

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon.
v. : Criminal Number: 12
HO K. YU, : Title 18, United States Code,
a/k/a "Edmund Yu" : Section 1349

I N F O R M A T I O N

COUNT ONE

(Conspiracy to Commit Wire Fraud Affecting a Financial
Institution)

The defendant having waived in open court prosecution by
Indictment and any defense based on the statute of limitations,
the United States Attorney for the District of New Jersey
charges:

Background

1. At all times relevant to this Information, defendant HO
K. YU, a/k/a "Edmund Yu," a resident of Bergen County, New
Jersey, was a loan broker and the owner of Genko Consulting, Inc.
(hereinafter "Genko"), a purported financial consulting company
located in Bergen County, New Jersey.

The Conspiracy

2. From in or around 2001 through in or around 2002, in
the District of New Jersey and elsewhere, defendant

HO K. YU,
a/k/a "Edmund Yu,"

knowingly and intentionally conspired and agreed with others to devise a scheme and artifice to defraud a lender who made loans, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce certain writings, signs, signals, pictures, and sounds, affecting a financial institution, for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

3. The object of the conspiracy was for defendant HO K. YU, a/k/a "Edmund Yu," and his co-conspirators to enrich themselves by fraudulently obtaining hundreds of thousands of dollars in small business loans to which they were not entitled.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," applied for small business loans on behalf of companies and individuals, some of whom resided in New York, who were unqualified to obtain such loans (hereinafter "the borrowers").

5. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," obtained from the various borrowers certain trade name certificates and certificates of

incorporation, and other documents to support the loan applications (hereinafter "supporting documents").

6. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," caused the supporting documents to be altered, thus falsely reflecting that the borrowers had been in business longer than they actually had been.

7. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," completed, and caused to be completed, the fraudulent loan applications. Specifically, the applications and supporting documents materially misrepresented the length of time that the businesses had been in existence so that the borrowers would qualify for a small business loan. At the time, most lenders would not extend credit to a businesses in existence less than two years.

8. It was further part of the conspiracy that based on the fraudulent loan applications and supporting documents, the lender granted hundreds of thousands of dollars in small business loans to the borrowers to which they were not entitled.

9. It was further part of the conspiracy that when the lender approved the loans, the loan proceeds were at times wired from outside New Jersey into the borrowers' accounts in New Jersey and New York.

All in violation of Title 18, United States Code, Section 1349.

COUNT TWO
(Conspiracy to Commit Wire Fraud Affecting Financial
Institutions)

1. The allegations set forth in paragraph 1 of Count One of this Information are reallaged and incorporated herein.

Background

2. At all times relevant to Count Two of this Information, S.P., a co-conspirator not named as a defendant herein, operated a tax preparation service in New York, New York.

The Conspiracy

3. From in or about 2006 through in or about January 2009, in the District of New Jersey and elsewhere, defendant

HO K. YU,
a/k/a "Edmund Yu,"

knowingly and intentionally conspired and agreed with S.P. and others to devise a scheme and artifice to defraud lenders who made loans, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce certain writings, signs, signals, pictures, and sounds, affecting financial institutions, for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

4. The object of the conspiracy was for defendant HO K. YU, a/k/a "Edmund Yu," and his co-conspirators to enrich themselves by fraudulently obtaining hundreds of thousands of dollars in small business loans to which they were not entitled.

Manner and Means of the Conspiracy

5. It was part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," applied for personal loans on behalf of individuals who were unqualified to obtain such loans (hereinafter "the borrowers").

6. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," obtained from the various borrowers information necessary to complete the loan applications.

7. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," made, and caused to be made, false entries on loan applications, including false entries concerning the borrowers' true income.

8. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," solicited and directed S.P., often by facsimile from New Jersey to New York, to create fraudulent documents, including pay stubs, Form W-2 Wage and Tax Statements, and U.S. Individual Income Tax Returns on Form 1040, to support the false entries contained in the loan applications.

9. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," submitted, and caused to be submitted, to the lenders the fraudulent documents prepared by S.P. to support the loan applications.

10. It was further part of the conspiracy that, based on the fraudulent loan applications and supporting documents, the lenders granted hundreds of thousands of dollars in personal business loans to the borrowers to which they were not entitled.

All in violation of Title 18, United States Code, Section 1349.

COUNT THREE
**(Conspiracy to Commit Wire Fraud Affecting Financial
Institutions)**

1. The allegations set forth in paragraph 1 of Count One of this Information are reallaged and incorporated herein.

Background

2. At all times relevant to Count Three of this Information:

a. S.H.P., a co-conspirator not named as a defendant herein, was a resident of Palisades Park, New Jersey and an illegal document broker.

b. H.I.S., a co-conspirator not named as a defendant herein, was a resident of Fort Lee, New Jersey and an illegal document broker who, at various times, was a partner with Co-Conspirator S.H.P.

c. Financial institutions (hereinafter collectively the "Corporate Victims") provided members of the public with banking and financial services, including establishing checking and savings accounts and issuing credit and debit cards, lines of credit and loans, and various companies and retail stores issued card cards and other forms of credit to customers.

