2023R00923/BDB

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 24-
	:	
JOSEPH MCKEON,	:	18 U.S.C. § 1343
a/k/a "Jay McKeon"	:	18 U.S.C. § 1957
	:	

I N F O R M A T I O N

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Wire Fraud)

1. At all times relevant to this Information:

a. Defendant Joseph McKeon, a/k/a "Jay McKeon" ("MCKEON") resided in Westfield, New Jersey. MCKEON owned and controlled B & T Builders LLC, a/k/a "B & T Builder LLC" ("B & T BUILDERS"), a purported business in Westfield, New Jersey.

b. Company 1 was a loan marketplace platform company headquartered in Utah, with servers located in Virginia.

c. Lender 1 was a financial services company headquartered in New York.

d. Title Company 1 was a title company headquartered in Indiana.

e. Bank 1 was a financial institution headquartered in North

Carolina, where B & T BUILDERS held at least one checking account ending in -6485 ("Account 6485"). MCKEON was the sole signatory for Account 6485.

f. Bank 2 was a financial institution headquartered in Pennsylvania, where MCKEON held at least one checking account ending in -9741 ("Account 9741") under the name "Joseph McKeon dba Jay McKeon." MCKEON was the sole signatory for Account 9741.

g. Bank 3 was a financial institution headquartered in New York, where MCKEON held at least one checking account ending in -7290 ("Account 7290") under the name "First Time Properties LLC." MCKEON was the sole signatory for Account 7290.

h. Bank 4 was a financial institution headquartered in Indiana.

The Paycheck Protection Program

i. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was a federal law enacted in or around March 2020 designed to provide emergency financial assistance to Americans suffering economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to approximately $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 and around April 2020, Congress authorized over approximately $300 billion in additional PPP funding.

j. To obtain a PPP loan, a qualifying business had to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and to make certain affirmative certifications to be eligible to obtain the PPP loan. In the PPP loan application, the business (through its authorized representative) had to truthfully state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the business was eligible to receive under the PPP. In addition, a business applying for a PPP loan had to provide truthful supporting documentation, which could include the business's tax information, such as Internal Revenue Service ("IRS") Forms 941 and Forms 940.

k. A PPP loan application had to be processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own money, which was 100% guaranteed by the United States Small Business Administration ("SBA"). Data from the application, including information about the borrower, total amount of the loan, and listed number of employees was transmitted by the lender to the SBA when processing the loan.

l. PPP money had to be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be forgiven entirely if the business spent the money on these expense items within a designated period (usually eight weeks of receiving the money) and used at least 75% of the PPP money on payroll expenses.

The Scheme to Defraud

2. From in and around February 2021 through in and around February 2022, in Union County, in the District of New Jersey and elsewhere, the defendant,

JOSEPH MCKEON,
a/k/a "Jay McKeon,"

did knowingly and intentionally devise and intend to devise a scheme and artifice to defraud a victim lender, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice was in substance as set forth below.

Goal of the Scheme to Defraud

3. The goal of the scheme was for MCKEON to enrich himself by fraudulently obtaining and misusing federal COVID-19 emergency relief money.

Manner and Means of Scheme to Defraud

4. It was part of the scheme that:

a. Over the course of the scheme, MCKEON submitted or caused to be submitted, on behalf of B & T BUILDERS, two falsified and fraudulent PPP loan applications through Company 1 to Lender 1 to fraudulently obtain federal COVID-19 emergency relief money. MCKEON's fraudulent applications included false information concerning, among other things, B & T BUILDERS' average monthly payroll, gross revenue, and number of employees. It also contained fake supporting payroll, bank, and tax documents for B & T BUILDERS, including IRS Forms 941 and a Schedule C. To receive the PPP loan, MCKEON completed certain forms by signing them digitally.

b. In particular, on or about February 23, 2021, MCKEON submitted or caused to be submitted to Company 1 a falsified PPP loan application and falsified supporting documents on behalf of B & T BUILDERS seeking a loan for approximately $900,000 ("Application 1"). McKeon listed himself as the sole owner and primary contact for B & T BUILDERS, and digitally signed Application 1 using an internet protocol ("IP") address assigned to MCKEON's residential address in Westfield, New Jersey (the "Westfield Residence") and registered under MCKEON's name, phone number, and email address. The Westfield Residence was also B & T BUILDERS' business address listed on Application 1, as well as the address for B & T BUILDERS' registration with the State of New Jersey Division of Revenue & Enterprises Services. MCKEON's submission of Application 1 to Company 1 resulted in an interstate wire transaction from the Westfield Residence located in New Jersey through Company 1's servers located in Virginia.

