
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

JOHN ECTOR

CASE NUMBER: 20 CR 386

UNDER SEAL

AMENDED CRIMINAL COMPLAINT

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

Code Section

Offense Description

Count One

Title 18, United States Code, Section
1344

On or about November 20, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant knowingly devised and participated in a scheme to defraud WebBank, and to obtain money owned by and under the custody and control of the WebBank by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting materially false information regarding his income to Web Bank.

Count Two

Title 18, United States Code, Section
1344

On or about November 20, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant knowingly devised and participated in a scheme to defraud Cross River Bank, and to obtain money owned by and under the custody and control of the Cross River Bank by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting materially false information regarding his income to Cross River Bank.

Count Three

Title 18, United States Code, Section
1344

On or about November 21, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant knowingly devised and participated in a scheme to defraud

The Huntington National Bank, and to obtain money owned by and under the custody and control of The Huntington National Bank by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting materially false information regarding his income to The Huntington National Bank.

Count Four

Title 18, United States Code, Section 1344

On or about November 20, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant knowingly devised and participated in a scheme to defraud Digital Federal Credit Union, and to obtain money owned by and under the custody and control of the Digital Federal Credit Union by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting materially false information regarding his income to Digital Federal Credit Union.

Count Five

Title 18, United States Code, Section 1344

On or about November 28, 2018, at Chicago, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant knowingly devised and participated in a scheme to defraud Unify Federal Credit Union, and to obtain money owned by and under the custody and control of the Unify Federal Credit Union by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting materially false information regarding his income to Unify Federal Credit Union.

This criminal complaint is based upon these facts:

X Continued on the attached sheet.

JORDAN SCHEID
Special Agent, Internal Revenue Service (IRS)

Pursuant to Fed. R. Crim. P. 4.1, this complaint is presented by reliable electronic means. The above-named agent provided a sworn statement attesting to the truth of the foregoing affidavit by telephone.

Date: July 24, 2020

Judge's signature

City and state: Chicago, Illinois

BETH W. JANTZ, U.S. Magistrate Judge

Printed name and title

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

AFFIDAVIT

I, Jordan Scheid, being duly sworn, state as follows:

1. I am a Special Agent with the Internal Revenue Service - Criminal Investigation. I have been so employed since approximately September 2011.

2. I am currently assigned to a High Intensity Drug Trafficking Area (“HIDTA”) Task Force. As part of my duties as an IRS-CI Special Agent, I investigate criminal violations related to tax crimes and financial crimes, including wire fraud, money laundering, bank fraud, and identity theft. I have participated in the execution of multiple federal search and seizure warrants. Based on my training and experience, I am familiar with the methods and practices used by individuals and organizations involved in illicit activities, which include cash purchases, purchasing monetary instruments with cash, the use of businesses in an attempt to legitimize and conceal their activities, and providing materially false information to financial institutions as a means to obtain assets and conceal the source of funds.

3. This affidavit is based on my personal knowledge, my experience and training, information provided to me by other law enforcement agents and the experience and training of those agents, and my review of various documents obtained during the course of this investigation.

FACTS IN SUPPORT OF PROBABLE CAUSE

I. Introduction and Background

4. This affidavit is being submitted for the limited purpose of establishing probable cause in support of a criminal complaint charging John ECTOR with bank fraud, in violation of Title 18, United States Code, Section 1344. In particular, as detailed below, between November 20 and November 28, 2018, ECTOR applied for bank loans from WebBank, Cross River Bank, The Huntington National Bank, Digital Federal Credit Union, and Unify Federal Credit Union, attempting to fraudulently obtain approximately \$140,000 in loan payments, of which he ultimately received approximately \$111,503.50. In his application for each of these loans, ECTOR misrepresented his employment status, falsely claiming to be an employee of a Chicago-based company (“Company A”) for which he has never worked. Further, in the case of Cross River Bank, Digital Federal Credit Union, and Unify Federal Credit Union, ECTOR additionally submitted false income verification documents.

LOAN APPLICATIONS

WebBank

5. On or about November 20, 2018, ECTOR applied for a \$35,000 loan through the online loan servicing website, Prosper Marketplace. According to a representative from Prosper Marketplace, as part of the application process, ECTOR was informed, by an agreement he was required to approve and by multiple disclosures on the online application platform, that his loan would be financed by

WebBank, an FDIC-insured institution. According to records obtained from Prosper Marketplace, ECTOR applied for a \$35,000 loan from Prosper Marketplace in support of which application Prosper Marketplace requested that ECTOR provide both personal and financial information about himself. To the end, ECTOR claimed to be an employee of Company A since March 2012 with annual income of \$133,000.

6. According to records from Prosper and JPMorgan Chase, ECTOR'S loan application was subsequently approved by Prosper; as a result of that approval, on or about November 29, 2018, \$33,250 in funds from WebBank were wired by Prosper to a JPMorgan Chase Bank account ending in number 5014, for which ECTOR is the sole authorized signatory.

Cross River Bank

7. On or about November 20, 2018, ECTOR applied for a \$35,000 loan through the online loan servicing website, Best Egg, in support of which application Best Egg requested that ECTOR provide both personal and financial information about himself. According to records received from Best Egg, as part of the application process, ECTOR was informed, by a loan agreement he digitally signed as well as a Truth in Lending Disclosure Statement provided to him, that his loan would be financed by Cross River Bank, an FDIC-insured institution. According to records from Best Egg, in his application, ECTOR claimed to be an employee of Company A, with a gross annual salary of \$133,000. ECTOR additionally provided an earning statement supposedly from Company A indicating that ECTOR had received \$112,540.56 gross annual pay from Company A as of November 15, 2018:

8. According to records from Cross River Bank and JPMorgan Chase, ECTOR'S loan application was subsequently approved by Cross River Bank and on or about November 30, 2018, \$33,253.50 of Cross River Bank's funds were wired to ECTOR's JPMorgan Chase Bank account ending in 5014.

