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

UNITED STATES OF AMERICA : Hon. Cathy L. Waldor
 :
 v. : Mag. No. 22-9193
 :
 DARRYL DUANNE YOUNG a/k/a :
 "DARRYL DUANNE ISOM YOUNG" : **CRIMINAL COMPLAINT**

I, Postal Inspector Justyna Ramotowski, 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 Postal Inspector with the United States Postal Inspection Service, and that this complaint is based on the following facts:

SEE ATTACHMENT B

continued on the attached pages and made a part hereof.



Postal Inspector Justyna Ramotowski
U.S. Postal Inspection Service

Postal Inspector Justyna Ramotowski attested to this Complaint by telephone pursuant to Federal Rule of Criminal Procedure 4.1(b)(2)(A) on May 16, 2022 in New Jersey.

May 16, 2022
Newark, New Jersey

HONORABLE CATHY L. WALDOR
UNITED STATES MAGISTRATE JUDGE

/s/ Hon. Cathy L. Waldor

Signature of Judicial Officer

ATTACHMENT A

Count One
(Conspiracy to Commit Bank Fraud)

From at least in or about April 2020 through in or about June 2020, in Somerset County, in the District of New Jersey and elsewhere, defendant

DARRYL DUANNE YOUNG a/k/a
“DARRYL DUANNE ISOM YOUNG”

did knowingly and intentionally conspire and agree with others, including CC-1 and CC-2, to execute and attempt to execute a scheme and artifice to defraud one or more financial institutions, as defined by 18 U.S.C. § 20, namely, Lender-1, the deposits of which are insured by the Federal Deposit Insurance Corporation, and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the control of, such financial institution by means of false and fraudulent pretenses, representations, and promises, contrary to Title 18, United States Code, Section 1344.

In violation of Title 18, United States Code, Section 1349.

Counts Two Through Five
(Bank Fraud)

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

DARRYL DUANNE YOUNG a/k/a
“DARRYL DUANNE ISOM YOUNG”

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, namely Lender-1, the deposits of which are insured by the Federal Deposit Insurance Corporation, and to obtain any of the moneys, funds, credits, assets, securities, and other property owned by, and under the control of, such financial institution, by means of false and fraudulent pretenses, representations, and promises as follows:

Count	Name of Business Applicant	Approximate Loan Amount	Lender	Approximate Date
2	Business-1	\$51,042	Lender-1	April 30, 2020
3	Business-2	\$67,332	Lender-1	May 4, 2020
4	Business-2	\$67,532	Lender-1	January 26, 2021
5	Business-1	\$51,042	Lender-1	January 28, 2021

In violation of Title 18, United States Code, Section 1344.

Counts Six and Seven
(Transacting in Criminal Proceeds)

On or about the dates set forth below, in the District of New Jersey and elsewhere, defendant

DARRYL DUANNE YOUNG a/k/a
“DARRYL DUANNE ISOM YOUNG”

did knowingly engage and attempt to engage in monetary transactions by, through, or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a greater value than \$10,000, such property having been derived from a specified unlawful activity, that is, bank fraud, in violation of Title 18, United States Code, Section 1344.

Count	Approximate Date	Description of Monetary Transaction
6	June 2, 2020	ACH Debit of \$16,478.85 from the bank account of Business-3 at Bank-2 to the Business-1 Merchant Account with account number ending in 5443 at Payment Processor-1
7	June 3, 2020	Deposit of \$85,221 check (No. 7000) drawn on the bank account of Business-4 at Bank-2 to into the Business-1 account at Bank-2 with account number ending in 0835

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

ATTACHMENT B

I, Justyna Ramotowski, a Postal Inspector with the United States Postal Inspection Service, 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, all dates described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

Overview

1. From in or about April 2020 through in or about January 2021, defendant DARRYL DUANNE YOUNG participated in a conspiracy to illegally obtain over \$1.7 million in federal COVID-19 emergency relief funds meant for distressed small businesses through numerous misrepresentations to banks. Specifically, YOUNG submitted and directed others to submit fraudulent Paycheck Protection Program (“PPP”) loan applications, which fabricated numbers of employees and misrepresented company information, to induce PPP lenders to approve the loan applications that they otherwise would not have approved. Among other things, YOUNG submitted falsified tax documents and bank statements to a victim lender in support of PPP loan applications. YOUNG personally received over \$230,000 in PPP loans for businesses he controlled and received a percentage of loan proceeds for assisting in submitting fraudulent applications on behalf of others.

