

ATTACHMENT A

Counts One Through Three
(Bank Fraud)

From at least in or about July 2020 through in or about March 2021, in Middlesex County, in the District of New Jersey and elsewhere, defendant

JACQUELYN PENA

did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud one or more financial institutions, as defined by 18 U.S.C. § 20, to wit: Lender 1 and Lender 2, the deposits of which were each insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, and credits owned by and under the control of such financial institutions by means of materially false and fraudulent pretenses, representations, and promises.

Count	Approximate Date	Description
1	July 25, 2020	PENA submitted a fraudulent loan application for Paycheck Protection Program ("PPP") funds on behalf of Protemax Systems LLC to Lender 1 and obtained approximately \$46,500 in PPP funds.
2	January 20, 2021	PENA submitted a fraudulent loan application for PPP funds on behalf of Protemax Systems LLC to Lender 1 and obtained approximately \$119,912 in PPP funds.
3	March 16, 2021	PENA submitted a fraudulent loan application for PPP funds on behalf of JP Interior Designs LLC to Lender 2 and obtained approximately \$169,280 in PPP funds.

In violation of Title 18, United States Code, Sections 1344(2) and 2.

Counts Four and Five
(Money Laundering)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

JACQUELYN PENA

did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a greater value than \$10,000, that is, the transfer of U.S. currency from bank accounts to the other bank accounts, cash withdrawals, foreign bank transfers (defined in Attachment B), such property having been derived from a specified unlawful activity, that is, wire fraud in violation of Title 18, United States Code, Section 1343, and bank fraud, in violation of Title 18, United States Code, Section 1344.

Count	Approximate Date	Description of Monetary Transaction
4	April 30, 2021	Transfer from JP Interior Designs LLC bank account at Bank 2 in the amount of approximately \$50,000 to an account at Bank 2 held in PENA's name.
5	September 30, 2021	Withdrawal from a bank account at Bank 2 held in PENA's name in the amount of approximately \$11,274 to purchase a cashier's check that was negotiated at Bank 3.

In violation of Title 18, United States Code, Sections 1957 and 2.

ATTACHMENT B

I, Justyna Ramotowski, a Postal Inspector with the United States Postal Inspection Service, having conducted an investigation and having discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated, all dates described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

Overview

1. From on or about July 25, 2020 through on or about March 16, 2021, defendant JACQUELYN PENA (“PENA”) used a variety of false statements and representations to fraudulently obtain approximately \$335,692 in federal COVID-19 emergency relief loans meant for distressed small businesses. To obtain the loans, PENA submitted falsified loan applications to three different lenders on behalf of PENA’s purported businesses. On these loan applications, PENA falsified various types of information associated with her purported businesses, including: the number of employees; the names of employees; payroll records; and federal tax documents. PENA then misused the loan proceeds, including by purchasing various luxury items, and withdrawing large sums of cash.

Background

The Paycheck Protection Program

2. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act is a federal law enacted in or about March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

3. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires the business—through its authorized representative—to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to

calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

4. A PPP loan application must be processed by a participating lender. If a PPP loan application is approved, the participating lender funds the PPP loan using its own money, which is 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

5. PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

The Defendant and Relevant Entities

6. At all times as relevant to this Complaint:

- a. PENA was a resident of Perth Amboy, New Jersey and the sole owner or “member/manager” of the following entities through which she fraudulently applied for PPP loan funds:
 - i. Protemax Systems LLC (“Protemax”) was a New Jersey limited liability company that purported to be in the technology distribution industry.
 - ii. JP Interior Designs LLC (“JP Interior”) was a New Jersey limited liability company that purported to provide entertainment.
- b. Lender 1 was a financial institution insured by the Federal Deposit Insurance Corporation (“FDIC”) headquartered in New York, New York.
- c. Lender 2 was a financial institution insured by the FDIC headquartered in Boston, Massachusetts.
- d. Bank 1 was a financial institution insured by the FDIC headquartered in New York, New York.
- e. Bank 2 was a financial institution insured by the FDIC headquartered in Boston, Massachusetts.

