



ATTACHMENT A

Count One (Fraud Related To Identity Documents)

From in or about July 2007 through in or about early 2008, in Bergen County, in the District of New Jersey and elsewhere, defendants Chun-O Kim, a/k/a "Michelle," and Hosin Kim, a/k/a "Jake," knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person, namely, H.S.N., with intent to commit, to aid and abet, and in connection with unlawful activity that constitutes a violation of federal law, namely, mail fraud (18 U.S.C. § 1341), wire fraud (18 U.S.C. § 1343), and fraud relating to social security numbers (42 U.S.C. § 408), in violation of Title 18, United States Code, Section 1028(a)(7), (b)(2)(B), (c)(3)(A), and Title 18, United States Code, Section 2.

Count Two (Conspiracy to Commit Bank Fraud)

From in or July 2006 through in or about September 2007, in Bergen County, in the District of New Jersey, defendants

Chun-O Kim,  
a/k/a "Michelle,"  
Nathan Buschman,  
Zakchary Benji, and  
a/k/a "Zachary"

knowingly and intentionally conspired and agreed with each other, Co-Conspirator One, and others to execute a scheme and artifice to defraud financial institutions, and to obtain money, funds, or assets owned by and under the custody and control thereof, by means of false and fraudulent pretenses, representations, and promises, as described below in Attachment B, contrary to Title 18, United States Code, Section 1344, in violation of Title 18, United States Code, Section 1349.

ATTACHMENT B

I, Cesar G. Santos, am a Special Agent with the Small Business Administration—Office of Inspector General. I have knowledge of the facts set forth herein through my personal participation in this investigation and through oral and written reports from other federal agents or other law enforcement officers. Where statements of others are set forth herein, these statements are related in substance and in part. Since this Criminal Complaint is being submitted for a limited purpose, I have not set forth every fact that I know or other law enforcement officers know concerning this investigation. I have only set forth those facts that I believe are sufficient to show probable cause exists to believe that the defendants have committed the offenses set forth in Attachment A. 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.

The Defendants and Other Parties

1. At all times relevant to this Criminal Complaint:
  - a. Defendant Chun-O Kim, a/k/a "Michelle," (hereinafter "Chun-O Kim") was resident of Edgewater, New Jersey (hereinafter the "Kim Residence") and the principal owner and operator of CB Development Company (hereinafter "CB Development"). CB Development was a purported general contracting company and a sole proprietorship headquartered in Englewood, New Jersey (hereinafter the "CB Development Office"). Defendant Chun-O Kim, d/b/a CB Development, maintained three business accounts at Citibank (hereinafter "CB Development Account One") PNC Bank (hereinafter "CB Development Account Two"), and Bank of America (hereinafter "CB Development Account Three").
  - b. Defendant Hosin Kim, a/k/a "Jake," (hereinafter "Hosin Kim") was a resident of Edgewater, New Jersey and the husband of defendant Chun-O Kim. Defendant Hosin Kim was the principal of Appleland Development, Inc. (hereinafter "Appleland"), a purported wholesale construction supply company, operated out of the CB Development Office.
  - c. Defendant Nathan Buschman was a branch manager for Washington Mutual Bank, which bank later became JP Morgan Chase Bank, and employed at a branch in Edgewater, New Jersey.

d. Defendant Zakchary Benji, a/k/a "Zachary," was a loan officer for Citibank and employed at a branch in Clifton, New Jersey.

e. An individual with the initials J.S.K., a co-conspirator not named as a defendant herein, was resident of Hudson County, New Jersey and the principal owner and operator of Arpine Company (hereinafter "Arpine"). Arpine was a purported general contracting company and a sole proprietorship headquartered out of the CB Development Office. Co-Conspirator J.S.K. maintained a business account at PNC Bank (hereinafter the "Arpine Account").

f. An individual with the initials "Y.D.K.," a co-conspirator not named as a defendant herein, was the father of defendant Chun-O Kim and employed at the CB Development Office. Co-Conspirator Y.D.K. was the authorized signatory on a Bank of America business account in the name of Appleland (hereinafter "Appleland Account Two").

g. Co-Conspirator One, an individual not named as a defendant herein, was a loan broker and the principal of JP Wholesalers (hereinafter "JP Wholesalers"), a completely fictitious company. Co-Conspirator One maintained business account in the name of JP Wholesalers at JP Morgan Chase Bank (hereinafter "JP Wholesalers Account One") and Citibank (hereinafter "JP Wholesalers Account Two").

h. Unless otherwise noted, each bank referenced in this Criminal Complaint was a financial institution, as that term is defined in Title 18, United States Code, Section 20.

i. An individual with the initials H.S.N. was a real person (female) who resided in Bergen County, New Jersey.