Background

The Paycheck Protection Program

2. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020 and designed to 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 a program referred to as the Paycheck Protection Program (“PPP”). In or about April 2020, Congress authorized over \$300 billion in additional PPP funding. The PPP ended on May 31, 2021.

3. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, signed by an authorized representative of the business. The PPP loan application required the business—through its authorized

representative—to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the loan application, the small business was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

4. A PPP loan application had to be processed by a participating lender. If the PPP loan application was approved, the participating lender funded the PPP loan using its own money, which was 100% guaranteed by the U.S. Small Business Administration (“SBA”). Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA while processing the loan.

5. PPP loan proceeds could only be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be forgiven if the business spent the loan proceeds on these eligible expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Defendant and Relevant Entities

6. At all times relevant to this complaint:

- a) YOUNG was an accountant who resided in East Orange, New Jersey and Kingston, Pennsylvania. YOUNG controlled Business-1, a company located in Elizabeth, New Jersey that purported to provide tax and other financial services to small businesses. YOUNG also controlled Business-2, a company located in East Orange, New Jersey.
- b) Co-Conspirator-1 (“CC-1”) was an individual and business owner who resided in New Jersey. CC-1 solely owned “Business-3” and partially owned “Business-5,” which were both New Jersey limited liability companies.
- c) Co-Conspirator-2 (“CC-2”) was an individual and business owner who resided in New Jersey. CC-2 solely owned “Business-4,” a New Jersey limited liability company.

- d) “Individual-1” was an individual and business partner of CC-1 who resided in New Jersey. Individual-1 had an ownership interest in Business-5.
- e) Lender-1 was a financial institution insured by the Federal Deposit Insurance Corporation (“FDIC”), and a member bank of the Federal Home Loan Bank system, headquartered in Salt Lake City, Utah.
- f) Bank-1 was a financial institution and a member bank of the Federal Home Loan Bank system headquartered in New York, New York.
- g) Bank-2 was a financial institution and a member bank of the Federal Home Loan Bank system headquartered in San Francisco, California.
- h) Bank-3 was a financial institution and a member bank of the Federal Home Loan Bank system headquartered in McLean, Virginia.
- i) Payment Processor-1 was a company that provided payment processing services for merchants, headquartered in Mountain View, California.
- j) The automated clearinghouse (“ACH”) system was a nationwide network through which depository institutions sent each other batches of electronic credit and debit transfers.
- k) The Internal Revenue Service (“IRS”) was an agency of the United States Department of the Treasury, responsible for administering and enforcing the tax laws of the United States and collecting the taxes that were due and owing to the Treasury of the United States by its citizens and businesses.
- l) “Form 941” was an IRS “Employer’s Quarterly Federal Tax Return” form that U.S. businesses were required to file with the IRS on a quarterly basis. On Form 941, businesses were required to report, among other things, number of employees, wages paid to employees, federal tax withholding from wages, and information associated with the payment of employment taxes to the U.S. Treasury.

The Object of the Conspiracy

7. The object of the conspiracy was for YOUNG and others to profit by obtaining money from PPP lenders, including Lender-1, by making material misrepresentations on their PPP applications to induce the lenders to make loans that they otherwise would not have made.

Manner and Means of the Conspiracy

Falsified PPP Loan Application for Business-3

8. In or around May 2020, CC-1 was referred to YOUNG by Individual-1, who told CC-1 that YOUNG could assist CC-1 in applying for a PPP loan for Business-3. YOUNG agreed to assist CC-1 in applying for the PPP loan and told CC-1 that the size of the loan received by Business-3 depended in part on the number of employees the business had. CC-1 told YOUNG to use 25 employees for purposes of the application, although Business-3 in fact had no employees.

9. YOUNG requested copies of Business-3's corporate paperwork, tax ID number, bank statement for February 2020, any "W3" or "941" information, and a voided check. YOUNG told CC-1 via email that he usually charged 10% if he successfully obtained the loan, but that he would agree to only 8% with Business-3 because of the amount involved. CC-1 and YOUNG ultimately negotiated a fee of 3%.

10. In response to YOUNG's request for "W3" or "941" information, CC-1 wrote in an email to YOUNG that Business-3 had "None for 2019." CC-1 in fact had no payroll records for Business-3 because Business-3 had no employees and no payroll. Because Business-3 had no employees and no payroll in 2019, CC-1 did not generate or file Forms 941 for 2019 with the IRS.

11. Despite Business-3 not having any employees or payroll, YOUNG submitted a PPP loan application to Lender-1 on behalf of Business-3 on or about May 28, 2020, seeking a PPP loan in the amount of \$549,295. The application was submitted in CC-1's name, listing her personal information including her social security number. The application was purportedly initialed and signed by CC-1. The application falsely stated that Business-3 had 25 employees and an average monthly payroll of \$219,718. The application also included four fictitious documents that purported to be Forms 941 for tax year 2019 for Business-3.

