
**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA

:
Hon. James B. Clark, III

v.

:
Mag. No. 22-12029

JEAN E. RABBITT and
KEVIN AGUILAR

:
CRIMINAL COMPLAINT

I, Special Agent Francis Mace, being duly sworn, state that 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 pages and made a part hereof.

Special Agent Francis Mace
Federal Deposit Insurance Corporation
Office of Inspector General

Special Agent Francis Mace attested to this Complaint by telephone pursuant to Federal Rule of Criminal Procedure 4.1(b)(2)(A).

March 1, 2022
Newark, New Jersey

HONORABLE JAMES B. CLARK, III
UNITED STATES MAGISTRATE JUDGE



Signature of Judicial Officer

ATTACHMENT A**Counts One through Seven**
(Bank Fraud)

From at least in or about April 2020 through at least in or about October 2021, in the District of New Jersey and elsewhere, defendant

JEAN E. RABBITT

did knowingly and intentionally execute and attempt to execute a scheme and artifice to defraud one or more financial institutions, as defined by 18 U.S.C. § 20, to wit: Lender 1, Lender 2, and Lender 3 (the “Lenders”), the deposits of which were each insured by the Federal Deposit Insurance Corporation, and to obtain moneys, funds, and credits owned by and under the control of such financial institutions by means of materially false and fraudulent pretenses, representations, and promises, namely RABBITT submitted fraudulent loan applications for Paycheck Protection Program (“PPP”) funds as set forth below:

Count	Approximate Submission Date	Name of Business Applicant	Approximate Amount Approved	Lender
One	4/16/20	Showtime Trucking LLC	\$412,953	Lender 1
Two	4/20/21	Showtime Trucking LLC	\$402,952	Lender 1
Three	4/27/20	Showtime TTR XPO, Inc.	\$507,325	Lender 2
Four	2/10/21	Showtime TTR XPO, Inc.	\$507,107	Lender 2
Five	5/6/20	TTS Terminal Corp.	\$398,515	Lender 2
Six	3/22/21	TTS Terminal Corp.	\$398,515	Lender 2
Seven	5/17/20	American Consolidated Freightways Corp.	\$698,200	Lender 3

In violation of Title 18, United States Code, Sections 1344 and 2.

Count Eight

**(Conspiracy to Engage in Monetary Transactions in Property
Derived from Specified Unlawful Activity)**

From in or around October 13, 2020, through in or around January 12, 2022, in the District of New Jersey, and elsewhere, defendants,

**JEAN E. RABBITT and
KEVIN AGUILAR**

did knowingly and intentionally conspire and agree with each other and other persons to knowingly engage and attempt to engage in monetary transactions by, through, or to a financial institution, in and affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, derived from a specified unlawful activity, that is, bank fraud, contrary to Title 18, United States Code, Section 1957.

In violation of Title 18, United States Code, Sections 1956(h) and 2.

Count Nine

**(Engaging in Monetary Transactions in Property
Derived from Specified Unlawful Activity)**

On or about October 14, 2020, in the District of New Jersey and elsewhere, defendant

JEAN E. RABBITT

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 greater value than \$10,000, that is, the transfer by check of \$69,825 in U.S. currency from the bank account of American Consolidated Freightways Inc. to the bank account of Global Payroll Corporation, such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Sections 1957 and 2.

Count Ten

**(Engaging in Monetary Transactions in Property
Derived from Specified Unlawful Activity)**

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

KEVIN AGUILAR

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 greater value than \$10,000, that is, the transfer by check of \$238,374 in U.S. currency from the bank account of Executive Payroll Services Inc. to the bank account of Capital Payroll Processing Company, Inc., such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Sections 1957 and 2.

ATTACHMENT B

I, Francis Mace, a Special Agent with the Federal Deposit Insurance Corporation (“FDIC”), Office of Inspector General (“OIG”), having conducted an investigation and having discussed this matter with other law enforcement officers who have participated in this investigation, have knowledge of the following facts. Because this Complaint is being submitted for the limited purpose of establishing probable cause, I have not included each and every fact known to me concerning this investigation. Rather, I have set forth only the facts that I believe are necessary to establish probable cause. Unless specifically indicated otherwise, all dates and amounts described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

