

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

KEVIN J. MIX

CASE NUMBER: 20 CR 435

CRIMINAL COMPLAINT

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

Beginning no later than in or around October 2018 and continuing to in or around approximately June 2020, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, the defendant violated:

Code Section

Title 18, United States Code, Section 1343

Offense Description

Knowingly devised and participated in a scheme to defraud and obtain money from Company A by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts and, for the purpose of executing the scheme to defraud Company A, on or about May 19, 2020, defendant did cause to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely: an electronic funds transfer in the amount of approximately \$305,224.68 from Company A's bank account at Citibank to Chase Bank account X5723 in the name of Greater Than Connection, which was controlled by defendant

This criminal complaint is based upon these facts: See Attached Affidavit

David Otte
Special Agent, Federal Bureau of Investigation

Sworn to before me and signed in my presence.

Date: July 31, 2020_____
*Judge's signature*City and state: Chicago, IllinoisYOUNG B. KIM, U.S. Magistrate Judge*Printed name and Title*

UNITED STATES DISTRICT COURT)
) ss
NORTHERN DISTRICT OF ILLINOIS)

AFFIDAVIT

I, David Otte, being duly sworn, state as follows:

Introduction

1. I am a Special Agent with the Federal Bureau of Investigation, and have been so employed for since 2018, during which time I have conducted health care and financial fraud investigations. I am currently assigned to a FBI squad dedicated to the investigation of federal securities, wire and mail fraud offenses, as well as related financial crimes.

2. The statements made in this affidavit are based, in part, on my personal knowledge and my investigation including witness interviews. This affidavit is also based upon my review of subpoenaed records, records obtained without the use of a grand jury subpoenas, and on information provided to me by non-law enforcement personnel. Because this affidavit is submitted for the limited purpose of establishing probable cause with regard to the attached criminal complaint, it does not set forth each and every fact I have learned during this investigation.

3. This affidavit is made in support of a criminal complaint alleging that, beginning in and around October 2018 and continuing to in or around approximately June 2020, KEVIN J. MIX (“MIX”) knowingly devised and participated in a scheme to defraud and obtain money in excess of \$5,000,000 from Company A by means of materially false and fraudulent pretenses, representations, and promises, and by

concealment of material facts. For the purpose of executing the scheme to defraud Company A, on or about May 19, 2020, defendant did cause to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely: an electronic funds transfer in the amount of approximately \$305,224.68 from Company A's bank account at Citibank to defendant's account at JP Morgan Chase Bank in the name of Greater Than Connection, in violation of Title 18, United States Code, Section 1343.

FACTS ESTABLISHING PROBABLE CAUSE

Background

4. Company A is a business located in Chicago, Illinois that operates an independent marketplace for online delivery of small business insurance.

5. According to employees of Company A, beginning in approximately July 2018, MIX was Company A's controller. MIX's duties at Company A included management of all aspects of Company A's accounting operations, including preparation of revenue, expense, budget, and forecasting statements, and preparation of Company A's monthly, quarterly, and year-end financial statements. In addition, MIX supervised several employees in Company A's accounting department including Individual A, who was responsible for initiating wire transfers from Company A's bank account at Citibank to Company A vendors, which MIX was responsible for approving. When Individual A left Company A, he gave his access token, known at Company A as a FOB, to MIX along with his username and password.

6. According to employees of Company A and records obtained from financial institutions, MIX used Individual A's access token to both initiate and approve wire transfers from Company A's bank accounts at his discretion. MIX then fraudulently authorized the disbursement of millions of dollars from Company A's bank accounts at various banks to accounts he controlled at Citibank and JP Morgan Chase Bank. MIX also submitted false invoices to support disbursements of funds from a Company A bank account to an account he controlled at PNC Bank.¹ MIX created shell companies such as Greater than Connection and JC & KM Group, Inc. to receive and spend funds stolen from Company A. MIX used stolen funds to purchase real estate, a Lexus automobile, and pay personal expenses. MIX made false entries in Company A's books and records and made false statements to Company A's bankers and staff to conceal his scheme to defraud Company A. Between December 2018 and June 2020, MIX fraudulently authorized approximately 35 wire transfers totaling more than \$5 million from Company A's bank accounts to bank accounts controlled by MIX.

MIX's Execution of the Scheme to Defraud Company A

7. According to records from PNC Bank, on October 10, 2018, MIX fraudulently wire transferred \$54,091.80 from a Company A bank account to MIX's PNC account X8539.²

¹ According to records from Citibank, JP Morgan Chase, and PNC Bank, MIX had signature authority over the accounts that received funds from Company A.

² All account numbers in this affidavit are redacted to only show the last four digits.

8. On May 8, 2019, MIX fraudulently wire transferred \$100,000 from Company A's Citibank account to MIX's Citibank account X7740.

