
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Hon. Mark Falk
:
v. : Mag. No. 19-3801
:
JENNIE FRIAS : **CRIMINAL COMPLAINT**
a/k/a "Jenny Frias" :
a/k/a "Jennie Castillo" :
: **UNDER SEAL**

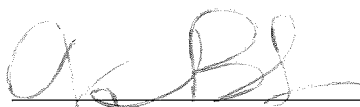
I, Jamie Brooks, being duly sworn, state the following is true and correct to the best of my knowledge and belief:

SEE ATTACHMENT A

I further state that I am a Special Agent with the Federal Deposit Insurance Corporation Office of Inspector General, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.



Jamie Brooks, Special Agent
Federal Deposit Insurance Corporation
Office of Inspector General

Sworn to before me and subscribed in my presence,
September 9, 2019 in Essex County, New Jersey



HONORABLE MARK FALK

UNITED STATES MAGISTRATE JUDGE
Signature of Judicial Officer

ATTACHMENT A

**Count 1
(Conspiracy to Commit Bank Fraud)**

From in or about March 2016 through on or about May 2018, in Bergen County, in the District of New Jersey, and elsewhere, defendant

JENNIE FRIAS a/k/a "Jennie Castillo"

knowingly and intentionally conspired and agreed with others to execute and attempt to execute a scheme and artifice to defraud financial institutions, as defined in Title 18, United States Code, Section 20, including Victim Bank 1 and Victim Bank 2, whose deposits were insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of those financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344.

In violation of Title 18, United States Code, Section 1349.

ATTACHMENT B

I, Jamie Brooks, am a Special Agent with the Federal Deposit Insurance Corporation Office of Inspector General ("FDIC-OIG"). I am fully 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 photographs of the evidence. Where statements of others are related herein, they are related in substance and part. 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 I assert that an event took place on a particular date, I am asserting that it took place on or about the date alleged.

BACKGROUND

1. At all times relevant to this complaint,
 - a. Cash Flow Partners, LLC ("Cash Flow"), was a business-consulting firm with offices in New Jersey and New York.
 - b. Defendant Jennie Frias, a/k/a "Jenny Castillo," a/k/a "Jenny Frias" ("FRIAS") was an employee at Cash Flow, who worked in the company's New Jersey office. FRIAS controlled a personal email account (the "FRIAS Email Account"), which FRIAS used to send the emails discussed in this Complaint. Emails from the FRIAS Email Account were lawfully obtained as part of the investigation.
 - c. "Coconspirator 1" was a resident of New York and worked in the New York office of Cash Flow. He was a sales broker employed by Cash Flow, where he helped individuals obtain bank loans. Coconspirator 1 controlled a personal email account (the "Coconspirator 1 Email Account"), which he used to send the emails discussed in this Complaint. Emails from the Coconspirator 1 Email Account were lawfully obtained as part of the investigation.
 - d. The "Payroll Company" was a New Jersey corporation that provided payroll processing services and reports to its client companies.
 - e. Victim Bank 1 and Victim Bank 2 were federally insured financial institutions, as that term is defined in Title 18, United States Code, Section 20.

THE SCHEME TO DEFRAUD

2. Beginning at least as early as in or about March 2016 through in or about May 2018, defendant FRIAS, Coconspirator 1, and others, known and unknown (the "Coconspirators"), participated in a bank fraud conspiracy designed to obtain loans from Victim Banks, including Victim Bank 1 and Victim

Bank 2 on the basis of false and fraudulent pretenses and representations. To date, the losses associated with the conspiracy exceed \$4,500,000.

3. The investigation has revealed that the scheme generally unfolded in several steps. First, Cash Flow released internet advertisements and held seminars offering to assist customers with low-paying salaries in obtaining loans. Customers contacted Cash Flow in hopes of obtaining loans in response to Cash Flow advertisements and seminars, and were connected with a salesperson in Cash Flow's Sales Department. Customers then submitted documentation supporting their bank loan applications to Cash Flow.

