
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : CRIMINAL COMPLAINT
v. :
MI-YOUNG MUN : Mag No. 11-7022 (ES)

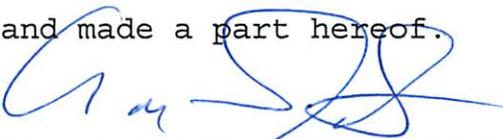
I, the undersigned complainant, being duly sworn, state the following is true and correct to the best of my knowledge and belief.

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

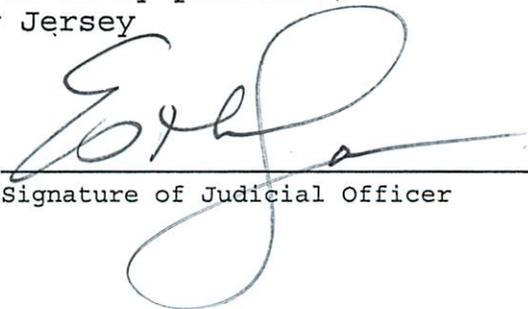
continued on the attached page and made a part hereof.



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

From in and around May 2007 through in and around August 2007, in Bergen County, in the District of New Jersey and elsewhere, defendant Mi-Young Mun knowingly and intentionally conspired and agreed with others to execute a scheme and artifice to defraud financial institutions, and to obtain money, funds, and assets owned by and under the custody and control thereof, by means of false and fraudulent pretenses, representations and promises, as described below in Attachment B, contrary to Title 18, United States Code, Section 1344, in violation of Title 18, United States Code, Section 1349.

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 Mi-Young Mun (hereinafter "defendant MUN"), a resident of Rutherford, New Jersey, was the owner of "MNS Spa Pedicure Chairs," a nail salon supply company in Palisades Park, New Jersey.
 - b. An individual with the initials "M.S.P.," a co-conspirator not named as defendant herein, was a loan broker who operated in Bergen County, New Jersey and elsewhere.
 - c. 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").
 - d. 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 MUN conspired with Co-Conspirator M.S.P, Co-Conspirator C.O.K., and others to make and use false documents and statements to obtain commercial loans and lines of credit (hereinafter collectively "commercial loans"). In total, through their scheme, defendants MUN and his co-conspirators defrauded financial institutions in New Jersey of approximately \$150,000.

3. To obtain money and property from financial institutions to which they were not entitled, defendant MUN and others made and submitted to financial institutions materially false loan applications on behalf of 4U Nails, a company in which he has no ownership stake or interest, for the sole purpose of obtaining commercial loans. These applications contained false information about the applicant and business, such as the business' gross receipts.

4. As part of this investigation, law enforcement officers interviewed defendant MUN during a non-custodial interview. During this interview, defendant MUN stated the following, in substance and in part: (a) defendant MUN met with Co-Conspirator M.S.P. in Palisades Park, New Jersey in 2007 to discuss applying for business loans and lines of credit from various banks for his new company, MNS Spa Pedicure Chairs; (b) defendant MUN brought documents related to his wife's company, 4U Nails, to this meeting; (c) defendant MUN's wife was the sole owner of this 4U Nails nail salon; (d) defendant MUN never had any ownership stake or interest in 4U Nails; (e) defendant MUN and Co-Conspirator M.S.P. discussed using the business information of 4U Nails, instead of business information for defendant MUN's new company, MNS Spa Pedicure Chairs, to obtain business loans for defendant MUN; (f) defendant MUN gave personal data, business data for 4U Nails, and \$500 to Co-Conspirator M.S.P. at the Initial Meeting as a partial broker fee. Defendant MUN's statements related to specific commercial loans are set forth below.

The Citibank Loan

5. On or about June 7, 2007, a loan application seeking \$100,000 for 4U Nails was submitted to Citibank. According to the loan application: (a) the owner of 4U Nails was "Mi Y. Mun" of Rutherford, New Jersey; (b) 4U Nails had been operating since May 2000 and was grossing approximately \$970,000 annually; (c) defendant MUN's residence in Rutherford, New Jersey was valued at \$900,000; and (d) 4U Nails had a deposit balance of \$17,000 at another bank.