Overview of the Scheme to Defraud

1. Defendant Jean E. Rabbitt (“RABBITT”) used a variety of false representations to fraudulently obtain at least approximately \$3.3 million in federal COVID-19 emergency relief loans meant for distressed small businesses. To obtain the loans, RABBITT submitted at least seven falsified loan applications to three different lenders on behalf of four of RABBITT’s purported businesses. On these loan applications, RABBITT falsified numerous pieces of information, including the number of employees at RABBITT’s businesses, the federal tax returns for RABBITT’s businesses, and the payroll documentation. Based upon RABBITT’s material misrepresentations, the loan proceeds were disbursed into RABBITT’s accounts. RABBITT misused the loan proceeds, sent the illegally obtained proceeds through various sham payroll companies created and controlled by defendant Kevin Aguilar (“AGUILAR”), and ultimately transferred the proceeds to companies AGUILAR created between September 2020 and August 2021. RABBITT and AGUILAR then utilized the proceeds to purchase residential property and pay for personal expenses. RABBITT then submitted fraudulent Paycheck Protection Program (“PPP”) loan forgiveness applications that resulted in over \$2 million in loss to the U.S. Small Business Administration (“SBA”).

Background

2. At all times relevant to this Complaint:
- a. RABBITT was a resident of New Jersey, New York, and Texas. RABBITT owned and controlled the following companies: TTS Terminal Corp., American Consolidated Freightways Corp., Showtime Trucking LLC, Showtime TTR XPO Inc. (the “Borrower Companies”).
 - b. AGUILAR was a resident of New Jersey, New York, and Texas. AGUILAR owned and controlled the following businesses: Atlantic Commercial

Payroll Corp., Capital Payroll Processing Company, Inc., Global Payroll Corporation, and Executive Payroll Services, Inc. (the “Sham Payroll Companies”). AGUILAR also owned and controlled Eichler & Eben Holdings, Inc.; Angel Ridge LP.; and Westwood, Washington & McKown Development LLC (the “Beneficiary Companies”).

c. Between 2012 and the present, RABBITT and AGUILAR have resided together in at least three residences—one in Norwich, New York, one in Farmingdale, New Jersey, and one in Frisco, Texas; and they received mail at the same addresses. In addition, one of AGUILAR’s companies, Eichler & Eben Holdings, Inc., made regular payments towards rent at their residences and to one of RABBITT’s credit card companies.

d. Lender 1 was a financial institution insured by the FDIC headquartered in North Carolina and a member bank of the Federal Home Loan Bank system.

e. Lender 2 was a financial institution insured by the FDIC headquartered in New Jersey and a member bank of the Federal Home Loan Bank system.

f. Lender 3 was a financial institution insured by the FDIC headquartered in North Carolina and a member bank of the Federal Home Loan Bank system.

The Paycheck Protection Program

g. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act is a federal law enacted in or about March 2020 designed to provide emergency financial assistance to millions of 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 \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the PPP. In or about April 2020, Congress authorized over \$300 billion in additional PPP funding.

h. To obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The loan application requires the business—through its authorized representative—to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. In the loan application, the small business must state, among other things, its: (a) average monthly payroll expenses;

and (b) number of employees. These figures are used to calculate the amount of money the business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

i. A PPP loan application must be processed by a participating lender. If a loan application is approved, the participating lender funds the loan using its own money, which is 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

j. PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

k. A PPP loan borrower may qualify for full loan forgiveness if during the 8- to 24-week covered period following loan disbursement, (i) employee and compensation levels are maintained, (ii) the loan proceeds are spent on payroll costs and other eligible expenses, and (iii) at least 60% of the proceeds are spent on payroll costs. A borrower can apply for forgiveness once all loan proceeds for which the borrower is requesting forgiveness have been used. To seek forgiveness, the borrower must submit an application to the lender, providing a range of information and supporting documentation to establish eligibility for forgiveness. Once the borrower furnishes a completed application, the lender then applies to the SBA for forgiveness, furnishing the information provided by borrower. Based on the borrower's information furnished by the lender, the SBA determines whether the PPP loan qualifies, in whole or in part, for forgiveness.

The Fraudulent PPP Loan Applications

3. From at least in or about April 2020 through at least in or about May 2021, RABBITT submitted, or caused to be submitted, falsified loan applications to approved lenders, including Lender 1, Lender 2, and Lender 3, to fraudulently obtain funds through the PPP.