## Overview of the Scheme to Defraud

2. Defendant Chun-O Kim and Co-Conspirator One conspired with each other and others to make and use false, fictitious, and counterfeit documents to obtain lines of credit and commercial loans for themselves and their co-conspirators. Many of these lines of credit and loans were guaranteed by the United States Small Business Administration (hereinafter the "SBA"), a federal agency of the executive branch of the United States of America. The SBA provides assistance to small businesses by guaranteeing loans issued by certain banks. In total, through their scheme, defendant Chun-O Kim and Co-Conspirator One defrauded financial institution in Bergen County, New Jersey and elsewhere in excess of \$1 million.

3. In furtherance of their scheme to defraud financial institutions, defendant Chun-O Kim and Co-Conspirator One:

a. Applied for lines of credit and commercial loans for shell companies and fictitious companies that they had created for the sole purpose of defrauding financial institutions;

b. Applied for lines of credit and commercial loans through identity theft; that is, using identity documents and information belonging to other people (e.g., social security numbers and driver's licenses) or information belonging to other businesses (e.g., business name and address);

c. While serving as informal loan brokers in Bergen County, New Jersey, applied for lines of credit and commercial loans for clients who were either wholly unqualified to obtain such loans because their businesses did not generate sufficient revenue, or the customer did not own a business enterprise at all.

4. To obtain money and property from financial institution to which they were not entitled, defendant Chun-O Kim and Co-Conspirator One prepared false loan applications on behalf of themselves and others. These applications falsely represented information about businesses and applicants seeking these lines of credit and commercial loans, including false statements about the business' gross receipts and applicant's income. To trick the various financial institution into issuing these lines of credit and commercial loans, defendant Chun-O Kim and Co-Conspirator One fabricated bank statements, financial records, and Certificates of Trade Name through various "cutting and pasting" techniques. In addition, defendant Chun-O Kim obtained

and supplied fictitious federal tax returns to create the illusion that the businesses seeking these lines or credit and commercial loans had significant gross receipts or sales. Finally, defendant Chun-O Kim obtained and used the identities of other actual people to apply for these loans.

5. In furtherance of these schemes, defendants Nathan Buschman and Zakchary Benji, bank employees, created false documents, including false records of site visits, that created the illusion that the businesses seeking the loans existed and were legitimate, and they processed these lines or credit and loans, knowing them to contain materially false statements and representations.

6. For each fraudulent line of credit or commercial loan obtained by defendant Chun-O Kim and Co-Conspirator One on behalf of an entity or purported entity, the financial institution created a business account for that entity, which business accounts defendant Chun-O Kim and Co-Conspirator One controlled. After the proceeds from the lines of credit or the commercial loans were placed into these accounts, Chun-O Kim transferred these funds into CB Development Account One, CB Development Account Two, CB Development Account Three. Thereafter, defendant Chun-O Kim withdrew cash (mostly in amounts under \$10,000), wrote checks to herself, or issued checks to other co-conspirators drawn on these accounts.

7. During this investigation, Your Affiant and other law enforcement officers have interviewed Co-Conspirator One. Co-Conspirator One admitted that he/she and defendant Chun-O Kim applied for and received lines of credit and commercial loans in the names of other business; they created false loans applications; and they fabricated Certificate of Trade Names, bank statements, and other documents by "cutting" false information (such as dollar amounts from other documents), pasting or taping the false item to a bank statement, and then photocopying the document to create the illusion that it was genuine. According to Co-Conspirator One, he/she and defendant Chun-O Kim fabricated Certificate of Trade Names to create the illusion that the listed entity was established for at least two years. In addition, according to Co-Conspirator One, defendant Chun-O Kim obtained and provided fictitious federal income tax returns that corresponded to the bogus financial information reported on the application and bank statements. Co-Conspirator One further acknowledged that he/she brought these false documents to the banks to obtain loans, and he/she dealt with various loan officers, including defendants Nathan Buschman and Zakchary Benji.