12. The purported Forms 941 submitted with CC-1's application falsely represented that that in each quarter of 2019, Business-3 had paid approximately \$650,000 in wages, tips, and other compensation to over approximately 25 employees. The application also stated that Business-3 had withheld approximately

\$110,000 per quarter in federal income tax withholding, as well as making payments to the U.S. Treasury of approximately \$200,000. Information obtained from the Social Security Administration (“SSA”) confirmed, however, that Business-3 reported no wages paid for the period between 2018 through 2020. The SSA also did not receive any Forms W-3, Transmittal of Wage and Tax Statements, or Forms W-2, Wage and Tax Statements from Business-3. Likewise, a review of information obtained from the IRS confirmed that Business-3 did not file any Forms 941 in 2019.

13. In reliance on these material misrepresentations, on or about June 1, 2020, Lender-1 disbursed \$549,295—the full amount applied for—to Business-3’s bank account at Bank-1. On or about June 2, 2020, YOUNG initiated an ACH Debit of \$16,478.85 from the Business-3 bank account at Bank-1 to Business-1’s Merchant Account at Payment Processor-1. On or about June 16, 2020, the funds were transferred from Business-1’s Merchant Account at Payment Processor-1 to Business-1’s bank account at Bank-2, which was controlled by YOUNG.

14. After obtaining the PPP loan proceeds, CC-1 used them for, among other things, personal expenses and other business ventures.

Falsified PPP Loan Application for Business-4

15. CC-1 referred a friend, CC-2, to YOUNG, so that CC-2 could apply for a PPP loan for CC-2’s business. CC-1 told CC-2 that YOUNG had been an accountant for a long time and knew the PPP application process well.

16. Thereafter, CC-1 and CC-2 met with YOUNG at a location in North Plainfield, New Jersey and discussed a PPP loan application for Business-4, which CC-2 owned. CC-2 and YOUNG also subsequently communicated regarding the PPP loan for Business-4. During these conversations, CC-2 told YOUNG that Business-4 from time to time had four or five individuals who performed discrete work for him, and CC-2 provided YOUNG with bank statements for Business-4. YOUNG asked CC-2 to sign a bank form authorizing YOUNG to take a 10% fee from any PPP loan proceeds, which CC-2 did.

17. Nevertheless, CC-2 did not provide YOUNG with any documentation of payroll for Business-4 because Business-4 had no regular employees and no payroll. As a result, CC-2 did not generate or file Forms 941 for 2019 with the IRS.

18. On or about June 2, 2020, YOUNG submitted or caused to be submitted a PPP loan application to Lender-1 on behalf of Business-4, seeking a PPP loan for \$852,205. The application was submitted in CC-2’s name, listing CC-2’s personal information including CC-2’s social security number. The application was purportedly initialed and signed by CC-2. The application stated that Business-4

had 46 employees and an average monthly payroll of \$340,882.10. The application also included four bogus documents purporting to be Forms 941 for tax year 2019 for Business-4, and a fictitious bank statement purporting to be from Business-4's bank account at Bank-2.

19. The purported Forms 941 submitted with the Business-4 loan application falsely represented that that Business-4 had paid approximately \$1,000,000 in total wages, tips, and other compensation to over 45 employees in each quarter of 2019. The forms also falsely indicated that Business-4 had withheld over approximately \$175,000 per quarter in federal income tax withholding in 2019 as well as making payments to the U.S. Treasury of approximately \$330,000. Information obtained from the SSA confirmed, however, that Business-4 reported no wages paid for the period between 2018 through 2020. The SSA also did not receive any Forms W-3, Transmittal of Wage and Tax Statements, or Forms W-2, Wage and Tax Statements from Business-4. Likewise, a review of information obtained from the IRS confirmed that Business-4 did not file any Forms 941 in 2019.

20. The five-page bank statement that YOUNG submitted with the Business-4 loan application was false. The fake bank account statement reflected an ending balance of approximately \$3,000, with approximately \$28,000 in deposits and credits and approximately \$29,000 in withdrawals and deposits. The transaction history included numerous money transfers to and from bank accounts controlled by YOUNG.

21. The actual bank account records at Bank-2 for Business-4 during the same time period revealed a completely different transaction history than that reflected on the bank statement YOUNG submitted with Business-4's PPP application. The actual bank statement reflected a negative ending balance, with approximately \$228 in deposits and credits and \$320 in withdrawals and debits. Bank records of accounts controlled by YOUNG showed that the transaction history in the false Business-4 bank statement corresponded to the transaction history from a bank account controlled by YOUNG.