4. On each application, RABBITT falsely stated as follows:

a. That the Borrower Companies would use the PPP loan proceeds for business-related purposes consistent with the PPP.

b. That the Borrower Companies had employees for whom it paid salaries and payroll taxes.

c. That the Borrower Companies needed the PPP loans to support their ongoing operations.

d. That the Borrower Companies would use the PPP loans to retain workers and maintain payroll or making certain covered mortgage interest payments, leases payments, and utility payments, as specified within the PPP.

e. That the information she furnished for each of the Borrower Companies in the PPP applications and supporting documentation was true and accurate in all material respects. RABBITT further certified that she understood that knowingly making false statements to obtain the PPP loans for the Borrower Companies was punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

5. There is probable cause to believe that the information and documents provided by RABBITT in support of the Borrower Companies' PPP applications were fraudulent for multiple reasons.

6. If the four Borrower Companies did, in fact, have employees, they would be required to file certain documents with the IRS. Specifically, each of the four Borrower Companies are required to file an IRS Form 941 each quarter, and a Form 940 each year, reporting to the IRS certain information regarding wages paid, taxes withheld, and number of employees. RABBITT submitted documents on behalf of the Borrower Companies purporting to be these forms, however, the Borrower Companies filed no such documents with the IRS, which indicates that the forms were falsified to create the appearance of legitimate payroll activity.

7. Each of the Borrower Companies purportedly operate within the United States. As such, if the Borrower Companies did, in fact, have employees, each of the Borrower Companies would be required to file certain payroll records with the Social Security Administration ("SSA"). However, the SSA has no record of any payroll records for any of the Borrower Companies. Information obtained from the SSA revealed that the Borrower Companies reported no wages paid for the period between 2018 and 2020.

8. Furthermore, as a Special Agent with FDIC OIG having experience reviewing legitimate payroll records, I am familiar with how these records appear in the ordinary course. Based on my knowledge and experience, several indicia of

fraud are apparent in the purported payroll records that RABBITT submitted on behalf of the Borrower Companies (the “Submitted Payroll Records”).

9. In many instances, the Submitted Payroll Records indicated that each Borrower Company employed the same number of employees from one quarter to the next. In contrast, legitimate payroll records typically show fluctuations in the size of a company’s workforce, reflecting that, during the course of a year, employees can quit, be fired, retire, or be hired.

10. Certain of the Submitted Payroll Records also indicated that all employees received the same amount in compensation each quarter. For example, payroll records submitted in connection with the PPP loan for American Consolidated Freightways Corp., shows that for each quarter in 2019, the company employed 36 employees, all which earned \$23,275.20 in gross quarterly pay. In contrast, the payroll records for companies similar in size to the claimed size of the Borrower Companies would typically show that different employees earn different amounts of money. This would reflect that different employees were compensated differently based on, for instance, job type, experience, number of hours worked, overtime, bonuses, or change in employment status (*i.e.*, all else being equal, an employee that is hired mid-quarter should receive less in compensation than an employee who worked for the company throughout the relevant time period).

11. Certain of the Submitted Payroll Records also indicated that all employees worked the same number of hours in a particular quarter. For example, payroll records submitted in connection with the PPP loan for American Consolidated Freightways Corp. shows that each of its 36 employees worked 520 hours in the quarter. In contrast, payroll records for companies similar in size to the claimed size of the Borrower Companies would typically show that different employees worked different amounts of time during the year. This variation in hours would reflect, among other things, sick time, vacation time, overtime, or part-time arrangements.

The Sham Payroll Companies and the Beneficiary Companies

12. After the four Borrower Companies received PPP funds, AGUILAR used the Sham Payroll Companies to fraudulently receive PPP loan proceeds disguised as weekly payroll payments. Based on my knowledge and experience, several indicia of fraud are apparent in these records.

13. There is no evidence that the Sham Payroll Companies employ any staff. Specifically, the SSA has no records of the Sham Payroll Companies paying wages to any employees. Similarly, the Sham Payroll Companies have not filed Form 940s with the Internal Revenue Service indicating taxes having been paid for any employees.

14. Based on my knowledge and experience, companies such as the Borrower Companies would be expected to have payroll obligations that fluctuate from week to week. Payroll records that are identical from week to week are indicative of fraud. Here, after receiving the PPP loans, and after AGUILAR created the Sham Payroll Companies, the Borrower Companies began making regular payments to the Payroll Companies via check. Those checks typically included a memorandum that the payment was for payroll for a specific period of time. In almost all cases, the Borrower Companies' checks were identical in amount.