The Huntington National Bank

9. On or about November 21, 2018, ECTOR applied for a \$20,000 loan from The Huntington National Bank, an FDIC-insured institution, in support of which application The Huntington National Bank requested that ECTOR provide both personal and financial information about himself. In his application, ECTOR claimed to be an employee of Company A for the prior seven years and seven months with a yearly gross salary of \$130,956.29.

10. According to records from The Huntington National Bank, ECTOR was issued a check for \$20,000 on November 21, 2018 in person at the Bank's location on West 47th Street in Chicago, Illinois. According to records from JPMorgan Chase, the check was deposited on or about November 22, 2018, into ECTOR's JPMorgan Chase Bank Account ending in 5014 via an ATM located at 353 W. 83rd Street in Chicago.

Digital Federal Credit Union

11. On or about November 20, 2018, ECTOR applied for a \$25,000 loan from Digital Federal Credit Union, a National Credit Union Share Insurance Fund-insured institution, in support of which application Digital Federal Credit Union requested that ECTOR provide both personal and financial information about himself. In his application, ECTOR claimed to be an operating engineer for Company

A for six years and three months with a gross monthly income of \$11,083. ECTOR additionally provided an earnings statement which appears to be the same earning statement that ECTOR provided to Cross River Bank—supposedly from Company A, indicating that ECTOR had received approximately \$112,540.56 gross pay from Company A as of November 15, 2018:

12. Based on records from Digital Federal Credit Union, ECTOR’S loan application was subsequently approved and a check was issued to ECTOR on November 27, 2018 for \$25,000 and mailed to ECTOR via Fed-Ex to ECTOR’s home in Chicago the next day.¹ Based on records from JPMorgan Chase, that same check which was deposited on or about November 29, 2018 into ECTOR’s JPMorgan Chase Bank account ending in 5014 via an ATM located at 353 W. 83rd Street in Chicago.

Unify Federal Credit Union

13. On or about November 27, 2018, ECTOR applied for a \$25,000 loan from Unify Federal Credit Union, a National Credit Union Share Insurance Fund-insured institution, in support of which application Unify Federal Credit Union requested that ECTOR provide both personal and financial information about himself. In his application, ECTOR reported his employment as an engineer with Company A and submitted two earning statements from Company A which indicated that ECTOR had been paid \$107,425 by Company A as of November 1, 2018, and \$112,540.56 as of November 15, 2018. ECTOR additionally provided a supposed W-2 indicating that

¹ Law enforcement has verified that the residence to which the loan check was mailed is ECTOR’s address based on Illinois Secretary of State records which indicate that ECTOR listed that address as his residence on his driver’s license.

in 2017, ECTOR had been paid \$133,002.48 by Company A. ECTOR additionally submitted a copy of his Illinois driver's license as part of the application.

14. Based on records from Unify Federal Credit Union, ECTOR'S loan application to Unify Federal Credit Union was denied, based on Unify's inability to verify ECTOR's employment or income.

FALSE STATEMENTS

15. As set forth below, contrary to his representations to WebBank, Cross River Bank, The Huntington National Bank, Digital Federal Credit Union, and Unify Federal Credit Union, ECTOR in fact has never been employed by Company A, and that the income-verification documents submitted to Cross River Bank, Digital Federal Credit Union, and Unify Federal Credit Union were false.

16. In particular, the Illinois Department of Employment Security has verified that for the time period from January 2017 to at least March 2019, there were no reported wages associated with ECTOR. In other words, there are no records of any employer in the State of Illinois reporting wages earned by ECTOR during that time period.

17. Further, law enforcement interviewed the owner of Company A. The owner of Company A verified that ECTOR was never an employee of Company A and that the earning statements and W-2's submitted by ECTOR were not generated by his company. The owner further explained that Company A is a small company with few employees and that had ECTOR been an employee, the owner would have known.

18. Further, law enforcement requested IRS income and tax records for ECTOR for the years 2012-2018. IRS provided law enforcement with ECTOR'S federal income tax records for the years 2012, 2015, 2016, and 2018, as well as a certification of lack of records from 2013, 2014, and 2017. ECTOR's IRS income records from the years 2012, 2015, 2016, and 2018 do not contain any indication that ECTOR reported income from Company A. Further, IRS provided law enforcement with records verifying that between 2012 and 2018, Company A never reported any wages earned by ECTOR.

II. CONCLUSION

19. Based on the foregoing, I submit that there is probable cause to believe that ECTOR knowingly devised and participated in a scheme to defraud WebBank, Cross River Bank, The Huntington National Bank, Digital Federal Credit Union, and Unify National Credit Union and to obtain money owned by and under the custody and control of the same by means of material false and fraudulent pretenses, representations, and promises, namely, by executing and attempting to execute said scheme by submitting loan applications in which ECTOR falsely claimed that he was employed and received income from Company A, as described above, in violation of Title 18, United States Code, Section 1344.

FURTHER AFFIANT SAYETH NOT.

JORDAN SCHEID
Special Agent, Internal Revenue Service

SUBSCRIBED AND SWORN to
telephonically on July 24, 2020.

Honorable BETH W. JANTZ
United States Magistrate Judge