22. In reliance on these material misrepresentations, on or about June 3, 2020, Lender-1 disbursed \$852,205—the full amount applied for—to the Business-4 bank account at Bank-2. On the same day, a check made out to Business-1 for \$85,221 was issued from the Business-4 bank account. This check was deposited by YOUNG into the Business-1 account at Bank-2.

23. CC-2 used the PPP loan proceeds for, among other things, personal expenses and other business ventures.

Falsified PPP Loan Application for Business-5

24. Approximately two weeks later, CC-1 pursued another PPP loan application for Business-5, again using YOUNG to help prepare and submit the application. Business-5 had no employees. For his work on this PPP application, CC-1 agreed to pay YOUNG a 10% fee.

25. CC-1 did not provide YOUNG with any documentation of payroll for Business-5 because Business-5 had no employees and no payroll. As a result, CC-1 did not generate or file Forms 941 for 2019 with the IRS.

26. On or about June 16, 2020, YOUNG submitted a PPP loan application to Lender-1 on behalf of Business-5, seeking a PPP loan in the amount of \$66,458. Like the previous application, it was submitted in CC-1's name, listing CC-1's personal information including CC-1's social security number. The application was purportedly initialed and signed by CC-1. The application stated that Business-5 had four employees and average monthly payroll of \$26,583.32. The application also included four fictitious documents that purported to be Forms 941 for tax year 2019 for Business-5.

27. The purported Forms 941 submitted with CC-1's application falsely represented that that in each quarter of 2019, Business-5 had paid over approximately \$79,000 in wages, tips, and other compensation to four employees in each quarter of 2019. They also falsely stated that Business-5 had withheld over approximately \$12,000 per quarter in federal income tax withholding as well as making payments to the U.S. Treasury of approximately \$24,000. Information obtained from the SSA confirmed, however, that Business-5 reported no wages paid for the period between 2018 through 2020. The SSA also did not receive any Forms W-3, Transmittal of Wage and Tax Statements, or Forms W-2, Wage and Tax Statements from Business-5. Likewise, a review of information obtained from the IRS confirmed that Business-5 did not file any Forms 941 in 2019.

28. In reliance on these material misrepresentations, on or about June 17, 2020, Lender-1 disbursed \$66,458—the full amount applied for—to a Business-5 bank account controlled by CC-1. On the same day, a check made out to Business-1 for \$6,645.80, was issued from the Business-5 bank account. This check was deposited by YOUNG into the Business-1 bank account at Bank-2, which YOUNG controlled.

29. CC-1 and Individual-1 utilized the PPP loan proceeds for, among other things, personal expenses and other business ventures.

30. In total, YOUNG conspired with CC-1 and CC-2 to defraud Lender-1 of at least approximately \$1,467,958 in CARES Act funding.

Bank Fraud: Business-1 and Business-2 PPP Applications

31. YOUNG also filed PPP loan applications and obtained CARES Act funding on behalf of businesses that he controlled, in a total amount of approximately \$236,748:

Name of Business Applicant	Approximate Loan Amount	Lender	Approximate Date
Business-1	\$51,042	Lender-1	April 30, 2020
Business-2	\$67,332	Lender-1	May 4, 2020
Business-2	\$67,532	Lender-1	January 26, 2021
Business-1	\$51,042	Lender-1	January 28, 2021

32. Each of these applications was signed by YOUNG and listed YOUNG as the sole owner of each business, which the applications indicated were each located in New Jersey. The applications each contained materially false information.

Falsified PPP Loan Applications for Business-1

33. On or about April 30, 2020, YOUNG submitted a PPP loan application to Lender-1 seeking a PPP loan of approximately \$51,042 on behalf of Business-1, which YOUNG exclusively owned and controlled. On the loan application, YOUNG indicated that Business-1 had 10 employees and an average monthly payroll of \$20,417.

34. As part of the loan application, YOUNG submitted four documents purporting to be the Forms 941 for Business-1 for each quarter of 2019. These Forms 941 contained misrepresentations regarding the number of employees and wages paid, and they fraudulently misrepresented that Business-1 had withheld federal income tax in each quarter that was paid to the U.S. Treasury. IRS records confirmed that these Forms 941 were not filed with the IRS. IRS records further confirmed that Business-1 did not make any payments to the IRS related to the supplied tax returns.