15. Furthermore, a review of the banking records shows that, prior to the Borrower Companies' first transfers to the Payroll Companies in October 2020, there were no other similar payments. Given that the Borrower Companies made fixed payments, ostensibly for payroll, approximately once per week after receiving the PPP funds, and that those transfers were almost uniformly identical from week to week for each of the Borrower Companies, I would expect to see the Borrower Companies making similar payments before receiving the PPP funds if the Borrower Companies did, in fact, have legitimate payroll. Based on my knowledge and experience, the absence of such transfers prior to the PPP loans indicates the aforementioned checks were not, in fact, for payroll.

16. Based on my knowledge and experience, after an employer makes transfers to a payroll company for the purpose of meeting its payroll obligations, the payroll company then issues paychecks (either electronically or in hard copy) to employees. Here, however, after the Borrower Companies issued checks to the Sham Payroll Companies, the bank accounts for the Sham Payroll Companies show no evidence that payroll payments were made to individual employees. Instead, those banking records show that money was shifted between the Sham Payroll Companies and then, eventually, to the Beneficiary Companies. Once the money reached the Beneficiary Companies, RABBITT and AGUILAR utilized the funds for general living expenses, including debt and credit card payments, and to purchase real property.

The Fraudulent PPP Loan Forgiveness Applications

17. In September and October of 2021, RABBITT submitted fraudulent and falsified applications for forgiveness for at least four of the PPP loans received by the Borrower Companies.

18. On each PPP loan forgiveness application, RABBITT falsely stated that:

a. "The dollar amount for which forgiveness is requested ... was used to pay business costs that are eligible for forgiveness (payroll costs to retain employees; business mortgage interest payments; business rent or lease payments;

business utility payments; covered operations expenditures; covered property damage costs; covered supplier costs; or covered worker protection expenditures).”

b. “The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects.”

c. “The tax documents I have submitted to the Lender (if applicable) are consistent with those the Borrower has submitted or will submit to the IRS and/or state tax or workforce agency.”

19. In connection with the PPP loan forgiveness application, RABBITT submitted falsified and fraudulent payroll records and tax forms that purported to show that the PPP loan proceeds were spent on eligible expenses.

20. In signing each PPP loan forgiveness application, RABBITT attested as follows:

a. “I understand that if the funds were knowingly used for unauthorized purposes, the federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges.”

b. “I understand that knowingly making a false statement to obtain forgiveness of an SBA-guaranteed loan is punishable under the law, including 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.”

21. RABBITT’s false and fraudulent statements caused the Lenders to seek SBA’s forgiveness of the loans under the PPP. Based on the Lenders’ applications, SBA granted forgiveness on four of the loans, causing the SBA to pay the loan balance to each of the Lenders. As a result of those payments, the SBA paid a total of approximately \$2,016,993 to the Lenders, thereby extinguishing the Borrower Companies’ obligations under certain of the PPP loan agreements.

Showtime Trucking LLC

22. RABBITT owned and controlled Showtime Trucking, LLC, a New York limited liability company, formed on or about September 12, 2018. RABBITT opened bank accounts for Showtime Trucking, LLC in 2019.

23. On or about April 16, 2020, Lender 1 received a PPP application in the name of Showtime Trucking LLC seeking a PPP loan in the amount of \$412,953.

The application was submitted in RABBITT's name and identified her as the owner of Showtime Trucking LLC.

24. Showtime Trucking LLC's application to Lender 1 contained the following materially false and fraudulent information:

a. RABBITT submitted five fraudulent payroll documents showing purported payroll records for the time period from January 1, 2019, through February 15, 2020. Information obtained from the SSA revealed that Showtime Trucking LLC reported no wages paid for the period between January 1, 2019, through February 15, 2020. Likewise, a review of information obtained from the IRS revealed that no Employer's Quarterly Tax Return Form 941 for Showtime Trucking LLC were filed for between January 1, 2019, through February 15, 2020.

b. Each of the five fraudulent payroll documents indicated that Showtime Trucking LLC had 22 employees, and that each employee earned the exact same amounts as each other during each of the five time periods listed. For instance, for the first quarter of 2019, payroll records showed 22 employees each earning \$18,000; in the second quarter, those same 22 employees were reported to have each earned \$19,500; in the third quarter, those same employees were reported to have each earned \$21,375; and in the fourth quarter, each of those 22 employees were reported to have each earned \$24,750. Payroll records for approximately the first 8 weeks of 2020 report those same 22 employees having each earned \$13,125 each.

