
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Hon. André M. Espinosa
 :
 v. : Mag. No. 22-11232 (AME)
 :
 MICHAEL BLANC : **CRIMINAL COMPLAINT**


I, Nicholas Tysk, 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 with the United States Department of Labor-Office of Inspector General ("OIG"), and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Nicholas Tysk, Special Agent
Department of Labor-OIG

Special Agent Tysk attested to this Complaint by telephone pursuant to FRCP 4.1(b)(2)(A), on the 23rd day of August, 2022.

HONORABLE ANDRÉ M. ESPINOSA
UNITED STATES MAGISTRATE JUDGE

* André Espinosa / NE
Signature of Judicial Officer

Signed by SA Tysk at Judge Espinosa's direction pursuant to F.R.C.P. 4.1(b)(6)(C).

ATTACHMENT A

From in or around March 2020 through in or around December 2020, in Mercer County, in the District of New Jersey and elsewhere, defendant

MICHAEL BLANC

did devise and intend to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, including a wire communication sent on or about May 2, 2020, from a location outside of New Jersey to a location in New Jersey.

In violation of Title 18, United States Code, Section 1343.

ATTACHMENT B

I, Nicholas Tysk, am a Special Agent with the United States Department of Labor-OIG. I am familiar with the facts set forth herein based on my own investigation, my conversations with other law enforcement officers, and my review of reports, documents, and other evidence. Because this Complaint is being submitted for a limited purpose, I have not set forth each and every fact that I know concerning this investigation. Where statements of others are related herein, they are related in substance and in part unless otherwise indicated. 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.

I. Background Information

A. Unemployment Insurance Benefits

1. On March 18, 2020, the Families First Coronavirus Response Act ("FFCRA") was signed into law. The FFCRA provided additional flexibility for state Unemployment Insurance ("UI") agencies and additional administrative funding to respond to the COVID-19 pandemic. Then, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was signed into law on March 27, 2020. It expanded states' ability to provide assistance to many workers impacted by COVID-19, including for workers who are not ordinarily eligible for UI benefits ("UIBs"). The CARES Act provided for three new temporary UI programs: Pandemic Unemployment Assistance ("PUA"); Pandemic Emergency Unemployment Compensation ("PEUC"); and Federal Pandemic Unemployment Compensation ("FPUC").

2. On August 8, 2020, after FPUC expired, a Presidential Memorandum authorized the Federal Emergency Management Agency ("FEMA") to use disaster relief funds pursuant to Section 408, Other Needs Assistance, of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207, to provide supplemental payments for lost wages to help ease the financial burden on individuals who were unemployed as a result of COVID-19. The Lost Wages Assistance Program ("LWA") served as a temporary measure, if a State Workforce Agency ("SWA") chose to administer it, to provide an additional \$300 per week via a total of approximately \$42.5 billion in FEMA funds. The period of assistance for LWA was August 1, 2020 to December 27, 2020, or termination of the program, whichever was sooner.

3. Regardless of which of the three programs described above was involved (that is, whether PUA, PEUC, or FPUC), funds were distributed to program participants by the SWA. The SWA received these funds from the United States Department of the Treasury ("Treasury").

4. The New Jersey Department of Labor and Workforce Development (“DLWD”), Division of Unemployment Insurance, administers and manages the regular and other UIB programs for the State of New Jersey. The DLWD offers an online portal (the “Portal”) through which applicants can apply for UIBs and other benefits. The servers that host the Portal are located in New Jersey.

B. The Defendant

5. Defendant Michael Blanc was a resident of Miami-Dade County, Florida.

C. The Investigation

6. Between in or around March 2020 and in or around December 2020, the Internet Protocol Address (“IP Address”) ending in “182” (the “182 IP Address”) was associated with approximately 400 claims for UIBs that were made to 5 states, including approximately 144 claims to the State of New Jersey.

7. The approximately 5 States paid out approximately \$960,000 in response to these claims.

8. Law enforcement interviewed 4 individuals in whose names UIB claims associated with the 182 IP Address were made to the State of New Jersey. Each individual stated, in substance and in part, that: (a) s/he did not make a claim for UIBs to the State of New Jersey; (b) s/he did not authorize anyone else to make such a claim; and (c) s/he did not know Michael Blanc.

9. One of the approximately 400 claims directed that the UIBs be deposited into a PayPal account ending in 5082 (the “5082 PayPal Account”). The 5082 account is in the name of Blanc’s wife.

10. PayPal records also show that the 5082 PayPal Account received approximately \$28,000 in UIBs from Florida, Texas, and California in response to UIB claims separate and apart from those described in paragraph 6 of this Complaint.

11. During the timeframe of the offense, the 182 IP Address was used to log into, among other accounts: (a) a bank account ending in 5390 in Blanc’s name (the “5390 Bank Account”); (b) a Green Dot account in Blanc’s name, (c) a Square account in Blanc’s name; and (d) an AOL account in Blanc’s name.

12. The 5390 Bank Account was used in relation to numerous UIB claims in 2020 separate and apart from those set forth in paragraphs 6 and 9

of this Complaint. Specifically, the Bank Account was used in connection with approximately: (a) 87 UIB claims to Rhode Island, approximately 15 of which were paid for a total of approximately \$31,000; (b) 10 UIB claims to Arizona, approximately 1 of which was paid for a total of approximately \$7,500; and (c) 21 UIB claims to Massachusetts, none of which were paid.

13. Law enforcement interviewed 4 individuals in whose names UIB claims associated with the 5390 Bank Account were made. Each individual stated, in substance and in part, that: (a) s/he did not make a claim for UIBs; (b) s/he did not authorize anyone else to make such a claim; and (c) s/he did not know Michael Blanc.

14. The CARES Act also enabled the Small Business Association (“SBA”) to offer funding through the COVID-19 Economic Injury Disaster Loans (“EIDL”) program to business owners negatively affected by the COVID-19 pandemic. On or about July 2, 2020, the 5390 Bank Account received approximately \$65,000 in response to an EIDL in the name of Victim-1. A family member of Victim-1 told law enforcement, in substance and in part, that Victim-1 could not have filed an application for the loan as he previously suffered a debilitating stroke. The IP address used to file the EIDL application is also connected to approximately 67 additional EIDL Applications. A total of approximately \$250,000 has been provided in response to these applications.