Overview of the Scheme

3. At all times relevant to this Information, Co-Conspirator S.H.P. and Co-Conspirator H.I.S. fraudulently obtained and sold genuine social security cards to customers. These social security cards began with the prefix "586," which

prefix the United States government typically used on social security cards issued to individuals, usually from China, who worked in American territories. The "586" social security cards were then used to obtain genuine but fraudulently issued driver's licenses (hereinafter the "Fraudulent Identity" or "Fraudulent Identities").

4. Because the Fraudulent Identities had no corresponding credit histories or credit scores, defendant HO K. YU, a/k/a "Edmund Yu," profited by fraudulently "building up" or establishing credit histories and scores for the Fraudulent Identities. Defendant HO K. YU, a/k/a "Edmund Yu," knowing the Fraudulent Identities were unlawfully obtained and would be used to commit financial fraud, established credit histories and scores for the Fraudulent Identities by attaching these identities, as authorized users, to his credit card accounts and the credit cards accounts of other co-conspirators (hereinafter the "Build Up Teams"). As part of this build up process, defendant HO K. YU, a/k/a "Edmund Yu," made numerous false representations to credit card companies, such as providing false addresses for the Fraudulent Identities. By attaching the Fraudulent Identities to these credit card accounts, defendant HO K. YU, a/k/a "Edmund Yu," established credit histories and obtained perfect or near perfect credit scores for the Fraudulent Identities. The Corporate Victims relied on these credit

histories and scores when deciding whether or not to issue credit cards or loans to prospective applicants and to ensure the bona fides of the applicants.

5. After defendant HO K. YU, a/k/a "Edmund Yu," established credit histories and obtained perfect or near perfect credit scores for the Fraudulent Identities, Co-Conspirator S.H.P. and Co-Conspirator H.I.S. directed, coached, and assisted their customers to use the Fraudulent Identities to open bank accounts and to apply for credit cards. They then profited by using the fraudulently obtained bank accounts and credit cards to obtain merchandise, money, and other things of value.

The Conspiracy

6. From in or around early 2008 through on or about September 15, 2010, in Bergen County, in the District of New Jersey and elsewhere, defendant

HO K. YU,
a/k/a "Edmund Yu,"

knowingly and intentionally conspired and agreed with Co-Conspirator S.H.P., Co-Conspirator H.I.S., and others to devise a scheme and artifice to defraud the Corporate Victims, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce certain writings, signs, signals, pictures, and sounds, affecting

financial institutions, for the purpose of executing such scheme and artifice, contrary to Title 18, United States Code, Section 1343.

Object of the Conspiracy

7. The object of the conspiracy was for defendant HO K. YU, a/k/a "Edmund Yu," and his co-conspirators to enrich themselves by fraudulently obtaining in excess of \$1.3 million from the Corporate Victims to which they were not entitled.

Manner and Means of the Conspiracy

8. It was part of the conspiracy that Co-Conspirator S.H.P. and Co-Conspirator H.I.S. obtained and sold "586" social security cards to customers.

9. It was further part of the conspiracy that Co-Conspirator S.H.P. and Co-Conspirator H.I.S., and their co-conspirators, escorted hundreds of customers to various states to fraudulently obtain driver's licenses using "586" social security cards and other fraudulent documents.

10. It was further part of the conspiracy that Co-Conspirator S.H.P. and Co-Conspirator H.I.S. paid cash to defendant HO K. YU, a/k/a "Edmund Yu," to fraudulently establish credit histories and scores for the Fraudulent Identities.

11. It was further part of the conspiracy that defendant HO K. YU, a/k/a "Edmund Yu," using telephones and other forms of wire communications in interstate commerce, added these Fraudulent Identities, as authorized users, to his credit card accounts and the credit card accounts of the Build Up Teams.

12. It was further part of the conspiracy that Co-Conspirator S.H.P., Co-Conspirator H.I.S., and their customers used the Fraudulent Identities to establish bank accounts and to obtain credit cards.

13. It was further part of the conspiracy that Co-Conspirator S.H.P., Co-Conspirator H.I.S., and their customers used the fraudulently established bank accounts and fraudulently obtained credit cards to conduct banking and credit card transactions in New Jersey, New York, and elsewhere, resulting in over \$1.3 million in financial losses to the Corporate Victims.

All in violation of Title 18, United States Code, Section 1349.

Paul J. Fishman/rah

PAUL J. FISHMAN
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**HO K. YU,
a/k/a "Edmund Yu"**

INFORMATION FOR

Title 18, United States Code, Section 1349

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