### The Leased Mercedes-Benz

8. In or about July 2007, defendants Chun-O Kim and Hosin Kim leased a 2008 Mercedes-Benz SL Class SL550 vehicle from a dealership in Bergen County New Jersey. At the time, the value of the lease was approximately \$115,000. Based on records from this dealership, on the application, the lessee was Appleland Development, with a reported address at the CB Development Office. According to records from Bank of America, it maintained a business account for Appleland Development, and defendant Hosin Kim was the signatory on this account. The dealership's records also reflect that a check, drawn on the account of CB Development, was issued to the dealership in the amount of approximately \$11,000 as a down payment. Furthermore, according to records from the dealership, a New York driver's license in the name of H.S.N., bearing the photograph of an Asian female, was used to lease this vehicle, a copy of which was maintained by the dealership. As described in Paragraph 11 below, various documents related to H.S.N., including a TransUnion document, dated on or about April 26, 2007, in the name of H.S.N., bearing her actual social security number, month and year of birth, and other personal identifiers, was found in the Kim Residence by law enforcement while executing a search warrant. This driver's license was later determined to be counterfeit and not issued by the State of New York. In addition, according to records from an insurance company, defendant Hosin Kim was listed as the operator of this vehicle.

9. In or about early 2008, the individual with the initials H.S.N. learned that a car had been leased in her name and reported such fact to the Englewood Police Department. Thereafter, law enforcement officers went to the Kim Residence, and found this Mercedes-Benz parked in a parking space reserved for defendants Chun-O Kim and Hosin Kim. Later, after this vehicle was repossessed, a Hollywood Video key chain FOB registered to defendant Hosin Kim was found in the vehicle.

### The Kim Residence

10. On or about February 1, 2008, law enforcement officers applied for and obtained search warrants, issued by a Judge of the State of New Jersey, to search the Kim Residence and the CB Development Office.

11. During the execution of warrant of the Kim Residence, the following items, among others, were seized: (a) copies of multiple credit cards in the name of H.S.N. and/or Alpine Beauty Company (a business entity created by defendant Chun-O Kim using

H.S.N.'s name and identity); (b) credit card statements in the name of H.S.N. and/or Alpine Beauty; (c) documents related to the lease of a 2008 Mercedes-Benz SL550, which vehicle was leased using H.S.N.'s identity and paid for with H.S.N. credit cards (see Paragraphs 8 and 9 above); (d) a credit report obtained from TransUnion, dated on or about April 26, 2007, in the name of H.S.N., bearing her actual social security number, month and year of birth, and other personal identifiers; (e) a social security card belonging to an individual of Chinese descent beginning with the prefix "586" with the initials S.W.; (f) a copy of a counterfeit New York driver's license in the name of S.W.; (g) a copy of a credit card in the name of an individual with the initials "Y.H.S"; and (h) a service invoice related to the 2008 Mercedes-Benz SL Class SL550 vehicle referred to in Paragraphs 8-9 above.

12. During the execution of the warrant of the CB Development Office, the following items, among others, were seized: (a) blank checks in the name Alpine Beauty, d/b/a H.S.N.; (b) documents from lines or credit and loans obtained in the name Bellagio Spa and Beauty Care, Family Care Interior (documents from two loans), For U Nails, Pro Media and DVD, A Mass, and CB Development, among others.

#### The JP Wholesalers Loan

13. In or about May 2007, an application for a line of credit in the amount of approximately \$100,000 was submitted to Citibank, Clifton, New Jersey on behalf of JP Wholesalers, a purported distributor of stationary and gifts. The business owner listed on the application was Co-Conspirator One. On this application, Co-Conspirator One represented that this company had approximately \$940,000 in annual sales. In addition, the loan filed contained a Schedule C from a Form 1040 federal tax return in the name of Co-Conspirator One for JP Wholesalers. This Schedule C represented that the business had approximately \$941,000 in sales. A Certificate of Trade Name and a bank statement were included with the application. Furthermore, the application represented that the business was located at an address in Bergen County, New Jersey.

14. Based on the application and the documents in support of the application, Citibank issued a \$50,000 line of credit to this purported entity. This loan was backed by the full faith and credit of the United States through the SBA.