9. From June 2019 through April 2020, MIX fraudulently wire transferred more than \$1.2 million from Company A's Citibank account to his Citibank account X7758.

10. On July 12, 2019, MIX opened Chase Bank Account X5723 in the name of Greater Than Connection, LLC. MIX was the only authorized signatory on the account. Illinois Secretary of State records show that MIX was the manager for Greater Than Connection. From August 2019 through May 2020, MIX fraudulently wire transferred more than \$3.7 million from Company A's Citibank account to Chase Bank account X5723 controlled by MIX.

11. Based on my training and experience, the wiring of funds from one financial institution to another often involves at least one interstate wire, including but not limited to: an interstate wire between the sending bank's servers and the recipient bank's servers; an interstate wire between two servers at the sender and/or recipient bank, in order to process the transfer of funds; and/or the use of a processing service such as the Fed Wire system, which has several servers outside the State of Illinois.

12. According to bank records and Company A's records, on May 19, 2020, MIX fraudulently initiated and approved a wire transfer of Company A's funds and caused to be transmitted by means of a wire communication in interstate

commerce, certain writings, signs, and signals, namely: an electronic funds transfer in the amount of approximately \$305,224.68 from Company A's account at Citibank to Chase Bank account X5723 in the name of Greater Than Connection controlled by MIX.

13. Between in and around October 2018 and continuing to in or around approximately June 2020, MIX's accounts that received fraud funds were later used to purchase several real estate properties in Chicago and Ohio, a 2017 Lexus automobile, and to pay for personal expenses, in part, as follows:

a. On approximately September 3, 2019, MIX purchased the real property at 4338 South Langley, Chicago, Illinois in the name of Greater Than Connection with approximately \$150,000 in funds purloined from a Company A bank account;

b. On approximately October 23, 2019, MIX purchased real estate at 5110 West Chicago Avenue, Chicago, Illinois in the name of JC & KM Group with approximately \$129,500 in funds purloined from a Company A bank account;

c. On approximately December 4, 2019, MIX purchased a 2017 Lexus RX automobile with approximately \$43,694 in funds purloined from a Company A bank account;

d. On approximately April 1, 2020, MIX purchased a 2019 Mercedes Benz automobile with approximately \$100,000 in funds purloined from a Company A bank account;

e. On approximately April 17, 2020, MIX purchased several parcels of real estate in Columbus, Ohio in the name of Greater Than Correction with approximately \$439,900 in funds purloined from a Company A bank account;

f. On approximately May 22, 2020, MIX purchased real estate at 13815 South LaSalle Street, Riverdale, Illinois in the name of Greater Than Correction with approximately \$185,000 in funds purloined from a Company A bank account; and

g. On approximately May 29, 2020, MIX purchased real estate at 1158-1160 South 22nd Street, Columbus, Ohio in the name of Greater Than Correction with approximately \$80,000 in funds purloined from a Company A bank account.

MIX's Concealment of his Scheme to Defraud Company A

14. According to Company A's interim chief financial officer, in 2018, 2019, and 2020, MIX regularly made false entries to Company A's books and records to conceal his scheme to defraud Company A.

15. On or about February 13, 2020, MIX falsely told Citibank representatives that disbursements from Company A's account at Citibank to his Chase account X5723 and Citibank account X7758 were legitimate payments to cover agency payments or payments to investors.

16. In May 2020, during an audit of Company A's finances, MIX falsely told Company A's interim chief financial officer that Company A's disbursements to MIX's accounts were payments to a Company A vendor in satisfaction of financial obligations.

17. In May 2020, MIX distributed a fake email to Company A's audit staff purporting to be from Vendor A that falsely stated Company A owed Vendor A \$480,000 and that MIX's Chase bank account belonged to Vendor A.

18. On or about May 29, 2020, MIX failed to appear for a meeting with Company A's interim CFO and bankers to discuss the disbursements from Company A's bank account.

19. Since approximately June 1, 2020, Company A's efforts to contact MIX have been unsuccessful.

Conclusion

20. Based on the information in this affidavit, there is probable cause to believe that, beginning no later than in or around October 2018 and continuing to approximately in or around June 2020, defendant KEVIN J. MIX, knowingly devised, intended to devise, and participated in a scheme to defraud and obtain money from Company A by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts. For the purpose of executing the above-described scheme to defraud Company A, on or about May 19, 2020, defendant did cause to be transmitted by means of a wire communication in interstate commerce, certain writings, signs, and signals, namely: an electronic funds transfer

in the amount of approximately \$305,224.68 from Company A's account at Citibank to Chase Bank account X5723 in the name of Greater Than Connection controlled by defendant, in violation of Title 18, United States Code, Section 1343.

FURTHER AFFIANT SAYETH NOT.

David Otte
Special Agent
Federal Bureau of Investigation

Subscribed and sworn before me this _____ day of July 2020.

Honorable Young B. Kim
United States Magistrate Judge