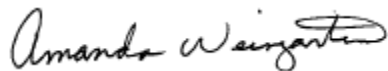


Approved:



AMANDA C. WEINGARTEN
Assistant United States Attorney

Before:

THE HONORABLE ONA T. WANG
United States Magistrate Judge
Southern District of New York

23 MAG 3393

UNITED STATES OF AMERICA

v.

JASMIN GADSON,

Defendant.

SEALED COMPLAINT

Violations of
18 U.S.C. §§ 641, 1343, and 2

COUNTY OF OFFENSE:
NEW YORK

SOUTHERN DISTRICT OF NEW YORK, ss.:

STEVEN REBH, being duly sworn, deposes and says that he is a Special Agent with the United States Department of Labor, Office of Inspector General (“DOL-OIG”), and charges as follows:

COUNT ONE
(Wire Fraud)

1. From at least in or about June 2020 through in or about September 2021, in the Southern District of New York and elsewhere, JASMIN GADSON, the defendant, 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, transmitted and caused 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, GADSON engaged in a scheme to fraudulently obtain unemployment benefits, and used the Internet to submit a fraudulent application for such benefits, to and from the Southern District of New York and elsewhere, in furtherance of that scheme.

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

COUNT TWO
(Theft of Government Funds)

2. From at least in or about June 2020 through in or about September 2021, in the Southern District of New York and elsewhere, JASMIN GADSON, the defendant, knowingly embezzled, stole, purloined, and converted to her use and the use of another, a record, voucher, money, and thing of value of the United States and a department and agency thereof, to wit, the United States Department of the Treasury, which exceeded the sum of \$1,000, and received, concealed, and retained the same with intent to convert it to her use and gain, knowing it to have been embezzled, stolen, purloined and converted, to wit, GADSON fraudulently obtained approximately \$36,632 in unemployment benefits to which she was not entitled.

(Title 18, United States Code, Sections 641 and 2.)

The bases for my knowledge and for the foregoing charges are, in part, as follows:

3. I am a Special Agent with the DOL-OIG, and I have been personally involved in the investigation of this matter. This affidavit is based on, among other things, my conversations with law enforcement officers and others, my examination of reports and records prepared by law enforcement officers and others, and my involvement in this investigation. Because this affidavit is being submitted for the limited purpose of establishing probable cause, it does not include all the facts that I have learned during the course of my investigation. Where the contents of documents and the actions, statements, and conversations of others are reported herein, they are reported in substance and in part, except where otherwise indicated.

4. Based on my participation in this investigation, I have learned that JASMIN GADSON, the defendant, has engaged in a scheme to obtain approximately \$41,660 in Paycheck Protection Program (“PPP”) benefits by filing fraudulent loan applications with the United States Small Business Administration (“SBA”), and approximately \$36,632 in unemployment benefits by fraudulently filing for benefits while employed full-time as a toll worker with the Port Authority of New York and New Jersey.

Background on COVID-19 Unemployment Assistance

5. Based on my participation in this investigation, my conversations with other law enforcement agents and officers, and my conversations with employees and investigators from the New York State Department of Labor (“NY DOL”), I have learned the following:

a. Unemployment Insurance (“UI”) is a state-federal program that provides monetary benefits to eligible lawful workers. Although state workforce agencies administer their respective UI programs, they must do so in accordance with federal laws and regulations. UI payments (benefits) are intended to provide temporary financial assistance to lawful workers who are unemployed through no fault of their own. Each state sets its own additional requirements for eligibility, benefit amounts, and the length of time benefits can be paid. Generally, UI weekly

benefit amounts are based on a percentage of a worker's earnings over a base period. In the State of New York, the NY DOL administers the UI program.

b. On March 13, 2020, the President of the United States (the "President") declared the ongoing COVID-19 pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act").

c. On March 18, 2020, the President signed into law the Families First Coronavirus Response Act, which provides additional flexibility for state UI agencies and additional administrative funding to respond to the COVID-19 pandemic.

d. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law, enacted on March 27, 2020, that is designed to provide emergency financial assistance to the millions of Americans 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 the PPP. On April 24, 2020, the Paycheck Protection Program and Health Care Enhancement Act was signed into law, authorizing over \$300 billion in additional PPP funding.

e. The PPP allows qualifying small businesses and other organizations to receive unsecured SBA-guaranteed loans with a maturity of two years and interest rate of one percent. PPP loan proceeds must be used by businesses on payroll costs, mortgage interest, rent, and/or utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses under certain condition. Pursuant to the CARES Act, the amount of PPP funds a business is eligible to receive is determined by the number of employees employed by the business and its average payroll costs. Businesses applying for a PPP loan must provide documentation to confirm that they have in the past paid employees the compensation represented in the loan application. The PPP is overseen by the SBA, which has authority over all PPP loans, but individual PPP loans are issued by approved commercial lenders who receive and process PPP applications and supporting documentation, and then make loans using the lenders' own funds.

