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F.# 2020R00617

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
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UNITED STATES OF AMERICA

- against -

GELPYS JOEL PERALTA-GUTIERREZ,
also known as “Joel Peralta,”

Defendant.

COMPLAINT AND
AFFIDAVIT IN SUPPORT
OF APPLICATION FOR AN
ARREST WARRANT

(18 U.S.C. §§ 1343, 2 and 3551 et seq.)

Case NO. 21-MJ-250

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EASTERN DISTRICT OF NEW YORK, SS:

ALEXANDER TURCZAK, being duly sworn, affirms and states that he is a Special Agent with the Federal Bureau of Investigation (“FBI”), duly appointed according to law and acting as such.

On or about and between June 1, 2020 and August 1, 2020, within the Eastern District of New York and elsewhere, the defendant GELPYS JOEL PERALTA-GUTIERREZ, also known as “Joel Peralta,” together with others, did knowingly and intentionally devise a scheme or artifice to defraud the United States Small Business Administration (the “SBA”), in order to obtain money and property from the SBA, to wit, proceeds of forgivable loans under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, by means of one or more materially false and fraudulent pretenses, representations and promises, and for the purpose of executing such scheme and artifice, did transmit and cause to be transmitted, by means of wire communication in interstate commerce, writings, signs, signals, pictures and sounds, to wit, an

electronic transmission of fraudulent Paycheck Protection Program (the “PPP”) loan applications and falsified supporting documents.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

The source of your affiant’s information and the grounds for his belief are as follows:¹

1. I have been a Special Agent with the FBI for approximately three years. I am currently assigned to an FBI squad that investigates financial crimes. As a Special Agent, I have investigated numerous matters during the course of which I have conducted physical and electronic surveillance, interviewed witnesses, executed court-authorized search warrants and used other investigative techniques to secure relevant information regarding a variety of crimes.

2. I have personally participated in the investigation of fraud by the defendant GELPYS JOEL PERALTA-GUTIERREZ, also known as “Joel Peralta,” as discussed below. I am familiar with the facts and circumstances set forth below from my personal review of records, documents and other physical evidence obtained during this investigation, and from communications and information provided to me by fellow agents and other government personnel with knowledge related to this investigation. Except as explicitly set forth below, I have not distinguished in this affidavit between facts of which I have personal knowledge and facts of which I learned from other law enforcement agents.

I. The Paycheck Protection Program

At all times relevant to this Complaint, unless otherwise indicated:

3. The CARES Act was a federal law enacted on or about March 29, 2020 to

¹ Because the purpose of this Complaint is to set forth only those facts necessary to establish probable cause to arrest the defendant GELPYS JOEL PERALTA-GUTIERREZ, I have not described all the relevant facts and circumstances of which I am aware.

provide emergency financial assistance to the millions of Americans who were 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 the PPP. On or about April 24, 2020, \$310 billion in additional PPP funding was authorized by Congress.

4. The PPP allowed qualifying small businesses and other organizations to receive unsecured loans on favorable terms. Recipient businesses were obligated to use PPP loan proceeds for certain specified expenses, including payroll costs, interest on mortgages, rent and utilities. The PPP provided for forgiveness of the loan principal and interest if recipient businesses spent the proceeds on these specified expenses within a limited time period and used a certain percentage for payroll costs.

5. The PPP was overseen by the SBA, which had authority over all loans. Individual PPP loans, however, were issued by approved private lenders who received and processed PPP applications and supporting documentation, and then, following SBA approval, made loans using the lenders' own funds.

6. The amount of PPP funds a business could receive was determined by the number of employees it employed and its average payroll costs for a period of 2.5 months. Businesses that applied for a PPP loan were required to provide documentation, such as Internal Revenue Service (the "IRS") Form W-3, to confirm that they had in the past paid employees the compensation listed on the application.

II. The Economic Injury Disaster Loan Program

7. The Economic Injury Disaster Loan ("EIDL") program was overseen by the SBA that was designed to provide long-term, low-interest loans for small businesses affected

by various natural and economic disasters. The CARES Act provided funding for EIDL loans for businesses affected by the COVID-19 pandemic. In contrast to the PPP, the EIDL program based loan amounts on a business's historic revenue, and EIDL loans were processed and disbursed directly by the SBA.

III. The Fraudulent Scheme

8. The defendant GELPYS JOEL PERALTA-GUTIERREZ, also known as "Joel Peralta," was a resident of Long Island City, New York.

9. On or about June 22, 2020, an online application containing fraudulent statements was submitted on behalf of J Films HD Inc. ("J Films HD") to a PPP lending institution ("PPP Lender") for a PPP loan in the amount of \$1,747,028 (the "J Films HD PPP Application"). The J Films HD PPP Application and supporting documents provided with the application represented, among other things, that (1) J Films HD had 62 employees and a total average monthly payroll of \$698,812, and (2) J Films HD was located at 41-18 Vernon Boulevard, Unit 4B in Long Island City, New York (the "Vernon Boulevard Address"), and operated in New York.

10. The J Films HD PPP Application included a certification that the information provided therein and all supporting documents and forms were "true and accurate," and an acknowledgment that knowingly making a false statement to obtain a guaranteed loan from the SBA is punishable under federal law.

11. In connection with the online submission of the J Films HD PPP Application, an undated 2019 IRS Form W-3 Wage & Tax Statement was provided on behalf of J Films HD PPP, which reported that the total wages, tips and other compensation paid to employees for 2019 was \$8,385,739.12.

