

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
: :
v. : Mag. No. 21-9182
: :
SHYTEEK L. STEVENSON : CRIMINAL COMPLAINT

I, Paul D. Bataille, 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 for the Internal Revenue Service, and that this Complaint is based on the following facts:

SEE ATTACHMENT B

Continued on the attached page and made a part of this Complaint.

by phone

Paul D. Bataille
Special Agent
Internal Revenue Service

Attested to me by telephone pursuant to FRCP 4.1(b)(2)(A),
March 24, 2021, in the District of New Jersey

HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

C

Signature of Judicial Officer

ATTACHMENT A

Count One
(Wire Fraud)

From at least as early as in or around June 2020 through in or around November 2020, in the District of New Jersey and elsewhere, defendant

SHYTEEK L. STEVENSON,

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing and attempting to execute such scheme and artifice, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, the following writings, signs, signals, pictures, and sounds, to wit:

Count	Approximate Date	Description
1	July 20, 2020	STEVENSON caused to be deposited approximately \$117,900.00 from the Small Business Administration to Heroes to Helpers LLC's bank account at Bank-1, resulting in an interstate wire transmission.

In violation of Title 18, United States Code, Sections 1343 and 2.

Count Two
(Money Laundering)

On or about August 20, 2020, in the District of New Jersey and elsewhere, defendant,

SHYTEEK L. STEVENSON,

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, an interstate wire of approximately \$16,000 from an account at Bank-1 to a an account at Bank-2, such property having been derived from a specified unlawful activity, that is, wire fraud, in violation of Title 18, United States Code, Section 1343.

In violation of Title 18, United States Code, Section 1957 and Section 2.

ATTACHMENT B

I, Paul D. Bataille, am a Special Agent with the Internal Revenue Service. I have knowledge about the facts set forth below from my involvement in the investigation, my review of reports, documents, pictures, videos, witness interviews, and discussions with other law enforcement officials. Because this affidavit is submitted for the limited purpose of establishing probable cause, I have not set forth each and every fact that I know concerning this investigation. All statements described herein are relayed in substance and in part. In addition, 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

THE ECONOMIC INJURY DISASTER LOANS PROGRAM

1. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or around March 2020 designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

2. The provisions of the CARES Act, in conjunction with an officially declared disaster by the United States Government, allowed for the Small Business Association ("SBA") to offer funding through the COVID-19 Economic Injury Disaster Loans ("EIDL") program to business owners negatively affected by the COVID-19 pandemic. More specifically, the EIDL program is an SBA program that provides low-interest financing and advances (or grants) to small businesses, renters, and homeowners in regions affected by declared disasters.

3. In order to obtain an EIDL, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period is that preceding January 31, 2020. The business entity must have existed in an operational condition on February 1, 2020.

4. Using the SBA online portal, EIDL applicants submit personal and business information in support of each EIDL application. The EIDL loans/advances process required minimal documentation and information from small businesses to process the loan/advances for approval. The application includes a paragraph in which the applicant affirms that the information submitted is true and correct under the penalty of perjury and applicable criminal statutes.

5. EIDL applications are submitted directly to the SBA and processed by the agency with support from a government contractor. The amount of the loan/advance, if the application is approved, is determined based, in part, on the information provided by the applicant about employment, revenue, and cost of goods, as described above. As a general matter, the loan amount for most businesses, other than rental businesses and non-profit and agricultural businesses, is calculated the same way: gross revenue reported, less cost of goods sold reported, divided by two. The maximum loan amount is capped at \$150,000 per entity.

6. Pursuant to the provisions governing the EIDL program, loan/advance proceeds must be used by the receiving business only on certain permissible expenses. More specifically, the EIDL funding may be used by the business to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the COVID-19 disaster not occurred.

THE RELEVANT ENTITIES AND INDIVIDUALS

7. At various times relevant to the complaint:

a. Defendant Shyteek L. Stevenson (“Stevenson”) resided in Pennsylvania.

b. Heroes to Helpers LLC (“Heroes to Helpers”) was a purported construction company established in Pennsylvania and believed to be owned by Stevenson.

c. Bank-1 was a financial institution headquartered in Greenville, Pennsylvania. Stevenson maintained a business account at Bank-1 for Heroes to Helpers (the “7891 Account”), which he opened on or about June 2, 2020.

d. Bank-2 was a financial institution headquartered in San Francisco, California.

e. Stevenson’s associate (“Individual-1”) owned a company (“Company-1”) established in New Jersey. Individual-1 maintained a business account for Company-1 at Bank-2.

The Scheme to Defraud

FALSE EIDL APPLICATIONS TO SBA

8. On or about June 29, 2020, Stevenson submitted an EIDL application (“Application-1”) on behalf of Heroes to Helpers. Stevenson listed himself as

100% owner and described the company as "Construction & Contractors." In Application-1, Stevenson certified that Heroes to Helpers had a gross revenue of \$250,000 for the 12-month period preceding the COVID-19 pandemic and that its costs of goods sold during this period was \$0. Stevenson further certified that Heroes to Helpers had seven employees as of January 31, 2020. Stevenson listed the 7891 Account as the account to which the EIDL funding should be disseminated.

9. The SBA approved Application-1. Based on the gross revenue Stevenson certified, as well as the fact that Stevenson reported no cost of goods, Stevenson qualified for approximately \$ 117,900. On or about July 14, 2020, Stevenson electronically signed the Loan Authorization and Agreement.

10. Application-1 contained false and/or misleading statements and misrepresentations.

11. As an initial matter, based on the investigation to date, Heroes to Helpers does not appear to generate revenue as a legitimate business. In Application-1, Stevenson listed Heroes to Helpers' business address as a location in Hummelstown, Pennsylvania (the "Hummelstown Address"). Law enforcement's physical surveillance of the Hummelstown Address revealed that it was a strictly residential apartment complex. There is no identifiable online presence for Heroes to Helpers. Stevenson opened the 7891 Account on or about June 2, 2020—amid the COVID-19 pandemic and only a few weeks before he filed Application-1. Accordingly, 7891 Account records do not (and could not) support the gross revenue Stevenson certified. Law enforcement has not identified any bank records demonstrating Heroes to Helpers conducts legitimate business. Further, according to the IRS, Stevenson has never filed a tax return for Heroes to Helpers, nor did he file a personal tax return in 2019.

12. Leguen also misstated that Heroes to Helpers had seven employees as of January 31, 2020. In addition to the above-referenced evidence, according to the Pennsylvania Department of Labor ("PADOL") Heroes to Helpers has never paid wages in Pennsylvania.

13. On or about July 20, 2020 the SBA transferred approximately \$117,900 to the 7891 Account, resulting in an interstate wire.

Use of the EIDL Loan Proceeds

14. Bank records for the 7891 Account demonstrate that Stevenson used the EIDL funding provided to Heroes to Helpers for improper, non-business purposes. On or about July 17, 2020, the 7891 Account's balance was approximately \$3,333.88. The following day, the SBA wired approximately

\$117,900 to the 7891 Account, resulting in a balance of approximately \$121,233.88.

15. For instance, Stevenson used the EIDL funding for myriad personal expenses, including, but not limited to: ATM withdrawals, cash application transfers to Stevenson, retail shopping (including Levi's, Polo, Walmart, and liquor stores), restaurants and convenience store expenses, transportation expenses (including Lyft and Uber), and travel expenses (including entertainment, lodging, and airfare).

16. In addition to these expenditures, on or about August 20, 2020, Stevenson wired from the 7891 Account at Bank-1 approximately \$16,000 to Company-1's account at Bank-2, which is maintained by Individual-1.