- f. Bank 3 was a financial institution insured by the FDIC headquartered in Pittsburgh, Pennsylvania.

The Scheme to Defraud

7. From at least in or about July 2020 through at least in or about March 2021, PENA submitted, or caused to be submitted, fraudulent loan applications to approved lenders, including Lender 1 and Lender 2 in order to fraudulently obtain funds through the PPP program.

8. In connection with this fraud, PENA submitted, or caused to be submitted, the following PPP applications to Lender 1 and Lender 2:

Name of Business Applicant	Amount Approved	Lender	Approximate Application Date	Status
Protemax Systems LLC	\$46,500	Lender 1	July 25, 2020	Funded
Protemax Systems LLC	\$119,912	Lender 1	January 20, 2021	Funded
JP Interior Designs LLC	\$169,280	Lender 2	March 16, 2021	Funded

July 25, 2020 Falsified Protemax PPP Application to Lender 1

9. On or about July 25, 2020, Lender 1 received a PPP application in the name of Protemax seeking a PPP loan in the amount of approximately \$46,500. The application was submitted in PENA’S name and listed her social security number. In addition, the application listed PENA as the 100% owner of Protemax, her home address in Perth Amboy, New Jersey, and a telephone number associated with PENA.

10. The PPP application submitted to Lender 1 stated that Protemax’s monthly payroll was approximately \$18,600 and that the company had 15 employees. In connection with Protemax’s purported payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019 and a Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

11. The Protemax application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported 2019 Form W3 claimed that Protemax had paid employees approximately \$252,023 for 2019 and withheld approximately \$16,060 in federal income tax. In addition, the Protemax, Form 1040, Schedule C for 2019 claimed purported wages in the amount of approximately \$252,023. The purported 2019 Form W3 also stated that Protemax issued 2019 IRS W2 forms to 142 employees, which contradicted the loan application that stated that the company had 15 employees.
- b. Information obtained from the Social Security Administration (“SSA”) revealed that Protemax reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the Internal Revenue Service (“IRS”) revealed that no Forms 941 were filed by Protemax for the tax quarters of 2019 and 2020. IRS records also revealed that no Forms 1120, Form 1040, Schedule Cs, Forms W2, or Forms W3 were filed for Protemax between 2018 and 2020. In addition, a review of information obtained from the IRS relating to PENA’s filed 2019 Form 1040 revealed that no 2019 Form 1040, Schedule C was filed by PENA.

12. Bank records show that the authorized signatory on the Protemax bank account at Bank 1 (the “Protemax Bank Account”) was PENA, and that on or about July 28, 2020, PENA received the full loan amount of approximately \$46,500 into the Protemax Bank Account.

January 20, 2021 Falsified Protemax PPP Application to Lender 1

13. On or about January 20, 2021, Lender 1 received a PPP application in the name of Protemax seeking a PPP loan in the amount of approximately \$119,912. The application was submitted in PENA’S name and listed her social security number. In addition, the application listed PENA as the 100% owner of Protemax and her home address in Perth Amboy, New Jersey, and a telephone number associated with PENA.

14. The PPP application submitted to Lender 1 stated that Protemax’s monthly payroll was approximately \$47,965 and that the company had 60 employees.

15. On or about February 2, 2021, Lender 1 received an amended PPP application in the name of Protemax seeking the same loan amount, \$119,912, that the company sought in the original loan application. This amended application was again submitted in PENA's name and listed her social security number. In addition, the application listed PENA as the 100% owner of Protemax and a telephone number associated with PENA.

16. The amended PPP application submitted to Lender 1 stated that Protemax's monthly payroll was approximately \$47,965 and that the company had 33 employees.

17. In connection with Protemax's payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019 and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

18. The Protemax application to Lender 1 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that Protemax had paid employees approximately \$575,576 for 2020 and withheld approximately \$33,820 in federal income tax. In addition, the purported Protemax Form W3 claimed that Protemax issued 2020 IRS Form W2s to 61 employees, in contradiction to the statement in the amended loan application stating that Protemax had 33 employees. The Protemax IRS Form 1040, Schedule C also claimed purported wages in the amount of approximately \$575,576.
- b. Information obtained from the SSA revealed that Protemax reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by Protemax for the 2020 tax year as represented on the 2020 IRS Form W-3, Transmittal of Wage and Tax Statements. In addition, a review of information obtained from the IRS relating to PENA's files 2020 Form 1040 revealed that no 2020 Form 1040, Schedule C was filed by PENA.