4. Second, the "File Building Department" at Cash Flow collected customers' loan application documents, including pay stubs and income tax documents. If a customer was not employed, employees in the File Building Department falsely stated that the customer was employed somewhere they were not, and created phony pay stubs for a job not held by the customer. If a customer did not earn enough money to qualify for a bank loan, employees in the File Building Department falsely boosted the customer's salary.

5. Third, once a file was "built," the File Building Department forwarded customers' loan application documents to the "Funding Department," which directed the process by which Cash Flow obtained bank loans for its customers, by, for example, corresponding with customers and Victim Banks, and preparing bank loan applications for submission. Coconspirators in the Funding Department, including FRIAS, who became the Director of the Funding Department, worked with employees in the File Building Department to create false documentation to make customers' loan applications appear more financially viable than they actually were. Employees in the Funding Department submitted the loan applications that included the false documentation that the Coconspirators had created to the Victim Banks and took steps to pose as the loan applicants when communicating with the Victim Banks. For example, employees in the Funding Department remotely controlled computers located at the homes of the loan applicants to submit documents to the Victim Banks. Funding Department employees also took possession of the loan applicants' cell phones and communicated with the Victim Banks posing as the loan applicants.

Misrepresentations to Victim Bank 1 - Customer 1

6. On or about June 22, 2016, Coconspirator 1 sent an email to FRIAS identifying a customer loan applicant ("Customer 1"). Coconspirator 1 stated that Customer 1 was employed as a "NY Crossing guard / New York Police Department Precinct [REDACTED]", and, "We need to create her another job because she does not make enough as the crossing guard." Based on my knowledge of the investigation and my experience in law enforcement, I believe that Coconspirator 1 requested that FRIAS alter Customer 1's actual occupation

as a crossing guard for which she did “not make enough” to a higher paying occupation in order to make it more likely that Victim Bank 1 would grant a loan to Customer 1.

7. On or about June 29, 2016, FRIAS emailed Coconspirator 1, and attached false IRS W-2 tax forms for 2014 and 2015, a false 1040 tax form, and false payroll records purportedly from the Payroll Company. The attached documents contained false information regarding Customer 1’s employment that Coconspirator 1 told FRIAS to include. The falsified IRS W-2 tax forms for 2014 and 2015 both stated that Customer 1 was employed by “NEW YORK-PRESBYTERIAN.” The false 1040 tax form stated that Customer 1’s occupation was “MEDICAL ASSISTANT,” and that Customer 1’s salary was \$69,899. The three false payroll records purportedly from the Payroll Company stated that Customer 1’s “year to date” earnings were \$31,403.74 (as of June 9, 2016), \$32,769.12 (as of June 16, 2016), and \$34,134.50 (as of June 23, 2016). All three payroll records falsely stated that Customer 1 was employed by “NEW YORK-PRESBYTERIAN,” as Coconspirator 1 had requested. Law enforcement contacted the Payroll Company who was unable to locate any payroll records for Customer 1.

8. On or about July 11, 2016 at 4:26 P.M., an employee of Victim Bank 1 used a bank email address to email Coconspirator 1, and the employee stated, “I just finished up with [Customer 1]. [Customer 1] told me to let you know, so you can send over her doc’s [sic].” On or about July 11, 2016 at 4:28 P.M., Coconspirator 1 responded, “how much she got pre approve [sic] for?” At approximately 4:29 P.M., the bank employee responded, “It says pending decision still. Just waiting on someone to pick up the application for review.” Based on my knowledge of the investigation and my experience in law enforcement, I believe that the bank employee told Coconspirator 1 that he should send Customer 1’s loan application documents to Victim Bank 1 in order to apply for the loan, that Coconspirator 1 did so, and that the bank’s decision was pending.

