

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

FILED

DEC 04 2025 J.P.

AT 8:00 1:40 PM M
CLERK, U.S. DISTRICT COURT - DNJ

UNITED STATES OF AMERICA : Hon. Evelyn Padin
:
v. : Crim. No. 25- 765
:
SABRINA MITLO and : 18 U.S.C. § 1349
JOSEPH MITLO :

I hereby attest and certify on 12/5/2025
that the foregoing document is a full, true,
and correct copy of the original on file
in my office, and in my legal custody.

CLERK, U.S. DISTRICT COURT
DISTRICT OF NEW JERSEY

DEPUTY CLERK

INDICTMENT

The Grand Jury in and for the District of New Jersey, sitting at Newark,
charges as follows:

COUNT ONE

(Conspiracy to Commit Bank Fraud)

Background

1. At all times relevant to this Indictment:

Individuals and Entities

a. Defendant Sabrina Mitlo ("SABRINA MITLO") resided in
Piscataway, New Jersey.

b. Defendant Joseph Mitlo ("JOSEPH MITLO"), resided in
Piscataway, New Jersey.

c. SABRINA MITLO controlled Dependable Surplus and Salvage
LLC ("Dependable Surplus"), a purported scrap metal recycling and salvage business
based in Middlesex, New Jersey, and elsewhere.

d. JOSEPH MITLO controlled All State General Construction LLC
("All State Construction"), a purported seal coating and paving business based in
Piscataway, New Jersey, and elsewhere.

e. Individual-1 was an accountant who resided in Florida.

f. Non-Employee-1 was an individual who never worked at Dependable Surplus, yet payroll checks were purportedly issued to him.

g. Lender-1 and Lender-2 were each “financial institutions” within the meaning of Title 18, United States Code, Section 20.

h. Financial Institution-1 was a “financial institution” within the meaning of Title 18, United States Code, Section 20.

i. Payroll Company-1 was a provider of payroll services headquartered in Roseland, New Jersey.

j. Check Cashing Company-1 was a check cashing service with operations in Carteret, New Jersey.

The Paycheck Protection Program

k. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 designed to provide emergency financial assistance to the millions of Americans 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, or PPP.

l. To obtain a PPP loan, a business had to submit a PPP loan application signed by an authorized representative of the business. The applicant of a PPP loan was required to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. In the PPP loan

application, the applicant had to truthfully state, among other things, its average monthly payroll expenses and number of employees. These figures were used to determine whether the business was eligible for a PPP loan and to calculate the amount of money the business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses, such as tax forms and bank statements. A business applying for a PPP loan also had to provide truthful supporting documentation, which could include the business's tax information, such as Internal Revenue Service ("IRS") Forms 941 (Employer's Quarterly Tax Returns) and 940. IRS Form 940 is the employer's annual federal unemployment tax return that includes representations regarding payroll.

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

n. PPP loan proceeds could be used by the business only for certain permissible expenses, including payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business used the loan proceeds on these expense items within a designated period after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Bank Fraud Conspiracy

2. From in or around May 2020 through in or around July 2020, in the District of New Jersey and elsewhere, the defendants,

**SABRINA MITLO and
JOSEPH MITLO,**

did knowingly and intentionally conspire and agree with each other and others to execute a scheme and artifice to defraud financial institutions, Lender-1 and Lender-2, the deposits of which were insured by the Federal Deposit Insurance Corporation, and to obtain the moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, Lender-1 and Lender-2, by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344(2).

Object of the Conspiracy

3. The object of the conspiracy was for the defendants to financially enrich themselves by fraudulently obtaining PPP loan proceeds intended for small businesses distressed by the COVID-19 pandemic through the submission of fraudulent loan applications that included false statements and attached false and forged documentation.

4. It was a further object of the conspiracy for the defendants to financially enrich themselves by obtaining the fraudulent PPP loan proceeds by creating false payroll documentation, including payroll checks, and cashing those fraudulent payroll checks for their personal financial benefit.

Manner and Means of the Conspiracy

5. It was part of the scheme that:

a. SABRINA MITLO and JOSEPH MITLO submitted and caused to be submitted false and fraudulent PPP loan applications on behalf of Dependable Surplus and All State Construction, seeking federal COVID-19 emergency relief money.

b. Each fraudulent application contained, among other things, false information about the respective company's number of employees and average monthly payroll and included false and fraudulent supporting tax documents, including false IRS Forms 940 and 941.