f. In early 2021, the SBA began offering what was termed "Second Draw" PPP loans. A Second Draw PPP loan was generally available to borrowers who had previously received a PPP loan and (i) had or would be using the full amount of that loan for authorized purposes, (ii) had 300 or fewer employees, and (iii) could demonstrate at least a 25% reduction in gross receipts between comparable quarters in 2019 and 2020.

g. The CARES Act also expands states' ability to provide UI for many workers impacted by COVID-19, including for workers who are not ordinarily eligible for UI benefits. The CARES Act provided for three new UI programs: Pandemic Unemployment Assistance ("PUA"); Pandemic Emergency Unemployment Compensation ("PEUC"); and Federal Pandemic Unemployment Compensation ("FPUC") (referred to herein collectively as "COVID-19 Benefits"). Collectively, these programs expanded the number of persons eligible for UI, extended the number of weeks of UI to which persons are eligible; and increased the weekly amount of UI provided.

h. On August 8, 2020, after FPUC expired, the President signed a Presidential Memorandum authorizing FEMA to use disaster relief funds pursuant to Section 408 Other Needs Assistance of the Stafford Act to provide supplemental payments for lost wages to help ease the financial burden on individuals who were unemployed as a result of COVID-19. The “Lost Wages Assistance Program” (“LWAP”) served as a temporary measure to provide an additional \$300 per week via a total of \$44 billion in FEMA funds.

i. The Continued Assistance for Unemployment Workers Act of 2020 (“Continued Assistance Act” or “CAA”) extended PUA and PEUC to March 14, 2021, as long as the individual has not reached the maximum number of weeks. The duration of PUA benefits for eligible individuals has been extended from 39 weeks to a total of up to 50 weeks. The CAA also reauthorized FPUC and modified it to provide \$300 per week in supplemental benefits for weeks of unemployment beginning after December 26, 2020, and ending on or before March 14, 2021.

j. In total, as of September 2021, more than \$870 billion in federal funds for UI was appropriated. Additional federal funds have been appropriated in 2021.

k. The NY DOL offers an online website (“the Website”) through which applicants can, among other things, apply for COVID-19 Benefits and verify unemployment status, as outlined below. In order to apply for COVID-19 Benefits through the Website, an applicant must complete and submit an online application (the “Application”) that includes, among other things, the applicant’s name, date of birth, social security number, and address. The NY DOL sometimes requires additional documents, including photo identification. In addition, the applicant can direct that the NY DOL send any approved funds to a specific bank account or to a debit card.

l. If the Application is approved, the applicant is required to log on to the Website on a weekly basis thereafter to verify his/her continued unemployment status and efforts to seek employment (the “Verification Process”).

m. An applicant may submit a COVID-19 Benefits application and complete the required Verification Process through the Website using various electronic devices, including, among others, a laptop or desktop computer, tablet, and/or a cellular device.

GADSON Fraudulently Obtained UI Benefits

6. On or about June 5, 2020, JASMIN GADSON, the defendant, fraudulently submitted a UI benefits application. The UI application contained numerous false statements, including her claims that (a) the last date that she worked was March 19, 2020, and (b) “all the money [she] earned in 2019 and up until [the date of the initial application] in [June] 2020 [was] from running [her] own business,” which purportedly provided her \$20,000 in annual net income.

7. From at least in or about June 2020 through in or about September 2021, GADSON relied on the fraudulent application to complete the Verification Process by verifying her continued unemployment on a weekly basis. During the Verification Process, GADSON made additional false statements, including false claims regarding the number of hours worked and earnings.

8. As a result of the fraudulent application and weekly verifications, the NY DOL issued UI benefits to GADSON totaling approximately \$36,632.

9. Based on conversations with individuals at the NY DOL, and my review of records provided by the same, I have learned the following:

a. The aforementioned UI benefits were all issued by the NY DOL, in connection with an approved application (the “Initial Fraudulent Application”), submitted via the Website, for UI benefits.

b. The NY DOL gathered information associated with the Initial Fraudulent Application, including the date on which the application was submitted; the physical address and phone number associated with the application; the internet protocol (“IP”) address used to complete and submit the application and/or complete the Verification Process in connection with the application; and the total amount of UI benefits dispersed in connection with the application.

c. JASMIN GADSON, the defendant, submitted the Initial Fraudulent Application for UI benefits in or about June 2020 and provided subsequent certifications thereafter. GADSON received payments of UI benefits in connection with the Initial Fraudulent Application and subsequent certifications from in or about June 2020 through in or about September 2021.

d. In total, approximately \$36,632 in UI benefits was dispersed to GADSON in connection with the Initial Fraudulent Application and subsequent certifications.

e. At all times from in or about June 2020 through in or about September 2021, GADSON was employed by the Port Authority of New York and New Jersey and received salary or paid sick leave, or was on unpaid protected parental leave. The dates for which she was on unpaid protected parental leave were May 2, 2021 through July 25, 2021. During that period, she was receiving full health benefits, enjoyed protected leave status, and was not eligible for UI benefits.

