UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	CRIM. NO. 1:21-CR-
	:	
v.	:	
	:	(Judge)
KEITH MCCONNELL	:	
Defendant.	:	

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1
18 U.S.C. § 1343 – Wire Fraud

At all times relevant to this Criminal Information:

Background

1. Defendant KEITH MCCONNELL resided in Cumberland County, within the Middle District of Pennsylvania.

2. KEITH MCCONNELL was the sole owner of KB Transportation LLC, a Pennsylvania limited liability company established on or about February 5, 2015 with an address of 16 W. Main Street, Unit 1, Newville, PA 17241.

3. The United States Small Business Administration (SBA) was an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and

strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

4. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government backed guarantees.

5. The Coronavirus Aid, Relief, and Economic Security (CARES) Act was a federal law enacted or March 27, 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

6. One source of relief provided by the CARES Act was the authorization of up to $349 billion in forgivable loans to small businesses for payroll, mortgage interest, rent/lease, and utilities, through the Paycheck Protection Program (PPP). On or about April 24, 2020, Congress authorized up to $310 billion in additional PPP funding.

7. PPP loan proceeds were authorized to be used for businesses' payroll costs, mortgage interest, lease, and utilities. The principal and interest on PPP loans were to be entirely forgiven if the business spent the loan proceeds on these authorized expense items within a designated time-period, and also used a certain percentage of the PPP loan proceeds for payroll expenses.

8. The PPP loan amount available to small businesses was determined by the number of employees employed by the business and the business's average monthly payroll costs.

9. To obtain a PPP loan, qualifying businesses were 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 to be eligible to obtain the PPP loan.

10. In the PPP loan application, the authorized representative had to state, among other things, the business' (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.

11. The SBA oversaw the PPP. However, individual PPP loans were issued by private, approved lenders who received and processed PPP applications and supporting documentation, and then made loans using bank funds, which were 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, were transmitted by the lender to the SBA in the course of processing the loan.

The Scheme

12. From on or about June 3, 2020 and continuing until on or about March 26, 2021, defendant KEITH MCCONNELL knowingly devised and intended to devise a scheme and artifice to defraud the SBA's Paycheck Protection Program (PPP), and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

13. The object of the scheme was for KEITH MCCONNELL to unjustly enrich himself and others by submitting fraudulent applications to obtain or attempt to obtain PPP loans of approximately $467,200.00, through intentional misrepresentations and false documentation.

Manner and Means

It was part of the scheme that:

14. On or about June 5, 2020, KEITH MCCONNELL applied for and submitted a first draw PPP loan application for KB Transportation LLC which requested $312,000.00 in PPP loan proceeds. On this application, KEITH MCCONNELL claimed his business had twenty-six employees in 2019 with an average monthly payroll of $124,800.00, and attached supporting documentation for these figures.

15. On or about January 20, 2021, KEITH MCCONNELL applied for and submitted a second draw PPP loan application for KB Transportation LLC which

requested $155,200.00 in additional PPP loan proceeds. On this second application, KEITH MCCONNELL claimed his business had twenty-six employees in 2020 with an average monthly payroll of $95,572.00, and attached supporting documentation for these figures.

16. KEITH MCCONNELL electronically signed both PPP loan applications, and certified on these applications that the information he provided was true and accurate and that he understood the criminal penalties associated with providing false statements to the federal government.

17. At the time of both PPP loan applications KEITH MCCONNELL knew that KB Transportation LLC was not in business, had no employees, and had no payroll expenses. KEITH MCCONNELL further knew the tax and business records submitted in support of both PPP loan applications were fake records which did not contain accurate information.

18. At the time of both PPP loan applications KEITH MCCONNELL knew that KB Transportation LLC did not qualify for the PPP loans for which he applied, and he acted with the intent to defraud.

19. On or about June 5, 2020, a PPP lender approved the first draw loan application submitted by KEITH MCCONNELL on behalf of KB Transportation LLC, and on or about June 9, 2020 the lender wired $312,000.00 in PPP loan proceeds to the personal bank account of KEITH MCCONNELL.

20. KEITH MCCONNELL and others subsequently used the $312,000.00 in PPP loan proceeds for unauthorized expenditures including the purchase of a residential property and two vehicles, stock market investments, and personal expenditures. None of the PPP loan proceeds received by KEITH MCCONNELL on behalf of KB Transportation LLC were used for authorized PPP purposes.

21. On or about each of the dates set forth below, in the Middle District of Pennsylvania and elsewhere, defendant

KEITH MCCONNELL

for the purpose of executing the scheme described above, and attempting to do so, knowingly transmitted or caused to be transmitted by means of wire communication in interstate commerce certain writings, signs, signals, pictures, and sounds described below, with each transmission affecting a financial institution:

Date of Wire Transmission (on or about)	Description of Wire Transmission
6/5/20	Submitted fraudulent SBA PPP first draw loan application for $312,000.00 in the name of KB Transportation LLC that contained materially false statements, records, and misrepresentations
1/20/21	Submitted fraudulent SBA PPP second draw loan application for $155,200.00 in the name of KB Transportation LLC that contained materially false statements, records, and misrepresentations

All in violation of Title 18, United States Code, Section 1343.

COUNT 2
18 U.S.C. § 1956(h) – Money Laundering Conspiracy

22. For purposes of Count 2 of this Criminal Information, the factual allegations contained in the preceding paragraphs are re-alleged and incorporated by reference as if fully set forth herein.

23. From on or about June 3, 2020, and continuing thereafter until on or about July 8, 2020, in the Middle District of Pennsylvania and elsewhere, defendant

KEITH MCCONNELL

knowingly combined, conspired, and agreed with other persons known and unknown, to commit offenses against the United States in violation of Title 18, United States Code, Section 1957, namely: to 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 value greater than $10,000.00, such property having been derived from a specified unlawful activity, that is: wire fraud in violation of Title 18 United States Code, Section 1343.

