well as printouts and readouts from such devices); any mechanical form (such as printing or typing); and any photographic form (such as microform, microfiche, prints, slides, negatives, videotapes, motion pictures, and photocopies).

laundering, and or concealment of fraudulently obtained proceeds or assets/property traceable to fraudulently obtained proceeds.

5. United States currency, precious metals, jewelry, financial instruments, indicative of the proceeds of fraud.

6. Receipts for items evidencing the expenditure of fraud proceeds.

7. Documents, records, and other papers related to indicia of ownership and residence of the premises searched.

8. Facsimile machines.

9. Computers:

a. Computer Hardware

Computer hardware consists of all equipment which can collect, analyze, create, display, convert, store, conceal or transmit electronic, magnetic, optical, or similar computer impulses or data. Hardware includes, but is not limited to, any data-processing devices (such as central processing units); internal and peripheral storage devices (such as fixed disks, external hard disks, floppy disk drives and diskettes, tape drives and tapes, optical storage devices, transistor-like binary devices, and other memory storage devices); peripheral input/output devices (such as keyboards, printers, scanners, plotters, video display monitors, and optical readers); and related communications devices (such as modems, cables and connections, recording equipment, RAM or ROM units, acoustic couplers, automatic dialers, speed dialers, programmable telephone dialing or signaling devices, and electronic tone-generating devices); as well as any devices, mechanisms, or parts that can be used to restrict access to computer hardware (such as physical keys and locks).

b. Software

Computer software is digital information which can be interpreted by a computer and any of its related components to direct the way they work. Software is stored in electronic, magnetic, optical, or other digital form. It commonly includes programs to run operating systems, applications (like word-processing, graphics, or spreadsheet programs), utilities, compilers, interpreters, and communications programs.

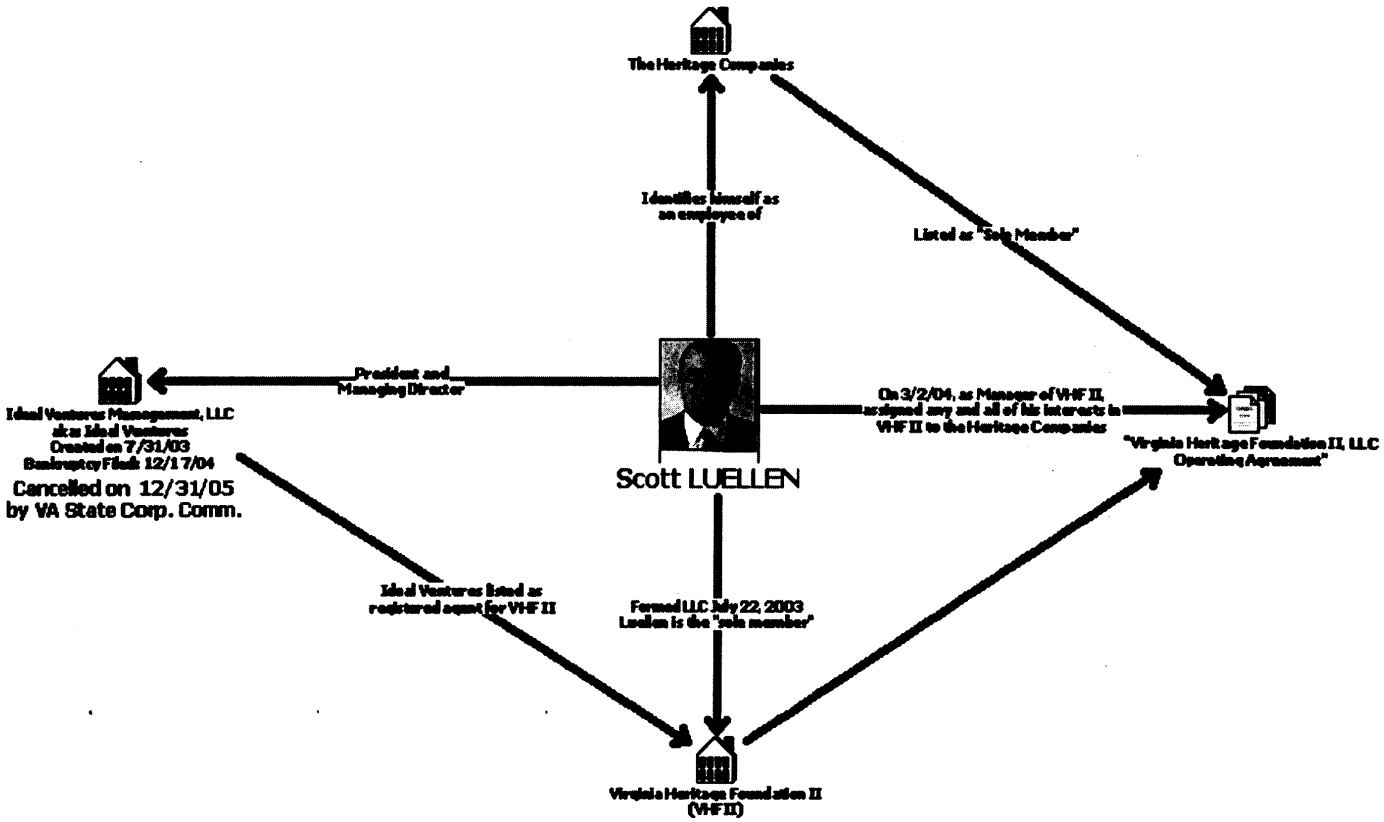
c. Documentation

Computer-related documentation consists of written, recorded, printed or electronically stored material which explains or illustrates how to configure or use computer hardware, software, or other related items.

d. Passwords and Data Security Devices

Computer passwords and other data security devices are designed to restrict access to or hide computer software, documentation or data. Data security devices may consist of hardware, software or other programming code. A password (a string of alpha-numeric characters) usually operates as a sort of digital key to "unlock" particular data security devices. Data security hardware may include encryption devices, chips, and circuit boards. Data security software or digital code may include programming code that creates "test" keys or "hot" keys, which perform certain pre-set security functions when touched. Data security software or code may also encrypt, compress, hide, or "booby-trap" protected data to make it inaccessible or unusable, as well as reverse the process to restore it.

10. In order to search for data that is capable of being read or interpreted by a computer, law enforcement personnel will need to seize and search the following items:

Any computer equipment and storage device capable of being used to commit, further or store evidence of the offenses listed above.

ATTACHMENT C