c. In addition, on the PPP application, RABBITT falsely stated that the purpose of the loan was for "payroll." RABBITT further falsely stated that Showtime Trucking LLC had 21 employees with an average monthly payroll of \$183,750.

d. The PPP application included a fraudulent Form 940, Annual Federal Unemployment Tax Return that falsely indicated that Showtime Trucking LLC paid \$1,872,375.00 to employees in 2019 when, in fact, no such payments were made. A review of information obtained from the IRS revealed that Showtime Trucking LLL did not file any Employer's Annual Federal Unemployment Tax Return Form 940 for 2019.

25. The first draw PPP loan funds totaling \$412,953 were disbursed to Showtime Trucking LLC on or about May 4, 2020.

26. On or about April 20, 2021, Lender 1 received a second PPP application in the name of Showtime Trucking LLC seeking a PPP loan in the amount of \$402,952. The application was submitted in RABBITT's name and identified her as the owner of Showtime Trucking LLC.

27. In support of Showtime Trucking LLC's second PPP loan application, Lender 1 relied upon the fraudulent previously submitted payroll documents showing Showtime Trucking LLC's purported payroll records for the time period between January 1, 2019, through February 15, 2020.

28. The second draw PPP loan funds totaling \$402,952 were disbursed to Showtime Trucking LLC on or about May 3, 2021.

29. Between on or about October 19, 2020, and September 9, 2021, Showtime Trucking, LLC transferred approximately \$577,500 to Atlantic Commercial Payroll Corp. via 14 checks each for approximately \$41,250. Those payments were made approximately once per week. All of the checks bear RABBITT's signature. AGUILAR owned and controlled the Sham Payroll Company Atlantic Commercial Payroll Corp., which was formed on or about June 1, 2020. AGUILAR opened a bank account for Atlantic Commercial Payroll Corp. on or about September 4, 2020.

30. On or about October 4, 2021, RABBITT submitted a fraudulent PPP loan forgiveness application for Showtime Trucking LLC to Lender 1. In connection with the PPP loan forgiveness application, RABBITT submitted falsified and fraudulent payroll records and tax forms that purported to show that the PPP loan proceeds were spent on eligible expenses. RABBITT also falsely attested that the PPP loan had been used to pay eligible expenses, that the information she provided in the application was true and correct, and that the purported tax documents she submitted were consistent with those the borrower had submitted or will submit to the IRS and/or state tax or workforce agency. As a result of this fraudulent application, the SBA forgave \$402,953 of the PPP loan to Showtime Trucking LLC.

Showtime TTR XPO Inc.

31. RABBITT owned and controlled Showtime Trucking TTR XPO Inc., a New York corporation formed on or about August 1, 2017. RABBITT opened bank accounts for Showtime Trucking TTR XPO Inc. in 2019.

32. On or about April 27, 2020, Lender 2 received a PPP application in the name of Showtime TTR XPO Inc. seeking a PPP loan in the amount of \$507,325. The application was submitted in RABBITT's name and listed her as the owner of Showtime TTR XPO Inc.

33. Showtime TTR XPO Inc.'s application to Lender 2 contained the following materially false and fraudulent information:

a. A payroll document showing purported payroll records for the time period between January 1, 2019, through February 22, 2020. Information obtained from the SSA revealed that Showtime TTR XPO Inc. reported no wages paid for the period between January 1, 2019, through February 22, 2020. Likewise, a review of

information obtained from the IRS revealed that no Employer's Annual Federal Unemployment Tax Return Form 940, or Employer's Quarterly Tax Return Form 941 for Showtime TTR XPO were filed for the period between January 1, 2019, through February 15, 2020.

b. The document indicates that Showtime TTR XPO Inc. had 25 employees, and that each employee earned the exact same amount during each period. Specifically, each of the 25 employees listed on the purported payroll document were listed as earning precisely \$14,979.20.

c. In addition, on the PPP application, RABBITT falsely stated that the purpose of the loan was to "[r]etain workers and maintain payroll." RABBITT further falsely stated that Showtime TTR XPO Inc. had 25 employees with an average monthly payroll of \$202,930.

34. The first draw PPP loan funds totaling \$507,325 were disbursed to Showtime TTR XPO Inc. on or about May 11, 2020.

35. On or about February 10, 2021, Lender 2 received a second PPP application in the name of Showtime TTR XPO Inc. seeking a PPP loan in the amount of \$507,107. The application was submitted in RABBITT's name and listed her as the owner of Showtime TTR XPO Inc.

