

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:
UNITED STATES OF AMERICA	:
	:
- v. -	:
	:
FRANKLIN RAY, and	:
JOSEPH WINGET,	:
	:
Defendants.	:
	X
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INDICTMENT

22 Cr.

COUNT ONE  
(Wire Fraud)

The Grand Jury charges:

Relevant Entities and Individuals

1. CSA Business Solutions LLC ("CSA Business" or the "Company") is a private company incorporated in the state of Michigan in December 2019. CSA Business purports to be a trucking and logistics company, but engages in minimal actual trucking activity.

2. During all times relevant to this Indictment, FRANKLIN RAY, the defendant, held himself out to investors and potential business partners as the principal of CSA Business, and exercised actual control over CSA Business Solutions LLC, its bank accounts, and its loan applications with the United States Small Business Administration ("SBA").

3. JOSEPH WINGET, the defendant, was identified as the resident agent for CSA Business in the Company's Articles of Incorporation, and was identified as the Company's "owner" in its annual statement filed with the state of Michigan in 2021. WINGET was also the signatory for the Company's primary bank account during the relevant period (the "CSA Business Bank Account").

The Truck Investment Fraud Scheme

4. From at least in or about June 2021 through in or about April 2022, FRANKLIN RAY, the defendant, solicited money from investors by falsely promising the investors that, in exchange for \$20,000, they could purchase the right to receive 77% of the "net income" of a truck operated by CSA Business in connection with its trucking business. During the course of the Truck Investment Fraud Scheme, RAY fraudulently induced over 270 investors to invest at least \$40,000,000 in at least 2,000 trucks.

5. The investments were memorialized in contracts (the "Truck Investment Contracts"). Pursuant to the contracts, the investors would provide \$20,000 per truck. The truck would be put into service within three weeks of the funding of the \$20,000. The agreement would last for seven years, and payments would be made by CSA Business to investors on a weekly or bi-weekly basis.

6. After entering into the Truck Investment Contracts, FRANKLIN RAY, the defendant, told the investors that specific trucks had been assigned to them pursuant to the Truck Investment Program. In truth and in fact, no such trucks had been assigned, because CSA Business did not have enough trucks to satisfy thousands of Truck Investment Contracts.

7. In addition, FRANKLIN RAY, the defendant, would send each investor a spreadsheet at regular intervals falsely purporting to show the performance of that investor's trucks and the amounts owed to that investor based on the performance of the trucks during the period covered by the spreadsheet.

8. Some investors received payments based on the purported performance of the trucks. To make those payments, FRANKLIN RAY, the defendant, typically used new investor funds to pay earlier investors, in Ponzi-like fashion.

9. In addition, from in or about June 2021 up until in or about April 2022, FRANKLIN RAY, the defendant, made numerous false statements to the investors about the business relationships of CSA Business. For example, he initially told the investors that the trucks were doing business for a large, multinational e-commerce company (the "e-Commerce Company"), when in truth and in fact, CSA Business had no formal relationship with the e-Commerce Company until on or about November 30, 2021, and received less than \$100,000 in revenue

from the e-Commerce Company during the period of time that RAY was soliciting investments in CSA Business. In addition, in or about February 2022, RAY told the investors that, if they agreed to forego one payment owed to them, they could switch their trucks from trucks doing business for the e-Commerce Company to trucks doing business for an international shipping company (the "Shipping Company"). RAY told the investors that the trucks doing business for the Shipping Company would make more money in the long run than the trucks doing business for the e-Commerce Company. Many of the Investors elected to switch to the trucks doing business for the Shipping Company. But in truth and in fact, CSA Business has no business relationship with the Shipping Company.

10. In early March 2022, RAY was arrested in connection with the fraud schemes charged in Counts Two through Five of this Indictment, and the CSA Business Bank Account - which had been receiving payments from investors pursuant to the Truck Investment Contracts - was seized pursuant to a seizure warrant. After RAY's arrest and the seizure of the CSA Business Bank Account, CSA Business was unable to make an expected payment to the investors. RAY misled the investors about why CSA Business did not make expected payments and hid the fact of his arrest and the seizure of the CSA Business Bank Account. During this period, in March and April 2022, RAY caused new bank accounts to

be opened on behalf of CSA Business and continued to solicit and accept investor funds for trucks that did not exist.

11. In sum, despite the representations made by FRANKLIN RAY, the defendant, to the investors, including that (i) CSA Business was operating thousands of trucks, (ii) pursuant to the Truck Investment Contract, for each \$20,000 a specific truck was procured and assigned to the Investor, and (iii) the trucks were performing deliveries and earning income consistent with the spreadsheets provided to the Investors, in truth and fact, CSA Business had only a few trucks operating during the relevant period. Rather, the vast majority of payments made to investors - including payments made as recently as April 2022 - came from other sources, including from payments made to CSA Business by other investors.

#### STATUTORY ALLEGATIONS

12. From at least in or about June 2021 up to and including at least in or about April 2022, in the Southern District of New York and elsewhere, FRANKLIN RAY, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings,

signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, RAY made untrue statements of material fact to investors about CSA Business's trucks, including by falsely stating that the investors were assigned individual trucks for each \$20,000 investment, and that monies received by investors reflected income from legitimate trucking activities.