Fraudulent Application-1

c. On or about May 13, 2020, SABRINA MITLO submitted or caused to be submitted a false and fraudulent PPP application to Lender-1 for Dependable Surplus seeking approximately \$550,657 (the "Application-1"). Application-1 represented that the PPP loan would be used for payroll and utilities, and it listed SABRINA MITLO as Dependable Surplus' owner, along with SABRINA MITLO and JOSEPH MITLO's home address in Piscataway, New Jersey ("Piscataway Residence") as her residence.

d. Application-1 falsely represented that Dependable Surplus had approximately 20 employees and an average monthly payroll of approximately \$220,263. In reality, Dependable Surplus had no employees and paid no wages before the submission of Application-1.

e. Application-1 also included false and fraudulent tax documents that Individual-1 generated and provided to SABRINA MITLO at SABRINA MITLO's request, including a false IRS Form 940 for tax year 2019 and false Forms 941 for all four quarters of 2019 and the first quarter of 2020.

f. The false Form 940 stated that Dependable Surplus had paid approximately \$2,643,167 to approximately 20 employees in 2019. The false Forms 941 each listed identical payroll figures of approximately \$660,791 paid to approximately 25 employees. However, neither the Form 940, nor any of the Forms 941, were ever actually filed with the IRS.

g. Based on the false and fraudulent representations in Application-1, on or about May 18, 2020, Lender-1 disbursed approximately \$550,657 into a Dependable Surplus account at Financial Institution-1 that SABRINA MITLO controlled ("Dependable Surplus Account-1").

h. On or about May 19, 2020, SABRINA MITLO opened a second bank account at Financial Institution-1 on behalf of Dependable Surplus ("Dependable Surplus Account-2"). SABRINA MITLO directed the illicit loan proceeds from Dependable Surplus Account-1 to Dependable Surplus Account-2.

i. On or about May 21, 2020, SABRINA MITLO enrolled Dependable Surplus in payroll services provided by Payroll Company-1. SABRINA MITLO authorized Payroll Company-1 to debit Dependable Surplus Account-2 for the purpose of issuing payroll to purported employees of Dependable Surplus.

j. To effectuate the fraud scheme and take possession of the ill-gotten proceeds, SABRINA MITLO caused Payroll Company-1 to issue payroll checks

out of Dependable Surplus Account-2 to purported Dependable Surplus employees that did not in fact work at Dependable Surplus. Instead of remitting these checks to those purported employees, SABRINA MITLO personally cashed them at Check Cashing Company-1 and kept the proceeds of those checks, falsely claiming that she was doing so on behalf of one or more of the purported employees that did not in fact work at Dependable Surplus.

k. For example, on or about May 29, 2020, SABRINA MITLO cashed a check issued to Non-Employee-1 in the amount of approximately \$1,455.72 at Check Cashing Company-1.

Fraudulent Application-2

l. On or about May 20, 2020, JOSEPH MITLO submitted or caused to be submitted a false and fraudulent PPP application to Lender-2 for All State Construction seeking approximately \$165,140 (the "Application-2"). Application-2 represented that the PPP loan would be used for payroll and utilities, and it listed JOSEPH MITLO as the owner of All State Construction, along with the Piscataway Residence as his residence.

m. Application-2 falsely represented that All State Construction had approximately 10 employees and an average monthly payroll of approximately \$66,056. In reality, All State Construction had no employees and paid no wages before the submission of Application-2.

n. Application-2 also included false and fraudulent tax documents that Individual-1 generated and provided to JOSEPH MITLO at JOSEPH MITLO's

request, including false IRS Forms 941 for the first quarters of tax years 2019 and 2020.

o. Each false Form 941 listed identical payroll figures of approximately \$198,168 paid to approximately 10 purported employees. However, neither of the Forms 941 were ever actually filed with the IRS.

p. Based on the false and fraudulent representations in Application-2, on or about May 21, 2020, Lender-2 disbursed approximately \$165,140 into an All State Construction account at Financial Institution-1 that JOSEPH MITLO controlled ("All State Construction Account-1").

q. On or about May 26, 2020, JOSEPH MITLO's purported electronic signature appeared on account opening documents used to open a second bank account at Financial Institution-1 on behalf of All State Construction ("All State Construction Account-2"). Illicit loan proceeds from All State Construction Account-1 were subsequently transferred to All State Construction Account-2.

r. On or about May 26, 2020, All State Construction was enrolled in payroll services provided by Payroll Company-1. SABRINA MITLO and JOSEPH MITLO authorized Payroll Company-1 to debit All State Construction Account-2 for the purpose of issuing payroll to purported employees of All State Construction.

s. To effectuate the fraud scheme and take possession of the ill-gotten proceeds, SABRINA MITLO and JOSEPH MITLO caused Payroll Company-1 to issue payroll checks out of All State Construction Account-2 to purported All State Construction employees that did not in fact work at All State Construction. Instead of remitting these checks to those purported employees, SABRINA MITLO personally

cashed them at Check Cashing Company-1 and kept the proceeds of those checks, falsely claiming that she was doing so on behalf of one or more purported employees that did not work at All State Construction.

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

FORFEITURE ALLEGATION

Upon conviction of the conspiracy offense charged in this Indictment, defendants SABRINA MITLO and JOSEPH MITLO shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of the offense charged in this Indictment.

SUBSTITUTE ASSET PROVISION

If any of the property described above, as a result of any act or omission of the defendants charged in this Indictment:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred to 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 18 United States Code, Section 982(a)(1) and Title 28 United States Code, Section 2461(c), to seek forfeiture of any other property of such defendants up to the value of the forfeitable property described above.

A TRUE BILL



FOREPERSON

TODD BLANCHE
U.S. Deputy Attorney General

/s/ *Alina Habba* / bah
ALINA HABBA
Acting U.S. Attorney
Special Attorney

/s/ *Robert L. Toll*
Robert L. Toll
Assistant United States Attorney