



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* PENNSYLVANIA

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Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Thursday, April 15, 2021

Bloomsburg Couple Charged With Covid-Relief Fraud

SCRANTON- The United States Attorney's Office for the Middle District of Pennsylvania announced that Darryl Corradini, age 63, and Vicki Hackenberg, age 57, both of Bloomsburg, Pennsylvania, were charged on April 13, 2021, by a federal grand jury with perpetrating a bank fraud and money laundering scheme that included nearly \$300,000 in COVID-19 relief guaranteed by the Small Business Administration through the Paycheck Protection Program (PPP).

The PPP is designed to help small businesses facing financial difficulties during the COVID-19 pandemic. Funded by the March 2020 CARES Act, PPP funds are offered in forgivable loans, provided that certain criteria are met, including use of the funds for employee payroll, mortgage interest, lease, and utilities expenses.

According to Acting United States Bruce D. Brandler, the indictment alleges that Corradini, Hackenberg, and other coconspirators created a shell corporation, CGM Realty LLC, and opened bank accounts and a Bitcoin trading account in the corporation's name, by using false and forged documents. The conspirators allegedly used the accounts to receive over \$135,000 in fraudulently obtained funds, and over \$296,000 from a PPP loan that was obtained with false and forged documentation. That documentation included false information and certifications about CGM Realty LLC's employee payroll obligations, and intention to use the funds for approved purposes, when in fact CGM Realty LLC had no employees or legitimate business operations. Forged IRS documentation also was included with the PPP application, containing false information about CGM Realty LLC's nonexistent payroll obligations. Over \$350,000 was then used to purchase Bitcoins, a type of cryptocurrency.

Corradini and Hackenberg are charged with conspiring to commit bank fraud and with two counts of committing bank fraud for submitting false and fraudulent documentation to obtain the PPP loan. They also are charged with two counts of making false statements on loan applications, with conspiring to commit money laundering, and with three counts of engaging in unlawful monetary transactions by purchasing Bitcoins with the fraudulently obtained PPP loan. Corradini is charged with one count of making false statements to IRS agents that he did not have access to CGM Realty LLC's bank account. Hackenberg is charged with two counts of making false statements to IRS agents that she had no knowledge of CGM Realty LLC, and that she had not communicated with other coconspirators in over a year.

The case was investigated by the IRS, Criminal Investigations. Assistant U.S. Attorney Phillip J. Caraballo is prosecuting the case.

Criminal indictments are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for the most serious offenses is 30 years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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Topic(s):

Coronavirus

Component(s):

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