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

COUNT TWO

(Conspiracy to Commit Wire Fraud)

The Grand Jury further charges:

The CSA Business SBA Loan Scheme

13. The allegations contained in paragraphs 1 through 11 of this Indictment are repeated and realleged as if fully set forth herein.

14. From at least in or about June 2020 until in or about February 2021, FRANKLIN RAY and JOSEPH WINGET, the defendants, engaged in a scheme to obtain Government-guaranteed and/or issued loans through two loan programs of the SBA designed to provide relief to small businesses during the Covid-19 pandemic, namely the Paycheck Protection Program (the "PPP") and the Economic Injury Disaster Loan ("EIDL") program.

15. In furtherance of this scheme, on or about June 17, 2020, FRANKLIN RAY and JOSEPH WINGET, the defendants, caused CSA

Business to submit an EIDL application to the SBA (the "CSA Business EIDL Application") which claimed, among other things, that CSA Business (i) was established in January 2019, (ii) had 65 employees as of January 31, 2020, and (iii) had gross revenues of \$12,536,004 for the twelve months prior to January 31, 2020.

16. The information included in the CSA Business EIDL Application was false. In truth and fact, CSA Business was established in December 2019 and had few employees and limited revenues as of January 31, 2020. In fact, CSA Business did not file a tax return with the Internal Revenue Service ("IRS") for the 2019 calendar year.

17. As a result of the false statements in the CSA Business EIDL Application, CSA Business received \$159,900 from the SBA to which it was not entitled.

18. In addition, in or about June 2020, CSA Business submitted numerous applications for PPP loans. These applications included forged tax filings and bank account statements and other fraudulent information about CSA Business. As a result of these fraudulent applications, CSA Business was approved for a PPP loan and received approximately \$970,347 in July 2021.

19. In January and February 2021, CSA Business submitted additional PPP loan applications containing fraudulent

information. CSA Business did not obtain an additional PPP loan in 2021.

STATUTORY ALLEGATIONS

20. From at least in or about June 2020 through at least in or about February 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY and JOSEPH WINGET, the defendants, and others known and unknown, willfully and knowingly, did combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343.

21. It was a part and object of the conspiracy that FRANKLIN RAY and JOSEPH WINGET, the defendants, and others known and unknown, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, would and did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Section 1343.

(Title 18, United States Code, Section 1349.)



COUNT THREE  
(Wire Fraud)

The Grand Jury further charges:

22. The allegations contained in paragraphs 1 through 11 and 14 through 19 of this Indictment are repeated and realleged as if fully set forth herein.

23. From at least in or about June 2020 up to and including at least in or about February 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY and JOSEPH WINGET, the defendants, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, RAY and WINGET engaged in a scheme to obtain Government-guaranteed loans by means of false and fraudulent pretenses, representations, and documents, for a company controlled by RAY and WINGET, namely CSA Business, through two loan programs of the SBA designed to provide relief to small businesses during the COVID-19 pandemic, namely the PPP and the EIDL program.

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

COUNT FOUR  
(Aggravated Identity Theft)

The Grand Jury further charges:

24. The allegations contained in paragraphs 1 through 11 and 14 through 19 of this Indictment are repeated and realleged as if fully set forth herein.

25. In or about July 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY and JOSEPH WINGET, the defendants, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, RAY and WINGET used names and social security numbers of certain individuals in connection with fraudulent loan applications made during and in relation to the fraud charges in Count Two and Count Three of this Indictment.

(Title 18, United States Code, Sections 1028A(a)(1), 1028A(b),  
and 2.)

COUNT FIVE  
(Wire Fraud)

The Grand Jury further charges:

The Joint Venture Scheme

26. The allegations contained in paragraphs 1 through 11 and 14 through 19 of this Indictment are repeated and realleged as if fully set forth herein.

27. In or around December 2020, FRANKLIN RAY, the defendant, initiated discussions with principals of a New York City based real estate holding company (the "Holding Company") about creating a joint venture between CSA Business and the Holding Company (the "Joint Venture"). Specifically, RAY proposed that the Joint Venture would be in the logistics and trucking business.

28. In connection with these discussions, FRANKLIN RAY, the defendant, represented to principals and employees of the Holding Company that CSA Business was an established trucking company that had derived significant revenues from the e-Commerce Company - a large, multinational corporation. In truth and fact, CSA Business did not have significant business operations of any kind, and had no business relationship with the e-Commerce Company.

29. On or about December 29, 2020, the Holding Company wired \$175,000 to CSA Business as a deposit payment for costs associated with the Joint Venture. But FRANKLIN RAY, the defendant, did not spend the funds received for the deposit on the Joint Venture. Rather, RAY spent the funds on personal expenses, including private airplane flights for himself and his family.

30. The Joint Venture was never formed, and neither CSA Business nor FRANKLIN RAY, the defendant, returned any portion of the \$175,000 deposit to the Holding Company.

