UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 21-mj-02512 McAliley

UNITED STATES OF AMERICA

v.

CARLOS VAZQUEZ,

Defendant.
_______________________________/

CRIMINAL COVER SHEET

1. Did this matter originate from a matter pending in the Central Region of the United States Attorney's Office prior to August 9, 2013 (Mag. Judge Alicia Valle)? __ Yes X No

2. Did this matter originate from a matter pending in the Northern Region of the United States Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard)? __ Yes X No

3. Did this matter originate from a matter pending in the Central Region of the United States Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss)? __ Yes X No

4. Did this matter originate from a matter pending in the Southern Region of the United States Attorney's Office prior to November 23, 2020 (Judge Aileen M. Cannon)? __ Yes X No

Respectfully submitted,

ARIANA FAJARDO ORSHAN
UNITED STATES ATTORNEY

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AO 91 (Rev. 08/09) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America v. CARLOS VAZQUEZ, Defendant(s)	)	Case No. 21-mj-02512 McAliley

CRIMINAL COMPLAINT BY TELEPHONE OR OTHER RELIABLE ELECTRONIC MEANS

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of June 18 - December 31, 2020 in the county of Miami-Dade in the Southern District of Florida, the defendant(s) violated:

Code Section	*Offense Description*
18 U.S.C. §§ 1343 and 2	Wire Fraud

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT.

☑ Continued on the attached sheet.

Complainant's signature

Giovanni Donies, Special Agent, IRS-CI
Printed name and title

Attested to by the Applicant in accordance with the requirements of Fed.R.Crim.P. 4.1 by Face Time

Date: March 18, 2021

Judge's signature

City and state: Miami, Florida

Hon. Chris M. McAliley U.S. Magistrate Judge
Printed name and title

AFFIDAVIT

I, Giovanni Donies, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I am a Special Agent with the United States Department of the Treasury, Internal Revenue Service, Criminal Investigation ("IRS-CI") and have been employed in this capacity since October 2016. I have received extensive training in the investigation of bank fraud, mail fraud, access device fraud, and identity theft. I have also actively participated in federal financial criminal investigations. I am an investigative or law enforcement officer of the United States within the meaning of Title 18, United States Code, Section 2510(7), in that I am empowered by law to conduct investigations of, and make arrests for, offenses enumerated in Title 18 of the United States Code.

2. This Affidavit is made in support of a criminal complaint charging Carlos Vazquez ("Vazquez") from on or about June 18, 2020, through December 31, 2020, with wire fraud, in violation of Title 18, United States Code, Sections 1343 and 2. This Affidavit is based upon my personal investigation and investigation by others. The facts contained herein have been obtained by examining documents and records obtained during the investigation as well as through other means. The Affidavit does not include every fact known to me about this investigation, but rather only those facts sufficient to establish probable cause.

PROBABLE CAUSE

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted March 27, 2020 to provide financial assistance to Americans suffering economic harms from the COVID-19 pandemic. One source of relief provided through the CARES Act is

the authorization of forgivable loans to businesses for job retention and certain other expenses, through a program called the Paycheck Protection Program ("PPP").

4. To obtain a PPP loan, a qualifying business is required to submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. In the PPP loan application (Small Business Administration ("SBA") Form 2483), the small business (through its authorized representative) is required to provide, 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 were required to provide documentation confirming their payroll expenses.

5. A PPP loan application must be processed by a participating lender. If a PPP loan application is approved, the participating lender funds the PPP loan using its own monies, which are fully guaranteed by 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, is transmitted by the lender to the SBA in the course of processing the loan.

6. The Cares Act specifies eligibility criteria that a participating lender must consider, specifically,

> In evaluating the eligibility of a borrower for a covered loan with the terms described in this paragraph, a lender shall consider whether the borrower-- was in operation on February 15, 2020; and had employees for whom the borrower paid salaries and payroll taxes; or paid independent contractors, as reported on a Form 1099-MISC.

