
UNITED STATES DISTRICT COURT DISTRICT
OF NEW JERSEY

UNITED STATES OF AMERICA : Mag. No. 21- 10189
 :
 v. : Hon. Michael A. Hammer
 :
 ELIA ZOIS : **CRIMINAL COMPLAINT**
 :

I, Joseph Patricola, 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 Department of Labor (OIG), and that this Complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached page and made a part hereof.

Joseph Patricola

Joseph Patricola, Special Agent DOL (OIG)
Special Agent Joseph Patricola

This Affidavit attest to this day by telephone pursuant to FRCP 4.1(b)(2)(A) on the 21 day of May, 2021

MICHAEL A. HAMMER

HONORABLE MICHAEL A. HAMMER
UNITED STATES MAGISTRATE JUDGE

ATTACHMENT A

COUNT ONE

(Concealment in Bankruptcy)

1. On or about February 6, 2019, defendant Elia Zois (“ZOIS”) filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code. That case was captioned In re: Elia Zois (and spouse) (Debtors), Case No. 19-12566 D.N.J. (KCF). In his bankruptcy petition, ZOIS made false declarations and statements under penalty of perjury and fraudulently concealed from the United States Trustee assets and property belonging to the bankruptcy estate.

2. Specifically, in his Statement of Financial Affairs, ZOIS concealed and failed to disclose his ownership of BUSINESS-1 and approximately \$2,900,000 in income he had received in the prior four years as a partner in a New Jersey health care company (“HCC-1”).

3. On or about February 6, 2019, in the District of New Jersey, the defendant,

ELIA ZOIS,

knowingly and fraudulently concealed from a custodian, trustee, marshal, and other officer of the court charged with the control and custody of property, and, in connection with a case under Title 11, from the United States Trustee and creditors, property belonging to the estate of a debtor.

In violation of Title 18, United States Code, Section 152(1) and Section 2.

ATTACHMENT B

1. I, Joseph Patricola, am a Special Agent with the Department of Labor (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, depositions and evidentiary documents. 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.

Introduction

At all times relevant to this Criminal Complaint:

- a. On or about February 6, 2019, ZOIS and his spouse, a resident of New Jersey, filed for relief under Chapter 7 in the United State Bankruptcy Court for the District of New Jersey. In his filings, ZOIS alleged that he had \$9,000 in assets and approximately \$201,000,000 in liabilities. A Trustee was appointed on February 7, 2019. The Trustee retained an accounting firm to conduct a forensic review of ZOIS' assets, including bank records of BUSINESS-1, of which ZOIS was the sole owner. The review period coincided with a November 2014 IRS lien having been imposed on the ZOIS' assets, including his residential estate.
- b. Beginning in January 2014, ZOIS was one of five partners of BUSINESS-2, a New Jersey-based organization that maintains as many as 50 senior living facilities throughout New Jersey, Michigan, and Wisconsin. Each partner had a 20% interest in BUSINESS-2. For the four years of the bankruptcy petition, from in or about January 2015

through 2018, ZOIS received a total distribution of approximately \$11 million from BUSINESS-2.

- c. On or about July 30, 2019, forensic accountants submitted a report to the Trustee that concluded, over the four year bankruptcy period, up to the filing date in February 2019, ZOIS received \$2.9 million in deposits into his BUSINESS-1 bank account, which he used to support a lavish lifestyle for himself, his family members and others. Moreover, as much as \$200,000 was deposited into BUSINESS-1's bank account after the bankruptcy petition had been submitted in February 2019. ZOIS' use of BUSINESS-1 to conceal a portion of his income was intended to circumvent the existing IRS lien on his assets.
- d. On January 29, 2020, pursuant to Rule 2004, ZOIS was deposed under oath by the bankruptcy trustee, based upon the findings found in the forensic accountant's report. In answering questions about his use of BUSINESS-1's bank account for his personal use, ZOIS admitted the following:

Q: Is it correct that at the time of your bankruptcy filing you were using the [BUSINESS-1 bank] account to both deposit money, and pay personal expenses, among other things, for you and your family ?

A: Yes.

Q: Why were you using the [BUSINESS-1 bank] account?

A: I think I was so afraid of the IRS coming and taking everything and leaving me with no money, that I started using [BUSINESS-1] and it just became the account I used.

Q: Is it correct to say that all the money that goes into the [BUSINESS-1 bank] account at [BANK-1] is your money, Mr. Zois?

A: Yeah.

Q: Do you recall ever directing [BUSINESS-2] specifically to make distribution payments to the [BUSINESS-1 bank] account?

A: I probably, at some point, had to give them the account information to make the distribution.

Q: Would it be fair to say that the \$216,000 in 2018 listed for your father, and the \$702,000 in 2017 and so on, if those payments hadn't been made to your father, you were entitled to the money ?

A: Yes.

Q: Was the money that you received from Atrium the money you used for living expenses?

A: Yes.

- e. As revealed in his answers, under oath, the defendant ZOIS candidly admitted he knowingly concealed property from the trustee and the Bankruptcy Court, specifically the \$2.9 million dollars in income in the BUSINESS-1 bank account, during the four years of the bankruptcy petition.