12. On or about June 22, 2020, on the basis of the representations made in the J Films PPP Loan Application, PPP Lender issued a PPP loan to J Films HD in the amount of \$1,747,028. The promissory note for the loan was purportedly electronically signed by the defendant GELPYS JOEL PERALTA-GUTIERREZ on or about June 22, 2020. The loan proceeds were disbursed to a bank account held in the name of J Films HD (the “J Films HD Account”) on or about June 24, 2020. According to bank records, the only signatory to the J Films HD Account was PERALTA-GUTIERREZ. On June 22, 2020, two days prior to receipt of the loan proceeds, the J Films HD Account had a balance of approximately \$5,134.

13. Between June 24, 2020, the date of the loan’s disbursement, and August 3, 2020, the J Films HD Account was accessed approximately 172 times via the internet. Records received from the J Films HD Account show that these logins were made from a device named “Joel Peralta’s iPhone,” which I believe to be a cellular telephone belonging to the defendant.

14. Entities that operate in New York are required to make quarterly filings with the New York State Department of Labor (“NYSDOL”) that include information about, among other things, the payroll and unemployment insurance contributions. Based on my review of correspondence with the NYSDOL, the NYSDOL was not able to locate any records relating to J Films HD.

15. Based on my review of publicly available information, the Vernon Boulevard Address is an apartment in a public assistance housing facility provided by the New York City Housing Authority. As a result, even if the subject apartment could fit 62 employees, it is highly improbable that this number of employees were working out of a low-income subsidized apartment.

16. I also have reviewed information provided by the SBA in relation to another business loan application purportedly submitted for J Films HD under the SBA's EIDL program (the "J Films HD EIDL Application"). In contrast to the J Films HD PPP Application, the J Films HD EIDL Application listed J Films HD as having only one employee, the defendant GELPYS JOEL PERALTA-GUTIERREZ, and revenue of only \$50,000 for the 12 months prior to January 31, 2020. The J Films HD EIDL Application listed JFILMSHDINC@gmail.com as the email address for both the business and PERALTA-GUTIERREZ.

17. On July 7, 2020, the defendant GELPYS JOEL PERALTA-GUTIERREZ opened an online account with a platform used to exchange digital currencies such as Bitcoin and Ethereum (the "Digital Currency Platform"). In connection with opening the Digital Currency Platform account, PERALTA-GUTIERREZ provided an image of his New York driver's license – an image of the same driver's license he had submitted to PPP Lender in support of the J Films HD PPP Application. The JFILMSHDINC@gmail.com email address also was listed on PERALTA-GUTIERREZ's Digital Currency Platform account.

18. On July 9, 2020, after the PPP proceeds for J Films HD were deposited into the J Films HD Account, \$25,000 was transferred out of that account to the Digital Currency Platform account maintained by the defendant GELPYS JOEL PERALTA-GUTIERREZ.

IV. Conclusion

WHEREFORE, your affiant respectfully requests that an arrest warrant be issued for the defendant GELPYS JOEL PERALTA-GUTIERREZ, also known as "Joel Peralta," so that he may be dealt with according to law. I further request that the Court order that this application, including the affidavit and arrest warrant, be sealed until further order of the Court, except that it may be shared with the defendant and defense counsel following his arrest in

connection with his initial presentment. Disclosure of this application and these orders would seriously jeopardize the ongoing investigation, as such disclosure would give the targets of the investigation an opportunity to destroy evidence, harm or threaten victims or other witnesses, change patterns of behavior, notify confederates or flee from or evade prosecution.

Alexander Turczak

ALEXANDER TURCZAK
Special Agent, Federal Bureau of Investigation

Sworn to before me this
25 day of February, 2021

Vera M. Scanlon

THE HONORABLE VERA M. SCANLON
UNITED STATES MAGISTRATE JUDGE
EASTERN DISTRICT OF NEW YORK



TO: Clerk's Office
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

APPLICATION FOR LEAVE
TO FILE DOCUMENT UNDER SEAL

Complaint and Arrest Warrant

Docket No. 21-MJ-250

SUBMITTED BY: Plaintiff Defendant DOJ
Name: Lauren Elbert
Firm Name:USAO-EDNY
Address: 271 Cadman Plaza East Brooklyn NY 11201
Phone Number: 718-254-7577
E-Mail Address: lauren.elbert@usdoj.gov

INDICATE UPON THE PUBLIC DOCKET SHEET: YES NO
If yes, state description of document to be entered on docket sheet:

A) If pursuant to a prior Court Order:
Docket Number of Case in Which Entered: _____
Judge/Magistrate Judge: _____
Date Entered: _____

B) If a new application, the statute, regulation, or other legal basis that authorizes filing under seal

ORDERED SEALED AND PLACED IN THE CLERK'S OFFICE,
AND MAY NOT BE UNSEALED UNLESS ORDERED BY
THE COURT.

DATED: Brooklyn, NEW YORK
2/25/2021

U.S. MAGISTRATE JUDGE Vera M. Scanlon

RECEIVED IN CLERK'S OFFICE _____ DATE

MANDATORY CERTIFICATION OF SERVICE:

A.) _____ A copy of this application either has been or will be promptly served upon all parties to this action, B.) _____ Service is excused by 31 U.S.C. 3730(b), or by the following other statute or regulation: _____; or C.) This is a criminal document submitted, and flight public safety, or security are significant concerns. (Check one)

2/24/2021 DATE
Lauren Elbert SIGNATURE