35. In reliance on these material misrepresentations, on or about May 14, 2020, Lender-1 disbursed approximately \$51,042—the full amount applied for—to the Business-1 bank account at Bank-2. Thereafter, YOUNG caused several checks to be issued from this account, purportedly for employee payroll, including checks written to himself and family members. These checks included a check for \$14,800 made out to YOUNG’s wife, Sandra Stagg-Young, purportedly for “Repayment of 2015 Personal Loan.”

36. On or about January 28, 2021, YOUNG applied for a “second draw”¹ PPP loan on behalf of Business-1, seeking a loan of approximately \$51,042 from Lender-1. On this application, YOUNG claimed that Business-1 had 15 employees and an average monthly payroll of \$20,417. YOUNG also submitted a document purporting to be a Form 941 for Business-1 from the first quarter of 2020, stating that the company had paid a total of \$41,462 in wages, tips, and other compensation to four employees in the first quarter of 2020 and had withheld approximately \$7,000 in federal income tax withholding from those wages. IRS records again confirmed that this Form 941 was not filed with the IRS, nor were tax payments made to the IRS as represented.

37. In reliance on these material misrepresentations, on or about February 1, 2021, Lender-1 disbursed approximately \$51,042—the full amount applied for—to the Business-1 bank account at Bank-2. Thereafter, funds were transferred out of the account via ACH debit transactions purportedly for “payroll,” and YOUNG transferred funds to his personal checking account at Bank-2 in a series of transactions, including \$2,100 on February 5, 2021, \$1,314, \$2,009, and \$1,063 in separate transfers on February 8, 2021, and \$2,400 on March 1, 2021.

Falsified PPP Loan Applications for Business-2

38. On or about May 4, 2020, YOUNG submitted a PPP loan application to Lender-1 seeking a PPP loan of approximately \$67,332 on behalf of Business-2, which YOUNG exclusively owned and controlled. On the loan application, YOUNG indicated that Business-2 had 4 employees and an average monthly payroll of \$26,933.

39. As part of the loan application YOUNG submitted four documents purporting to be the Forms 941 for Business-2 for each quarter of 2019. These Forms 941 contained misrepresentations regarding the number of employees and wages paid, and they fraudulently misrepresented that Business-1 had withheld federal income tax in each quarter that was paid to the U.S. Treasury. IRS records confirmed that these Forms 941 were not filed with the IRS. IRS records further confirmed that Business-1 did not make any payments to the IRS related to the supplied tax returns.

40. Although the purported Forms 941 for 2019 for Business-2 indicated that Business-2 paid over \$300,000 in salaries and compensation in 2019, bank

¹ PPP allowed certain eligible borrowers who previously received a PPP loan to apply for a “second draw” PPP loan, which was a second PPP loan with the same general loan terms as the initial PPP loan.

records for the Business-2 bank account at Bank-3 reflected no payment of payroll or salaries in 2019 in the claimed amounts.

41. On the loan application, YOUNG also falsely responded “NO” to the question “Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business?” In fact, YOUNG was also the sole owner of Business-1 and had previously represented himself as the sole owner of Business-1 on a PPP loan application filed just days earlier.

42. In reliance on these material misrepresentations, on or about May 6, 2020, Lender-1 disbursed approximately \$67,332—the full amount applied for—to the Business-2 bank account at Bank-3. On the same day, YOUNG withdrew approximately \$68,000 from this bank account and received cash and cashier’s checks. Specifically, YOUNG withdrew approximately \$5,874 in cash, and caused three cashier’s checks to be issued, to Business-1 for approximately \$33,224.71, to YOUNG for approximately \$14,261.55, and to YOUNG’s wife, Sandra Stagg-Young, for approximately \$14,009.45.

43. On or about January 26, 2021, YOUNG applied for a “second draw” PPP loan on behalf of Business-2, seeking a PPP loan for approximately \$67,532 from Lender-1. In support of the loans, the same unsigned Forms 941 were submitted to Lender-1, purportedly for each quarter of 2019, that were submitted with the first PPP loan application for Business-2 but never filed with the IRS. On this application, YOUNG again falsely responded “NO” to the question “Is the Applicant or any owner of the Applicant an owner of any other business, or have common management with, any other business?” In fact, YOUNG was also the sole owner of Business-1 and, as noted above, applied for a “second draw” PPP loan for Business-1 just two days later, indicating on that application that he was the sole owner of Business-1

44. In reliance on these material misrepresentations, on or about January 28, 2021, Lender-1 disbursed approximately \$67,532—the full amount applied for—to the Business-2 bank account at Bank-3. Thereafter, YOUNG caused a number of large checks to be issued from this account made out to Business-2 and Business-1, all endorsed by YOUNG.