9. On or about July 12, 2016 at approximately 10:21 A.M., the bank employee emailed Coconspirator 1, and stated, “They are offering [Customer 1] 15K. Seems like she may have opened another loan that’s why we can onpy [sic] offer her this much. If thats [sic] fine send me over her info.” Attached to the email were the IRS W-2 tax forms for 2014 and 2015, a 1040 tax form, and the payroll records described above. At approximately 10:44 A.M., Coconspirator 1 responded, “SHE SAID IS FINE.” At approximately 11:29 A.M., the bank employee responded, “Okay, docs have been sent.” Based on my knowledge of the investigation and my experience in law enforcement, I believe that the bank employee told Coconspirator 1 that the loan application documents, which contained false representations, were submitted to Victim Bank 1 in order to obtain a loan for Customer 1.

Misrepresentations to Victim Bank 2 - Customer 2

10. On or about July 18, 2016, Coconspirator 1 emailed FRIAS identifying a customer loan applicant ("Customer 2"), and asked FRIAS to "Please make a job he has excellent credit." Based on my knowledge of the investigation and my experience in law enforcement, I believe that Coconspirator 1 requested that FRIAS create a false job description for Customer 2 in order to make Customer 2 appear to be a more financially viable loan applicant.

11. On or about July 18, 2016 at approximately 3:43 P.M., FRIAS sent an email to Coconspirator 1 in Spanish. FRIAS requested, in sum and substance, that Coconspirator 1 send FRIAS the customer loan information because FRIAS wanted the commission payment for the week. At approximately 3:46 P.M., a Cash Flow employee sent an email to FRIAS attaching false loan application documents for Customer 2, including IRS tax forms 1040 for 2014 and 2015, IRS tax forms W-2 for 2014 and 2015, and payroll records purportedly from the Payroll Company. At approximately 3:55 P.M., FRIAS forwarded the false loan application documents to Coconspirator 1. The forwarded IRS tax forms 1040 for 2014 and 2015 both stated that Customer 2's occupation was "MANAGER," with a salary of \$119,225 in 2014 and \$124,788 in 2015. The falsified IRS W-2 tax forms for 2014 and 2015 both stated that Customer 2 was employed by "City Elevator Company," with a salary of \$119,225.83 in 2014 and \$124,788.02 in 2015. The three attached payroll records falsely stated that Customer 1's "year to date" earnings were \$62,394.28 (as of June 30, 2016), \$64,794.06 (as of July 7, 2016), and \$67,193.84 (as of July 14, 2016). Just like the tax forms, the payroll records stated that Customer 1 was employed by "City Elevator Company." Law enforcement contacted the Payroll Company who was unable to locate any employment or payroll records for Customer 2 at City Elevator Company.

12. On or about July 20, 2016, Coconspirator 1 emailed an employee at Victim Bank 2, and stated, "He said that he wants \$35,000." Coconspirator 1 attached the false payroll records and IRS W-2 forms for 2014 and 2015 described above. Based on my knowledge of the investigation and my experience in law enforcement, I believe that Coconspirator 1 sent the Victim Bank 2 employee false payroll records and IRS tax forms in order to obtain a \$35,000 loan for Customer 2.

Additional Misrepresentations - Customers 3, 4, and 5

13. During the course of the conspiracy, FRIAS and Coconspirator 1 exchanged numerous additional emails regarding the creation of false occupations and salaries in order to make loan applicants appear to have a greater ability to repay loans than they actually had. For example:

a. On or about June 22, 2016, Coconspirator 1 emailed FRIAS identifying a customer ("Customer 3") and stated, "Please boost the income to \$90,000."

b. On or about August 1, 2016, Coconspirator 1 emailed FRIAS identifying a customer ("Customer 4") and stated, "please put it for \$125,000."

c. Additionally, on or about August 1, 2016, Coconspirator 1 emailed FRIAS identifying a customer ("Customer 5") and stated, "We need to create a job for him for at least \$130,000 because his debt ratio is very high but has good credit."