Manner and Means

The manner and means used to accomplish the objectives of the conspiracy included, among others, the following:

24. On or about June 9, 2020, KEITH MCCONNELL and his co-conspirators, aiding and abetting each other, knowingly caused to be transferred and

deposited criminally derived property in the amount of $312,000.00 from a PPP lender into the personal bank account of KEITH MCCONNELL at F&M Trust.

25. From approximately June 15, 2020 through July 8, 2020, KEITH MCCONNELL and his co-conspirators, aiding and abetting each other, knowingly transferred and deposited, and caused to be transferred and deposited, criminally derived property in the amount of $244,292.00 from the bank account of KEITH MCCONNELL at F&M Trust into a personal bank account at PNC Bank. These transactions included four wire transfers – all referencing "payroll" – in the amounts of (1) $38,645.00 on June 15, 2020, (2) $67,347.00 on June 25, 2020, (3) $63,500.00 on July 2, 2020, and (4) $70,800.00 on July 8, 2020.

26. On or about June 15, 2020, KEITH MCCONNELL and his co-conspirators, aiding and abetting each other, knowingly transferred and caused to be transferred criminally derived property in the amounts of $18,000.00 and $19,000.00 from the PNC Bank account to obtain two cashier's checks, which were subsequently used to purchase two personal vehicles.

27. On or about June 25, 2020, KEITH MCCONNELL and his co-conspirators, aiding and abetting each other, knowingly transferred and caused to be transferred criminally derived property in the amount of $20,000.00 from his bank account at F&M Trust to the seller of a residential property located in Carlisle, PA, said sum representing the down payment for the purchase of the residential property.

28. On or about July 9, 2020, KEITH MCCONNELL and his co-conspirators, aiding and abetting each other, knowingly transferred and caused to be transferred criminally derived property in the amount of $195,300.00 from the PNC Bank account to the seller of the residential property in Carlisle, PA, said sum representing the remaining balance for the purchase of the residential property.

All in violation of Title 18, United States Code, Section 1956(h).

FORFEITURE ALLEGATION

29. The allegations contained in Counts 1 and 2 of this Criminal Information are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Sections 982(a)(1) and 982(a)(2)(A).

30. Pursuant to Title 18, United States Code, Sections 982(a)(1) and 982(a)(2)(A), upon conviction of the offenses in violation of Title 18, United States Code, Sections 1343 and 1956(h), as set forth in Counts 1 and 2 of this Criminal Information, defendant

KEITH MCCONNELL

shall forfeit to the United States of America any property real or personal, involved in such offenses, or property traceable to such property, and property constituting or derived from any proceeds obtained, directly or indirectly, as the result of said offenses. The property to be forfeited includes, but is not limited to:

a. real property located at 699 Barnstable Road, Carlisle, PA, 17015,

with a legal description of:

ALL THOSE CERTAIN two tracts of land situate in West Pennsboro Township, Cumberland County, Pennsylvania, more particularly bounded and described in accordance with survey of Larry V. Neidlinger, P.E., dated June 26, 1983, recorded in Cumberland County Plan Book 43, Page 143, as follows:

Tract 1:

BEGINNING at a spike at the intersection of Township Road T-447 and Legislative Route 21034; thence North 38 degrees 54 minutes West 156.41 feet along the center line of L.R. 21034 to a nail in the center line of Legislative Route 21034 at corner of Tract No. 2 herein; thence North 64 degrees 12 minutes 05 seconds East 301.25 feet along Tract No. 2 herein to a stake at corner of lands now or formerly of Hewitt E. Line et ux., and lands now or formerly of Reno Pittenger; thence South 15 degrees 15 minutes East 200 feet along lands now or formerly of Pittenger to a spike in the center line of Towship Road T-447; thence South 75 degrees 08 minutes West 233.48 feet along the center line of Township Route T-447 to a stake at the intersection of Township Road T-447 and Legislative Route 21034, the place of **BEGINNING.**

CONTAINING 1.063 acres and being designed Parcel No. 3 on the aforementioned subdivision plan. Having thereon erected a ranch-type dwelling house known as and numbered 699 Barnstable Road.

Tract 2:

BEGINNING at a point in Legislative Route 21034; thence North 38 degrees 54 minutes West 20.00 feet to point in lands now or formerly of Stanley L. Rice, et ux.; thence along lands of same, North 67 degrees 50 minutes 47 seconds East 306.40 feet to a point in corner of lands of same and Tract 1 herein conveyed (referred to as Parcel No. 3 on recorded subdivision); thence along the aforesaid Parcel No. 3, South 64 degrees 12 minutes 05 seconds West 301.25 feet to a point in L.R. 21034, the point and place of **BEGINNING.**

CONTAINING 0.067 acres and being designated as Parcel No. 2 on the aforementioned subdivision plan.

BEING the same two tracts of land which John Suloman, widowed man, by his deed dated October 8, 1997 and recorded in the Office of the Cumberland County Recorder of Deeds of the Commonwealth of Pennsylvania in Book 165, Page 964, granted and conveyed unto Hal K. Berkstresser, Grantor herein.

b. a 2004 Ford F350 with VIN ending xxxxC85649;

c. a 2015 Chevrolet Traverse with VIN ending xxxx241747; and

d. approximately $65,000.00 in U.S. Currency representing dissipated proceeds traceable to the criminal offense.

31. 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,

the United States shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p).

All pursuant to Title 18, United States Code, Sections 982(a)(1) and 982(a)(2)(A).

BRUCE D. BRANDLER
Acting United States Attorney

Samuel S. Dalke
Assistant United States Attorney

6-4-21
DATE: