
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT
v. :
HYUN-SOON CHO : Mag No. 11-7007 (ES)

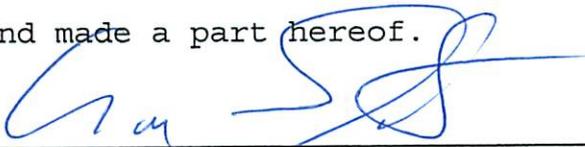
I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

SEE ATTACHMENT A

I further state that I am a Special Agent, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.


Cesar G. Santos, Special Agent
Small Business Administration-
Office of Inspector General

Sworn to before me and subscribed in my presence,
January 25, 2011, at Newark, New Jersey

HONORABLE ESTHER SALAS
UNITED STATES MAGISTRATE JUDGE


Signature of Judicial Officer

ATTACHMENT A

Count One (Bank Fraud - TD Banknorth)

In and around March 2007, in Bergen County, in the District of New Jersey and elsewhere, defendant Hyun-Soon Cho knowingly executed and attempted to execute a scheme and artifice to defraud TD Banknorth, a financial institution, and to obtain the moneys, funds, credits, assets and other property owned by, and under the custody and control of, this financial institution by means of false or fraudulent pretenses, representations or promises, as described in Attachment B, in violation of Title 18, United States Code, Section 1344 and Title 18, United States Code, Section 2.

Count Two (Bank Fraud - PNC)

From in and around March 2007 to in and around May 2007, in Bergen County, in the District of New Jersey and elsewhere, defendant Hyun-Soon Cho knowingly executed and attempted to execute a scheme or artifice to defraud PNC Bank, a financial institution, and to obtain the moneys, funds, credits, assets, and other property owned by, and under the custody and control of, this financial institution by means of false and fraudulent pretenses, representations or promises, as described in Attachment B, in violation of Title 18, United States Code, Section 1344 and Title 18, United States Code, Section 2.

ATTACHMENT B

I, Cesar G. Santos, am a Special Agent with the Office of Inspector General for the Small Business Administration. I have knowledge of the facts set forth herein through my personal participation in this investigation and through oral and written reports from other federal agents or other law enforcement officers. Where statements of others are set forth herein, these statements are related in substance and in part. Since this Criminal Complaint is being submitted for a limited purpose, I have not set forth every fact that I know or other law enforcement officers know concerning this investigation. I have only set forth those facts that I believe are sufficient to show probable cause exists to believe that the defendant has committed the offenses set forth in Attachment A. Where I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

The Defendant and Other Parties

1. At all times relevant to this Criminal Complaint:
 - a. Defendant Hyun-Soon Cho (hereinafter "defendant CHO"), a resident of Little Ferry, New Jersey, was the owner of J.J. Automotive Accessories (hereinafter "J.J. Automotive"), a wholly fictitious company.
 - b. An individual with the initials "C.O.K.," a co-conspirator not named as a defendant herein, was a loan broker and the principal owner and operator of a fictitious company located in Englewood, New Jersey (hereinafter "Company One").
 - c. Unless otherwise noted, each bank referenced in this Criminal Complaint was a financial institution, as that term is defined in Title 18, United States Code, Section 20.

Overview of the Scheme to Defraud

2. Defendant CHO made and used, and caused to be made and used, false documents and statements to obtain commercial loans and lines of credit (hereinafter collectively "commercial loans"). In total, defendant CHO defrauded financial institutions in New Jersey of approximately \$115,000.

3. To obtain money and property from financial institutions to which she was not entitled, defendant CHO created, caused to be created, and submitted to financial institutions applications for commercial loans on behalf of J.J. Automotive Accessories," a wholly fictitious company. On each application, defendant CHO made false statements about this purported business, including false statements about business' operation, income, annual sales, payroll, address, and year of establishment.