15 U.S.C. § 636 (a)(36)(F)(ii)(II)(aa)-(bb).

7. PPP loan proceeds must be used by the business on certain permissible expenses— payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal

on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

The Fraudulent PPP Loan Disbursed to Big League

8. On or about June 30, 2020, Vazquez electronically submitted a PPP loan application and supporting documents on behalf of Big League L.L.C ("Big League"), via interstate wire, to Kabbage, Inc. ("Kabbage") through an IP address associated with T-Mobile in Miami, Florida. These documents included: (1) a purported Big League Form W-3 for 2019; (2) a copy of Vazquez's Florida Driver's License; (3) a completed PPP loan application form (the "Application"); (4) a resolution to borrow; and (5) a promissory note.

9. The Application contains materially false statements, specifically:

a. Carlos Vazquez initialed the certification affirming that the applicant, Big League, "was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC;"

b. The Application states that Big League's average monthly payroll is $368,750.00;

c. The Application states that Big League has 64 employees.

10. The Application lists Vazquez as the CEO and 100% owner of Big League and is electronically signed by "Carlos Vazquez." A copy of Vazquez's Florida Driver's License was uploaded with the Application.

11. The purported Form W-3 for Big League included with the Application showed payroll of $4,425,000 for the year, for 64 employees. That payroll figure yielded the PPP loan application's "Average Monthly Payroll" figure of $368,750, which determined the $921,875

amount of the loan. The Form W-3 appears to be signed by Vazquez and the signature on Form W-3 appears similar to the signature on Vazquez's Florida Driver's License.

12. According to the Florida Department of State, Vazquez reinstated Big League on June 24, 2020. Vazquez filed the 2020, 2019 & 2018 annual reports on the same day.

13. Florida Department of Revenue records show that neither Big League nor Vazquez ever registered with them to file taxes. Additionally, Florida Department of Revenue does not have any records of reported wages or employees tied to Vazquez.

14. The day before filing the Application, on June 29, 2020, Vazquez opened a JPMorgan Chase business account for Big League and presented his Florida Driver's license as part of the opening process. Vazquez is the sole signatory on this account.

15. Based on the representations made in the loan application paperwork and supporting documents, the Application for Big League was approved, and on or about July 6, 2020, Kabbage wired approximately $921,875 in loan proceeds from outside the State of Florida into the Big League bank account at JPMorgan Chase in the Southern District of Florida.

16. The Application lists the business address for Big League as an apartment (the "Apartment") in Miami, Florida. This address appears to be a four-floor residential apartment/condominium building in the Blue Lagoon area. The Miami-Dade Property Appraiser website lists Vazquez as the owner of the Apartment. Law Enforcement has surveilled this Apartment and did not observe any activity appearing to be business-related.

17. Comcast has provided high speed internet at the Apartment from at least January 6, 2019 until December 7, 2020, and the subscriber is identified as Carlos Vazquez, with a T-Mobile telephone number ending in 9484. This telephone number is also listed in the Application.

Additionally, a Comcast IP address (ending in 151) assigned to the Apartment was used to log into the Kabbage account for this loan as early as June 18, 2020.

18. JPMorgan Chase and Kabbage records further show that on June 30, 2020 someone logged into Vazquez's JPMorgan Chase business account for Big League from the same IP address (ending in 167) that was used to apply for the PPP loan that same day. Records for the subscriber associated with the IP address ending in 167 are pending.

19. I have reviewed the JPMorgan Chase bank records for the account controlled by Vazquez, which confirmed Vazquez's receipt of Big League's PPP loan proceeds. Specifically, on or about July 6, 2020, Kabbage wired the loan amount of approximately $921,875 into the Big League account at JPMorgan Chase. On or about September 19, 2020, Vazquez began writing hundreds of checks, disguised as payroll checks, from the account to himself and others to dissipate the loan proceeds. These payouts continued through December 31, 2020. During that period, the JPMorgan Chase account has no other withdrawals outside of the disguised payroll checks.

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CONCLUSION

20. Based on the forgoing, I respectfully submit that there is probable cause to believe that Carlos Vazquez committed a wire fraud scheme in violation of Title 18 United States Code, Section 1343 and 2, from on or about June 18, 2020, to on or about December 31, 2020, in the Southern District of Florida, and elsewhere.

Giovanni Donies
Special Agent
IRS-CI

Attested to by the applicant in accordance
with the requirements of Fed. R. Crim. P. 4.1
byFace Time on this 18th day of March 2021.

Chris M. McAliley

HONORABLE CHRIS M. MCALILEY
UNITED STATES MAGISTRATE JUDGE