36. Showtime TTR XPO Inc.'s second application to Lender 2 contained the following materially false and fraudulent information:

a. RABBITT falsely stated that Showtime TTR XPO Inc. had 25 employees with an average monthly payroll of \$202,930. Information obtained from the SSA revealed that Showtime TTR XPO Inc.'s reported no wages paid for the period between January 1, 2019, through December 31, 2019, and information obtained from the IRS revealed that no Employer's Quarterly Tax Return Form 941 for Showtime TTR XPO were filed for the period between January 1, 2019, through December 31, 2019.

b. RABBITT also submitted a fraudulent IRS Form 940 for 2019 that reported Showtime TTR XPO Inc.'s employees earned a total of \$2,434,120 in 2019, when in fact, no such payments were made. A review of information obtained from the IRS revealed that no Employer's Annual Federal Unemployment Tax Return Form 940 for TTR XPO, Inc. was filed with the IRS for the period between January 1, 2019, through December 31, 2019.

37. The second draw PPP loan funds totaling \$507,107, were disbursed to Showtime TTR XPO, Inc. on or about April 9, 2021.

38. Between October 14, 2020, and September 2, 2021, Showtime TTR XPO, Inc. transferred approximately \$825,026 to Global Payroll Corp. via eight checks – four of those payments were in the amount of approximately \$112,344; three of those payments were in the amount of approximately \$93,620; and one payment was in the amount of approximately \$94,790. All of the checks bear RABBITT's signature. AGUILAR owned and controlled the Sham Payroll Company Global Payroll Corp., which was formed on or about July 6, 2020. AGUILAR opened two bank accounts for Global Payroll Corp. on or about September 4, 2020.

39. On or about September 20, 2021, RABBITT submitted a fraudulent PPP loan forgiveness application for Showtime TTR XPO, Inc. to Lender 2. In connection with the PPP loan forgiveness application, RABBITT submitted falsified and fraudulent payroll records and tax forms that purported to show that the PPP loan proceeds were spent on eligible expenses. RABBITT also falsely attested that the PPP loan had been used to pay eligible expenses, that the information she provided in the application was true and correct, and that the purported tax documents she submitted were consistent with those the borrower had submitted or will submit to the IRS and/or state tax or workforce agency. As a result of this fraudulent application, the SBA forgave \$506,718 of the PPP loan to Showtime TTR XPO, Inc.

TTS Terminal Corp.

40. RABBITT owned and controlled TTS Terminal Corp., a New York corporation formed on or about July 30, 2018. RABBITT opened bank accounts for TTS Terminal Corp. in 2020.

41. On or about May 6, 2020, Lender 2 received a PPP application in the name of TTS Terminal Corp. seeking a PPP loan in the amount of \$398,515. The application was submitted in RABBITT's name and listed her as the owner of TTS Terminal Corp.

42. TTS Terminal Corp.'s application to Lender 2 contained the following materially false and fraudulent information:

a. Fraudulent IRS Form 941s, in support of TTS Corp.'s PPP loan application, showing purported payroll payments for the time period from January 1, 2019, through December 31, 2019. Information obtained from the SSA revealed that TTS Terminal Corp. reported no wages paid for the period between January 1, 2019, through December 31, 2019. Likewise, a review of information obtained from the IRS revealed that no Employer's Quarterly Tax Return Form 941 for TTS Corp was filed for the period between January 1, 2019, through December 31, 2019.

b. Several of the fraudulent documents, which report quarterly wages, indicated that TTS Terminal Corp. had 20 employees, and that the reported wages in 2019 were the same amount each quarter.

c. The PPP application included a fraudulent IRS Form 940, Annual Federal Unemployment Tax Return, falsely indicating that the company paid \$1,912,872.00 to employees in 2019 when, in fact, no such payments were made. A review of information obtained from the IRS revealed that no Employer's Annual Federal Unemployment Tax Return Form 940 was filed by TTS Terminal Corp. for the period between January 1, 2019, through December 31, 2019.

d. In addition, in the PPP application, RABBITT falsely stated that TTS Terminal Corp. sought the PPP loan to "retain workers and maintain payroll" and that it had 20 employees, with an average monthly payroll of \$159,406.