The TD Loan

4. In and about March 2007, a loan application seeking \$50,000 for J.J. Automotive was submitted to TD Banknorth (hereinafter "TD Bank") in New Jersey. According to the loan application: (a) the owner of the business, located in Palisades Park, New Jersey, was "Hyun S. Cho," whose residential address was identical to the business address listed in the application; (b) J.J. Automotive was a sole proprietorship that had been operating since June 8, 2002; and (c) the company's income in 2006 was \$419,016. The application also contained a Bergen County Certificate of Trade Name, dated June 8, 2002, for J.J. Automotive.

5. On or about March 29, 2007, based on the application and the documents submitted in support of this application, as described in Paragraph 5 above of this Criminal Complaint, TD Bank approved a \$50,000 loan to defendant CHO on behalf of J.J. Automotive. Thereafter, TD Bank created a business account for J.J. Automotive, and defendant CHO controlled this account (hereinafter "Account One").

6. According to various bank records obtained during the course of this investigation, after the proceeds of this loan were transferred into Account One, defendant CHO disbursed approximately \$15,000 to herself; approximately \$14,000 to her husband; and approximately \$3,000 to Co-Conspirator C.O.K.

7. Your Affiant's investigation has revealed that the application and the documents used in support of this application were fraudulent, as follows:

a. The Certificate of Trade Name submitted to TD Bank was fictitious and was backdated to create the illusion that J.J. Automotive, a wholly fictitious business, had an established business history.

b. The New Jersey Division of Taxation has no records pertaining to J.J. Automotive, although the business' loan application represented that the business income for 2006 was \$419,016. In subsequent loan applications to PNC Bank and Citibank in May 2007, the business' 2006 income was fabricated to be \$700,000 and \$1.1 million, respectively.

c. No business was located at the address listed in the application.

8. The loan was not repaid, resulting in a loss to TD Bank of approximately of \$50,000.

The PNC Loan

9. In and around March 2007, a loan application seeking \$50,000 for J.J. Automotive was submitted to PNC Bank (hereinafter "PNC Bank") in New Jersey. According to the loan application: (a) J.J. Automotive, located in Palisades Park, New Jersey, was a sole proprietorship established in January 2002 and owned by "Hyun S. Cho," beginning in June 2002; (b) the company employed six individuals; and (c) the company's annual sales for 2006 was \$700,000. The application also contained a Bergen County Certificate of Trade Name, dated June 8, 2002, for J.J. Automotive.

10. On or about May 2, 2007, based on the application and the documents submitted in support of this application, as described in Paragraph 9 above of this Criminal Complaint, PNC Bank approved a \$50,000 loan to defendant CHO on behalf of J.J. Automotive. Thereafter, PNC Bank created a business account for J.J. Automotive, and defendant CHO controlled this account (hereinafter "Account Two").

11. According to various bank records obtained during the course of this investigation, after the proceeds of this loan were transferred into Account Two, defendant CHO disbursed approximately \$6,000 to herself; approximately \$10,000 to her husband; and approximately \$9,000 to Co-Conspirator C.O.K.

12. Your Affiant's investigation has revealed that the application and the documents used in support of this application were fraudulent:

a. The Certificate of Trade Name submitted to PNC Bank was fictitious and was backdated to create the illusion that J.J. Automotive, a wholly fictitious business, had an established business history.

b. The New Jersey Division of Taxation has no records, relating to the income or payroll, or otherwise, of J.J. Automotive, although defendant CHO's loan application represented that the annual sales, based on a three-year average, of the business had earned \$700,000 in 2006. This figure was more than \$419,016 in income reflected in her TD Bank loan application, which application was also submitted in March 2007.

c. No business was located at the address listed in the application.

13. The loan was not repaid, resulting in a loss to PNC Bank of approximately of \$50,000.

14. On or about September 16, 2010, law enforcement officers went to defendant CHO's residence for the purpose of conducting a non-custodial interview related to the commercial loans described above. Defendant CHO answered the door and stated that she was not Hyun S. Cho and that Hyun S. Cho had moved to California. When law enforcement showed defendant CHO her New Jersey Driver's License, which included her photograph, defendant CHO stated that she had not been truthful and thereafter identified herself as defendant CHO.