15. Defendant Zakchary Benji was the loan officer for this line of credit. As part of the loan process, defendant Zakchary Benji was required to conduct a site visit and then complete a form known as "Observations at Place of Business," wherein he was required to detail his observations and comments about the business. This bank record was a part of the loan file. On or about June 5, 2007, defendant Zakchary Benji completed and signed an "Observations at Place of Business" related to the JP Wholesalers line of credit. On this form, defendant Zakchary Benji represented the following: (a) he visited the address listed on the application; (b) during his visit, which lasted approximately 20 minutes, that he observed that Co-Conspirator One had an office and defendant Zakchary Benji was greeted by a secretary; (c) that JP Wholesalers had three employees; (d) "all the inventory was held in the back room"; (e) Co-Conspirator One had "about \$940,000 per year in annual sales"; (f) the inventory consisting of gifts, dolls, notebooks, and stationary items were visible; and (g) Co-Conspirator One had a secondary warehouse containing additional inventory. Moreover, Your Affiant is aware of several other instances where defendant Chun-O Kim and Co-Conspirator One sought loans for fictitious business through defendant Zakchary Benji. In several instances, defendant Zakchary Benji completed and signed "Observations at Place of Business" forms for these loans, falsely stating that he had conducted site visits for such fictitious businesses. These false statement, together with the false statements and documents used by defendant Chun-O Kim, induced the bank to issue these loans and lines of credit to defendant Chun-O Kim, Co-Conspirator One, and others.

16. According to Co-Conspirator One, the addressed listed on the application was his personal residence, a high-rise residential apartment complex. According to Co-Conspirator One, his apartment was located above the twentieth floor of this high-rise apartment complex. Furthermore, according to Co-Conspirator One, JP Wholesalers was a wholly fictitious entity created by Co-Conspirator One and defendant Chun-O Kim to fraudulently obtain loans. Co-Conspirator stated that JP Wholesalers had no inventory, no annual sales, no business records, no employees, and had no secretary. Co-Conspirator One states that he created the application for the line of credit, and it was totally false. Second, Co-Conspirator One stated that both he/she and defendant Chun-O Kim fabricated the bank statement and Certificate of Trade Name used with application. According to Co-Conspirator One, defendant Chun-O Kim provided the fraudulent tax return Schedule C. Finally, Co-Conspirator One stated that he/she is unaware of any site visit conducted by defendant Zakchary Benji.

17. Co-Conspirator One used the proceeds of this fraudulently obtained loan to pay his personal credit card debts and to pay off another fraudulently obtained loan after the bank learned that it was fraudulently obtained.

18. This line of credit was not repaid, resulting in a total loss of approximately \$50,000 to Citibank and the SBA.

#### The Bellagio Spa and Beauty Care Loan

19. In or about June 2007, an application for a line of credit in the amount of approximately \$100,000 was submitted to Citibank, Clifton, New Jersey on behalf of "Bellagio Spa and Beauty Care," a purported wholesale distributor of nail and skin supplies and equipment. The business owner listed on the application was an individual with the initials H.S.N. Furthermore, the application included a driver's license number purportedly issued by the State of New York to H.S.N. As described above, various documents in the name of H.S.N. were found in defendant Chun-O Kim's residence and at the CB Development Office. The business address listed on the application belonged to a business with a similar name located at that address. The application reported that the company's annual sales were \$1.1 million. A Certificate of Trade Name and a Woori bank statement were included with the application.

20. Based on the application and the documents in support of the application, Citibank issued a \$100,000 line of credit to this purported entity. Defendant Zakchary Benji was the loan officer for this transaction.

21. Your Affiant's investigation has revealed that the application and documents used in support of application were fraudulent. First, Bellagio Spa and Beauty Care was a wholly fictitious company. Second, according to actual records obtained from Woori bank, the Woori bank statement used in support of the application was false. Specifically, the business account name and the account balance had been altered, thereby creating the illusion that Bellagio Spa and Beauty Care was a company that had a bank account containing funds. Third, based on records from the Bergen County Clerk's Office, the Certificate of Trade Name submitted to Citibank was counterfeited, and the serial number on the document corresponds to another unrelated company. Fourth, the same counterfeit New York driver's license used to lease 2008 Mercedes-Benz SL Class SL550 vehicle, as described in Paragraphs 8 and 9 and above, was also used to apply for this loan. As described in Paragraph 12 above, law enforcement officers also found records, including documents from lines or

credit and loans obtained in the name Bellagio Spa and Beauty Care, during the execution of a search warrant at the CB Development Office.