STATUTORY ALLEGATIONS

31. From at least in or about December 2020 up to and including at least in or about February 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, to wit, RAY, after providing false information about CSA Business and his own personal business experience and relationships, fraudulently induced a payment of \$175,000 from the Holding Company purportedly to assist in establishing the Joint Venture.

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

COUNT SIX  
(Wire Fraud)

The Grand Jury further charges:

The Trucking Company-1 SBA Fraud Scheme

32. Trucking Company-1 is a private company incorporated in the state of Michigan in January 2020. Individual-1 is identified as the resident agent and incorporator of the Company in its Articles of Incorporation. Individual-1 is also identified as having signatory authority over the bank accounts held for Trucking Company-1. However, in all circumstances relevant to the Indictment, FRANKLIN RAY, the defendant, exercised control over the company's bank accounts.

33. From at least in or about June 2020 through at least in or about March 2021, FRANKLIN RAY, the defendant, engaged in a scheme to fraudulently obtain EIDL and PPP loans for Trucking Company-1.

34. In furtherance of this scheme, FRANKLIN RAY, the defendant, caused Trucking Company-1 to submit an EIDL application (the "Trucking Company-1 EIDL Application") which resulted in Trucking Company-1 receiving \$139,900 from the SBA. RAY then transferred at least \$57,000 to his personal bank account for his own use, rather than for the use of Trucking Company-1.

35. In addition, on or about February 15, 2021, FRANKLIN RAY, the defendant, caused Trucking Company-1 to electronically submit a PPP application to a particular lender (the "Trucking Company-1 PPP Application"). The Trucking Company-1 PPP Application included forged bank account statements and other fraudulent information. The Trucking Company-1 PPP Application was submitted in the name of Individual-1 and included a copy of Individual-1's driver's license.

36. As a result of the fraudulent Trucking Company-1 PPP Application, Trucking Company-1 was approved for a PPP loan and received approximately \$683,765 in March 2021.

#### STATUTORY ALLEGATIONS

37. From at least in or about June 2020 up to and including at least in or about March 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY, the defendant, willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, for the purpose of executing such scheme and artifice, which affected a financial institution, to wit, RAY engaged in a scheme to obtain

Government-guaranteed loans from the SBA and a financial institution by means of false and fraudulent pretenses, representations, and documents, for Trucking Company-1, through the PPP and the EIDL programs.

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

COUNT SEVEN  
(Aggravated Identity Theft)

The Grand Jury further charges:

38. The allegations contained in paragraphs 32 through 36 of this Indictment are repeated and realleged as if fully set forth herein.

39. From in or about June 2020 up to and including March 2021, in the Southern District of New York and elsewhere, FRANKLIN RAY, the defendant, knowingly did transfer, possess, and use, without lawful authority, a means of identification of another person, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit, RAY used the name, social security number, and driver's license of Individual-1 in connection with fraudulent loan applications made during and in relation to the fraud charges in Count Six of this Indictment.

(Title 18, United States Code, Section 1028A(a)(1), 1028A(b), and 2.)

FORFEITURE ALLEGATION

40. As a result of committing the offenses alleged in Counts One through Seven of this Indictment, FRANKLIN RAY and JOSEPH WINGET, the defendants, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28 United States Code, Section 2461(c), any and all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of said offenses, including but not limited to a sum of money in United States currency representing the amount of proceeds traceable to the commission of said offenses and the following specific property:

a. Any and all funds on deposit in JPMorgan Chase Account 587327039 held in the name of "CSA Business Solutions LLC" and all funds traceable thereto, including accrued interest;

b. Any and all funds on deposit in Comerica Bank Account 1853227906 held in the name of Trucking Company-1 and all funds traceable thereto, including accrued interest;

c. Any and all funds on deposit in JPMorgan Chase Account 707327828 held in the name of Trucking Company-1 and all funds traceable thereto, including accrued interest;

d. Any and all funds on deposit in DFCU Financial Checking Account 209383348, up to and including \$35,250.00, held



in the name of "Franklin G. Ray" and all funds traceable thereto, including accrued interest; and

e. Any and all funds on deposit in PNC Bank Account 41-6216-2537, up to and including \$39,596.23, held in the name of "Marsha G. Ray and Franklin Ray," and all funds traceable thereto, including accrued interest.

f. The real property located at 6600 Kahler, Imlay City, Michigan 48444.

Substitute Asset Provision

41. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

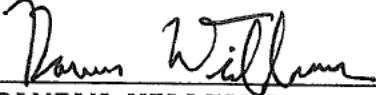
d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section

853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

(Title 18, United States Code, Sections 981 and 982;  
Title 21, United States Code, Section 853;  
Title 28, United States Code, Section 2461.)

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FOREPERSON

  
DAMIAN WILLIAMS  
United States Attorney

Form No. USA-33s-274 (Ed. 9-25-58)

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SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA

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INDICTMENT

22 Cr. \_\_\_\_\_

(18 U.S.C. §§ 1028A, 1343, 1349)

DAMIAN WILLIAMS  
United States Attorney

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Foreperson

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