19. Bank records show that the authorized signatory on the Protemax Bank Account was PENA, and that on or about February 5, 2021, the full loan amount of approximately \$119,912 was transferred into the Protemax Bank Account.

March 16, 2021 Falsified JP Interior PPP Application to Lender 2

20. On or about March 16, 2021, Lender 2 received a PPP application in the name of JP Interior seeking a PPP loan in the amount of approximately \$169,280. The application was submitted in PENA'S name and listed her social security number. In addition, the application listed PENA as the 100% owner of JP Interior and her home address in Perth Amboy, New Jersey, and a telephone number associated with PENA.

21. The PPP application submitted to Lender 2 stated that JP Interior's monthly payroll was approximately \$67,712 and that the company had 72 employees.

22. In connection with JP Interior's payroll numbers, the PPP application included an annual Transmittal of Wage and Tax Statements (IRS Form W3) for 2019, a payroll summary from February 14 through 29, 2020, and Schedule C (IRS Form 1040) Profit or Loss From Business for 2019.

23. The JP Interior application to Lender 2 contained the following materially false and fraudulent information:

- a. The purported Form W3 claimed that JP Interior had paid employees approximately \$712,550 for 2019 and withheld approximately \$16,060 in federal income tax. In addition, the purported JP Interior Form W3 claimed that JP Interior issued 2019 IRS Form W2s to 72 employees. The JP Interior IRS Form 1040, Schedule C also claimed purported wages in the amount of approximately \$712,550.
- b. Information obtained from the SSA revealed that JP Interior reported no wages paid for the period between 2018 and 2020. No Forms W-3, Transmittal or Wage and Tax Statements, nor Forms W-2, Wage and Tax Statements, were received by the SSA. Likewise, a review of information obtained from the IRS revealed that no Forms 941 were filed by JP Interior for the 2019 tax year as represented on the 2019 IRS Form W-3, Transmittal of Wage and Tax Statements. In addition, a review of information obtained from the IRS relating to PENA's files 2019 Form 1040 revealed that no 2019 Form 1040, Schedule C was filed by PENA.

24. Bank records show that the authorized signatory on the JP Interior bank account at Bank 2 (the "JP Interior Bank Account") was PENA, and that on or about March 29, 2021, the full loan amount of approximately \$169,280 was transferred into the JP Interior Bank Account.

25. Prior to the deposit of the \$169,280 in loan proceeds on March 29, 2021, the JP Interior Bank Account had an account balance of approximately \$5,000.

26. On or about April 30, 2021, the account balance in the JP Interior Bank Account had an account balance of \$174,280.

27. On or about April 30, 2021, a transfer of \$50,000 from the JP Interior Bank Account was made to an account in PENA's name at Bank 2.

28. Bank records show that that authorized signatory on PENA's bank account at Bank 2 was PENA, and that on or about April 30, 2021, a transfer was received into that account from the JP Interior Bank Account.

29. From April 30, 2021 through September 30, 2021, PENA's bank account at Bank 2 had additional deposits of approximately \$14,400 through approximately 16 transactions from the business bank account of a known associate also under investigation for suspected fraud in connection with PPP loans. From April 30, 2021 through September 29, 2021, PENA's bank account at Bank 2 had total withdrawals of approximately \$15,686 through approximately four transactions, with withdrawals ranging from \$500 to \$10,000.

30. Bank records at Bank 2 show that on or about September 30, 2021, PENA withdrew approximately \$11,274 from her bank account to purchase a cashier's check which was negotiated at Bank 3. This payment was made to an attorney trust account and included a description in the "Memo" line for the address of a house that PENA purchased on or about September 30, 2021.

31. The balance in PENA's account at Bank 2 following the September 30, 2021 withdrawal was approximately \$37,482.