c. On or about May 7, 2021, MCKEON submitted or caused to be submitted to Company 1 a second falsified PPP loan application and supporting documents on behalf B & T BUILDERS that was materially the same as the first application but included additional falsified supporting documents ("Application 2," and together with Application 1, the "Applications"). The Applications falsely stated that B & T Builders had 60 employees and an average monthly payroll of $360,000. In fact, B & T BUILDERS had no employees and no payroll.

d. The Applications and their respective supporting documents were subsequently transmitted by Company 1 to Lender 1 on behalf of MCKEON. On or about June 17, 2021, MCKEON's false and fraudulent representations and omissions caused Lender 1 to disburse approximately $900,000 in loan proceeds into Account 0741 at Bank 1, which was intended for federal COVID-19 emergency relief.

e. On or about February 21, 2022, MCKEON submitted or caused to be submitted a loan forgiveness application to Lender 1 for the approximately $900,000 in disbursed loan proceeds. On or about November 22, 2022, the SBA remitted approximately $900,000 in principal and $13,068.49 in interest to Lender 1, which approved the loan forgiveness application.

f. MCKEON withdrew a significant amount of the loan proceeds as cash and transferred loan proceeds between and among accounts he controlled, including from Account 0741 to Account 9741 at Bank 2 and Account 7290 at Bank 3. He also transferred approximately $315,503.75 in loan proceeds to an account at Bank 4 owned and controlled by Title Company 1.

Execution of the Scheme to Defraud

5. On or about February 23, 2021, in Union County, in the District of New Jersey and elsewhere, the defendant,

JOSEPH MCKEON,
a/k/a "Jay McKeon,"

for the purpose of executing and attempting to execute the scheme described above, did knowingly transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce certain writings, signs, signals, pictures, and sounds, namely, the online submission of Application 1 to Company 1 from Westfield, New Jersey through servers in Virginia.

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

<u>COUNT TWO</u>
(Money Laundering)

1. The allegations set forth in Paragraphs 1, 3, and 4 of Count One of this Information are realleged here.

2. On or about July 12, 2022, in Union County, in the District of New Jersey and elsewhere, the defendant,

JOSEPH MCKEON,
a/k/a "Jay McKeon,"

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 value greater than $10,000, that is, causing a transfer of approximately $315,503.75 from Account 6485 at Bank 1 to Title Company 1's account at Bank 4, such property having been derived from a specified unlawful activity, that is, wire fraud, contrary to of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1957(a).

FORFEITURE ALLEGATION AS TO COUNT ONE

Upon conviction of the offense in violation of Title 18, United States Code, Section 1343, as charged in Count One of this Information, defendant JOSEPH MCKEON shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the commission of such offense.

The property to be forfeited includes, but is not limited to, the following assets (hereafter collectively referred to as the "Specific Property"):

a. Approximately $294,757.04 that was seized on or about August 14, 2024, from Bank 1 account ending in -6485, held in the name of B&T Builders LLC; and

b. Approximately $36,308.95 that was seized on or about August 14, 2024, from Bank 2 account ending in -9741, held in the name of Joseph McKeon DBA Jay McKeon.

FORFEITURE ALLEGATION AS TO COUNT TWO

Upon conviction of the offense in violation of Title 18, United States Code, Section 1957, as charged in Count Two of this Information, defendant JOSEPH MCKEON shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property. The property to be forfeited includes, but is not limited to, the Specific Property.

SUBSTITUTE ASSETS PROVISION
(Applicable to All Forfeiture Allegations)

If any of the above-described forfeitable property, as a result of any act of omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

Philip R. Sellinger

PHILIP R. SELLINGER
United States Attorney
District of New Jersey

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UNITED STATES OF AMERICA

v.

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a/k/a "Jay McKeon"

INFORMATION FOR

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18 U.S.C. § 1957

PHILIP R. SELLINGER
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