43. The first draw PPP loan funds totaling \$398,515 were disbursed to TTS Terminal Corp. on or about May 12, 2020.

44. On or about March 22, 2021, Lender 2 received a second PPP application in the name of TTS Terminal Corp. seeking a PPP loan in the amount of \$398,515. The application was submitted in RABBITT's name and listed her as the owner of TTS Terminal Corp.

45. TTS Terminal Corp.'s second PPP Application to Lender 2 contained the following materially false and fraudulent information:

a. Fraudulent IRS Form 940 for 2019 and fraudulent IRS Form 941 for each quarter of 2019, showing TTS Terminal had 20 employees and paid the employees a total of \$1,912,872 in 2019. Information obtained from the SSA revealed that TTS Terminal Corp. reported no wages paid for the period between January 1, 2019, through December 31, 2019. Likewise, a review of information obtained from the IRS revealed that no Employer's Annual Federal Unemployment Tax Return Form 940, or Employer's Quarterly Tax Return Form 941 for TTS Corp were filed for the period between January 1, 2019, through December 31, 2019.

46. The second draw PPP loan funds totaling \$398,515 were disbursed to TTS Terminal Corp. on or about April 8, 2021.

47. Between on or about October 16, 2020, and September 7, 2021, TTS Terminal transferred approximately \$555,756 to Executive Payroll Services, Inc. in 13 installments of approximately \$39,729, and one installment of approximately \$39,279. Those payments were made approximately once per week. All of the checks bear RABBITT's signature. AGUILAR owned and controlled the Sham Payroll Company Executive Payroll Services, Inc., which was formed on or about July 6, 2020. AGUILAR opened two bank accounts for Executive Payroll Services, Inc. on or about September 4, 2020.

48. On or about September 21, 2021, RABBITT submitted a fraudulent PPP loan forgiveness application for TTS Terminal Corp. to Lender 2. In connection with the PPP loan forgiveness application, RABBITT submitted falsified and

fraudulent payroll records and tax forms that purported to show that the PPP loan proceeds were spent on eligible expenses. RABBITT also falsely attested that the PPP loan had been used to pay eligible expenses, that the information she provided in the application was true and correct, and that the purported tax documents she submitted were consistent with those the borrower had submitted or will submit to the IRS and/or state tax or workforce agency. As a result of this fraudulent application, the SBA forgave \$398,515 of the PPP loan to TTS Terminal Corp.

American Consolidated Freightways Corp.

49. RABBITT owned and controlled American Consolidated Freightways Corp., a New York corporation formed on or about June 7, 2019. RABBITT opened bank accounts for American Consolidated Freightways Corp. in 2020.

50. On or about May 17, 2020, Lender 3 received a PPP application in the name of American Consolidated Freightways Corp. seeking a PPP loan in the amount of \$698,200. The application was submitted in RABBITT's name and listed her as the owner of American Consolidated Freightways Corp.

51. American Consolidated Freightways Corp.'s application to Lender 3 contained the following materially false and fraudulent information:

a. False and fraudulent payroll summary documents showing purported payroll records for the time period from January 1, 2019, through December 28, 2019. The falsified documents indicate that American Consolidated Freightways Corp. had 36 employees, and that each employee worked the exact same number of hours and earned the exact same amount during each of the four submitted time periods.

b. False and fraudulent IRS Form 941s, in support of American Consolidated Freightways Corp.'s PPP loan application, purporting to show that the company made payroll payments to 36 employees each quarter in 2019. The application also included a false and fraudulent IRS Form 940 for the year 2019, reporting that American Consolidated Freightways Corp. paid a total of \$3,351,628.80 to its employees. Information obtained from the SSA revealed that American Consolidated Freightways Corp. reported no wages paid for the period between January 1, 2019, through December 31, 2019. Likewise, a review of information obtained from the IRS revealed that no Employer's Annual Federal Unemployment Tax Return Form 940, or Employer's Quarterly Tax Return Form 941 for American Consolidated Freightways Corp. were filed for the period between January 1, 2019, through December 31, 2019.

c. Moreover, on the PPP application, RABBITT falsely reported that American Consolidated Freightways Corp. had 36 employees, with an average monthly payroll of \$279,302.40.

52. The first draw PPP loan funds totaling \$698,200 were disbursed to American Consolidated Freightways Corp. on or about June 9, 2020.