6. On or about June 21, 2007, based on the application and the documents submitted in support of this application, as described in Paragraph 5 above of this Criminal Complaint, Citibank approved a \$100,000 loan to defendant MUN on behalf of 4U Nails.

7. According to various bank records obtained during the course of this investigation, the proceeds of this loan were disbursed by checks drawn to, among others: (1) defendant MUN (totaling approximately \$35,500); (2) Company One (totaling approximately \$4,000); and (3) "cash," which checks were endorsed by Co-Conspirator M.S.P.'s wife (totaling \$21,900).

8. Your Affiant's investigation has revealed that the Citibank loan application, and the documents used in support thereof, were fraudulent. Specifically, defendant MUN's wife, not defendant MUN, was the sole owner of 4U Nails nail salon in Glen Rock, New Jersey. Furthermore, the following representations in the Citibank loan application were false: (1) that 4U Nails had begun operating in 2000; (2) that 4U Nails grossed approximately \$970,000 annually; and (3) that the value of defendant MUN's home was \$900,000.

9. As it relates to this Citibank loan, defendant MUN made the following statements to law enforcement, in substance and in part: (a) the statement in the loan application that 4U Nails had begun operating in 2000 was false; (2) the statement in the loan application that 4U Nails grossed approximately \$970,000 annually was false; and (3) the statement in the loan application that the value of defendant MUN's home was \$900,000 was false. Furthermore, defendant MUN acknowledged that after the loan was approved, and he received the checkbook for 4U Nails, he used proceeds of loan to pay for various expenses unrelated to 4U Nails, and defendant MUN gave Co-Conspirator M.S.P. a blank, signed check as payment of Co-Conspirator M.S.P.'s broker fee.

10. The line of credit has been closed and there is currently an outstanding balance of approximately \$95,470.

The Chase Loan

11. On or about June 21, 2007, a loan application for defendant MUN, d/b/a 4U Nails, was submitted to Washington Mutual Bank (hereinafter "Chase Bank," the successor of Washington Mutual) in New Jersey. According to the loan application and supporting documents: (a) the owner of the business was listed as "Mi Y. Mun" of Rutherford, New Jersey; (b) the 4U Nails nail salon had been operating since May 2000 and was grossing

approximately \$720,000 annually; (c) the 4U Nails nail salon had a Certificate of Trade Name recorded under its name; (d) defendant MUN was a United States citizen; and (e) no one had assisted him with the preparation of the loan application.

12. On or about June 27, 2007, based on the application and the documents submitted in support of this application, as described in Paragraph 11 above of this Criminal Complaint, Chase Bank approved a \$50,000 loan to defendant MUN on behalf of 4U Nails.

13. According to various bank records obtained during the course of this investigation, defendant MUN wrote a check to himself in the amount of \$5,000 and wrote checks to cash or for cash advances totaling over \$24,000, all of which funds represented proceeds of the Chase Bank loan.

14. Your Affiant's investigation has revealed that the Chase Bank loan application and the documents submitted in support thereof were fraudulent. The Certificate of Trade was fictitious and reported annual income was false.

15. As it relates to this Chase Bank loan, defendant MUN made the following statements to law enforcement, in substance and in part: (a) defendant MUN and Co-Conspirator M.S.P. filled out a Chase loan application during their initial meeting; (b) the statement in the loan application that defendant MUN was the owner of 4U Nails was false; (c) the statement in the loan application that 4U Nails had begun operating in 2000 was false; (d) the statement in the application that defendant MUN was a United States citizen was false; and (e) the statement in the application that no one had assisted defendant MUN with the preparation of this loan application was false.

16. There is an outstanding balance of approximately \$43,330 on this loan.