22. According to records from various financial institutions, the proceeds of this fraudulently obtained line of credit were disbursed as follows:

Date of Check	Approximate Amount	Payee	Bank
7/11/07	\$7,000	CB Development	CB Development Account One
7/11/07	\$7,000	CB Development	CB Development Account Two
7/11/07	\$7,000	Arpine Company (Co-Conspirator J.S.K.)	Arpine Account
7/12/07	\$7,500	CB Development	CB Development Account Two
7/12/07	\$7,500	CB Development	CB Development Account One
7/13/07	\$8,500	CB Development	CB Development Account One
7/13/07	\$8,500	Arpine Company (Co-Conspirator J.S.K.)	Arpine Account
7/17/07	\$6,500	CB Development	CB Development Account One

23. This line of credit was not repaid, resulting in a total loss of approximately \$99,000 to Citibank.

The A Mass Loan

24. In or about July 2007, an application for a line of credit in the amount of approximately \$100,000 was submitted to JP Morgan Chase, Edgewater, New Jersey on behalf A Mass, a purported distributor of women's handbags and purses. The business owner listed on the application was an individual with the initials J.M. Furthermore, on its application, it was represented that the company had approximately \$690,000 in annual sales. A Certificate of Trade Name was included with the application. The application also contained a New York State driver's license in the name of the individual with the initials J.M.

25. Based on the application and the documents in support of the application, JP Morgan Chase issued a \$100,000 line of credit to this purported entity. The loan submitted to defendant Nathan Buschman's bank branch.

26. Your Affiant's investigation has revealed that the application and documents used in support of application were fraudulent. First, A Mass was a wholly fictitious company. Second, the Certificate of Trade Name submitted to J.P. Morgan Chase was counterfeited, and the serial number on the document corresponds to another unrelated company. Finally, the New York State driver's license used in support of the loan application was counterfeit.

27. According to records from various financial institutions, the proceeds of this fraudulently obtained line of credit were disbursed as follows:

Date of Check	Approximate Amount	Payee	Bank
7/20/07	\$25,000	CB Development	CB Development Account Two
7/20/07	\$10,000	JP Wholesalers	JP Wholesalers Account One

28. In or about July 2007, an individual (hereinafter the "Victim") who owned a company with a name similar to A Mass received mail concerning this loan (hereinafter the "Victim"). Thereafter, the Victim reported this loan to the police. According to the victim, after receiving the loan correspondence, she went to the bank and spoke with defendant Nathan Buschman. According to the Victim, defendant Nathan Buschman stated that he

personally knew J.M., and she was on vacation. Furthermore, according to the Victim, defendant Nathan Buschman stated that the loan was valid and nothing could be done about it.

29. According to Co-Conspirator One, in or about July 2007, he received a call from defendant Nathan Buschman. During this conversation, according to Co-Conspirator One, defendant Nathan Buschman stated that Co-Conspirator could be interviewed by bank investigators and, if interviewed, Co-Conspirator One should falsely claim that he/she was a relative of J.M.

30. According to Co-Conspirator One, defendant Chun-O Kim instructed him to use the proceeds of the Citibank loan (JP Wholesalers line of credit) to pay off this loan.

31. On or about July 27, 2007, Co-Conspirator One issued two checks, one drawn on JP Wholesalers Account One and the other drawn on JP Wholesalers Account Two, in the amounts of \$9,000 and \$30,000 respectively, to the J.M., d/b/a A Mass line of credit account. The purpose of these payments was to pay off the fraudulent A Mass loan to prevent further scrutiny from the bank.

32. In or about September 2007, defendant Nathan Buschman gave a signed, written statement to bank investigators from JP Morgan Chase. In his signed statement, defendant Nathan Buschman stated the following, in substance and in part: (a) he had a business relationship with Co-Conspirator One; (b) Co-Conspirator One brought completed loan applications to him; (c) he would push these loan applications through for approval; (d) he would not complete site visits; rather, he relied solely on Co-Conspirator One's representations concerning the nature of the business seeking the loan; (e) he directed a bank employee to falsely state that site visits had been completed when, in fact, they had not been so completed; (f) on some occasions, he did not meet the customers during the application process or at the closing of the loan; (g) in or about July 2007, he learned that a loan brought to him by Co-Conspirator One was fraudulent, and he called Co-Conspirator One to find out what was going on; (h) Co-Conspirator One stated that he would falsely represent himself to bank investigators to be related to J.M., and defendant Nathan Buschman agreed to this concealment to protect his employment with the bank; (i) Co-Conspirator One agreed that he would pay off this line of credit because Co-Conspirator One did not want other loans or lines of credit be looked into; and (j) he shredded documents related to this fraudulent line of credit to thwart the bank investigator's investigation.