53. Between on or about October 14, 2020, through December 7, 2020, American Consolidated Freightways Corp. transferred approximately \$698,250 to Global Payroll Corp. in 10 installments of approximately \$69,825. Those payments were made approximately once per week and include the payment on October 14, 2020, of \$69,825 referenced in Count 9. All of the checks bear RABBITT's signature. AGUILAR owned and controlled the Sham Payroll Company Global Payroll Corp., which was formed on or about July 6, 2020. AGUILAR opened two bank accounts for Global Payroll Corp. on or about September 4, 2020.

54. On or about October 8, 2021, RABBITT submitted a fraudulent PPP loan forgiveness application for American Consolidated Freightways Corp. to Lender 3. In connection with the PPP loan forgiveness application, RABBITT submitted falsified and fraudulent payroll records and tax forms that purported to show that the PPP loan proceeds were spent on eligible expenses. RABBITT also falsely attested that the PPP loan had been used to pay eligible expenses, that the information she provided in the application was true and correct, and that the purported tax documents she submitted were consistent with those the borrower had submitted or will submit to the IRS and/or state tax or workforce agency. As a result of this fraudulent application, the SBA forgave \$698,200 of the PPP loan to American Consolidated Freightways Corp.

**Transfers Between the Sham Payroll Companies
and the Beneficiary Companies**

55. Atlantic Commercial Payroll Corp., Global Payroll Corp., Executive Payroll Corp., and Capital Payroll Processing Company were all Sham Payroll Companies controlled by AGUILAR and were all formed on June 1, 2020, and July 6, 2020. AGUILAR opened up bank accounts for the Sham Payroll Companies in 2020 and 2021.

56. Between on or about February 10, 2021, and September 15, 2021, Atlantic Commercial Payroll Corp. transferred at least approximately \$575,965 to Capital Payroll Processing Company in two transactions.

57. Between on or about February 5, 2021, and February 12, 2021, Global Payroll Corp. transferred at least approximately \$1,204,033 to Capital Payroll Processing Company, Inc. in three transactions.

58. Between on or about February 5, 2021, and September 14, 2021, Executive Payroll Corp. transferred at least approximately \$555,111 to Capital Payroll Processing Co. Inc. in three transactions. The first payment was made on or about Feb. 5, 2021, via check signed by AGUILAR, in the amount of approximately \$238,374, and is the transaction referenced in Count 10. The second transfer was

made on or about February 11, 2021, in the amount of approximately \$157,729, via wire transfer. The third transfer was made on or about September 14, 2021, in the amount of approximately \$159,008.50, via check signed by AGUILAR.

59. As a result of the transfers set forth above, Capital Payroll Processing Company, Inc. received approximately \$2,335,109 in PPP funds that the Borrower Companies had transferred to the Sham Payroll Companies.

60. After receiving the funds set forth above, Capital Payroll Processing Company, Inc. then transferred funds to the Beneficiary Companies. Once the funds were in the possession of the Beneficiary Companies, AGUILAR and RABBITT utilized the funds for general living expenses, including debit and credit card payments, and to purchase real property.

61. Eichler and Eben Holdings, Inc.; Angel Ridge, LP; and Westwood, Washington & McKown Development LLC were all Beneficiary Companies controlled by AGUILAR and were all formed in 2020 and 2021 as set forth below.

62. In six transactions between on or about February 16, 2021, and February 22, 2021, Capital Payroll Processing Company, Inc. transferred approximately \$2,008,259 to Eichler and Eben Holdings, Inc., a company controlled by AGUILAR and formed on or about September 9, 2020.

63. Between on or about February 16, 2021, and February 17, 2021, Eichler & Eben Holdings, Inc. transferred at least approximately \$1,162,000 to a land title company in Sherman, Texas via wire transfers. Bank records show that at least one of those wire transfers was directed by a person using a computer with an Internet Protocol (or "IP") address registered to the Farmingdale home where RABBITT and AGUILAR are believed to have resided together. Those funds were then used to purchase real property in Sherman, Texas. The real property was held in the name of Angel Ridge, LP, a company controlled by AGUILAR and formed on or about January 26, 2021.

64. On or about September 2, 2021, Eichler & Eben Holdings, Inc. transferred at least approximately \$303,794 to a land title company in Sherman, Texas. Those funds were then used to purchase real property in Sherman, Texas. The real property is held in the name of Westwood, Washington, & McKown Development LLC, a company controlled by AGUILAR and formed on or about August 2, 2021.