The IP Addresses

10. Based on my review of records provided by the NY DOL, I have learned the following:

a. From in or about June 2020 through in or about September 2021, approximately 24 IP addresses were used to apply for, and/or to complete the Verification Process for, the Initial Fraudulent Application and approximately 56 subsequent certifications for UI benefits for JASMIN GADSON, the defendant.

b. NY DOL geolocation data reflect that several of the IP addresses were accessed within Manhattan.

c. Several of the IP addresses are registered to “Jasmin Gadson.”

NY DOL Customer Service Calls

11. Based on my review of records provided by the NY DOL, and law enforcement databases, I have learned the following:

a. On or about January 7, 2021, JASMIN GADSON, the defendant, placed a phone call to the NY DOL using a phone number ending in 2190 that is associated with GADSON (the “Gadson Cellphone”). GADSON was informed that the “call may be monitored or recorded.” GADSON identified herself as “Jasmin Gadson,” and provided her social security number and phone number (*i.e.*, the phone number assigned to the Gadson Cellphone). GADSON stated that she was not able to claim UI benefits in October 2020 due to a broken phone and inquired as to how to file for those weeks. GADSON was instructed to call back with the specific weeks in October 2020 for which she failed to claim UI benefits.

b. On or about January 15, 2021, GADSON, the defendant, placed a second phone call to the NY DOL using the Gadson Cellphone. GADSON was informed that the “call may be monitored or recorded.” GADSON identified herself as “Jasmin Gadson,” and provided her social security number, date of birth, mother’s maiden name, and address. GADSON stated that she needed to claim UI benefits for the following weeks of 2020: September 13, October 18, October 25, November 1, November 8, November 15, November 22, December 6, December 13, and December 20. During the phone call, GADSON falsely affirmed that, from September through December 2020, she had not worked. When asked why she did not claim those weeks, GADSON stated that her phone “messed up” such that she was not able to claim those weeks. For each week, GADSON falsely affirmed that she did not work or receive sick leave or other paid leave benefits. GADSON also acknowledged that she understood that her answers must be “true and correct,” and that there are legal penalties for making false statements.

GADSON Fraudulently Obtained PPP Loans

12. In or about February 2021, JASMIN GADSON, the defendant, fraudulently submitted a PPP loan application in the name of Business-1. The PPP loan application contained numerous false representations about Business-1, including, among other things, false statements about its revenues, business operations, payroll expenses, and number of employees. In support of the application, GADSON submitted fake tax documents. Finally, in the application, GADSON falsely represented that the proceeds would be used for payroll expenses.

13. As a result of this application, the SBA and a commercial lender (“Lender-1”) issued a PPP loan to Business-1 totaling approximately \$20,827. The funds obtained pursuant to the PPP loan application were not used for payroll purposes. Instead, the funds were direct deposited into personal bank accounts held by JASMIN GADSON, the defendant, and otherwise used for her own purposes.

14. In or about May 2021, JASMIN GADSON, the defendant, submitted an additional PPP loan application on behalf of Business-1. This too contained numerous false representations about Business-1, including, among other things, false statements about its revenues, business operations, payroll expenses, number of employees, and the intended use of the loan, as well as fraudulent tax documents.

15. As a result of this application, the SBA and Lender-1 issued a PPP loan to Business-1 totaling approximately \$20,833. The funds obtained pursuant to the PPP loan application were not used for payroll purposes. Instead, the funds were direct deposited into personal bank accounts held by JASMIN GADSON, the defendant, and otherwise used for her own purposes.

16. In total, JASMIN GADSON, the defendant, fraudulently obtained approximately \$41,660 in PPP loans between February 2021 and May 2021.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of JASMIN GADSON, the defendant, and that she be arrested, and imprisoned or bailed, as the case may be.

[s/Steven Rebh /otw](#)

STEVEN REBH

Special Agent

United States Department of Labor, Office of Inspector
General

Sworn to me through the transmission of
this Complaint by reliable electronic
means, this [27th](#) day of April, 2023.



THE HONORABLE ONA T. WANG

United States Magistrate Judge

Southern District of New York