

UNITED STATES DISTRICT COURT

for the

Middle District of Florida

United States of America

v.

TIMOTHY CRAIG JOLLOFF
LISA ANN JOLLOFF

Case No.

2:23-mj-1104-NPM

Defendant(s)

CRIMINAL COMPLAINT

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 April 2020 through October 2020 in the county of Lee in the

Middle District of Florida, the defendant(s) violated:

*Code Section**Offense Description*

18 U.S.C. § 1343

18 U.S.C. § 1956(h)

19 U.S.C. § 1957

Wire Fraud

Conspiracy to Commit Money Laundering

Illegal Monetary Transactions

FILED

JUN 14 2023

Clerk, US District Court
Middle District of Florida
Fort Myers, Florida

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT.

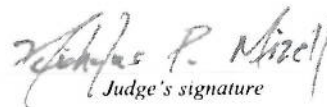
☒ Continued on the attached sheet.*Complainant's signature*

Terry S. Hedrick, Senior Special Agent, USSS

Printed name and title

Sworn to me via reliable electronic means (telephone):

Date: 06/14/2023

*Judge's signature*

City and state: Fort Myers, Florida

Nicholas P. Mizell, United States Magistrate Judge

Printed name and title

AFFIDAVIT IN SUPPORT OF WARRANT

I, Terry S. Hedrick, being duly sworn, states as follows:

1. I am a Senior Special Agent with the United States Secret Service (USSS), Tampa Field Office - Fort Myers Resident Agency, and have been employed in this capacity since December 2004. During the course of my career as a USSS Special Agent, I have led, conducted, and participated in criminal investigations of violations of United States federal law, specifically complex financial crimes, to include violations of 18 U.S.C. §§ 1343 (Wire Fraud), 1344 (Bank Fraud), 1349 (Conspiracy to Commit Wire Fraud), 1956(h) (Conspiracy to Commit Money Laundering), and 1957 (Illegal Monetary Transactions).

2. This affidavit supports an application for a criminal complaint and arrest warrant for TIMOTHY CRAIG JOLLOFF and LISA ANN JOLLOFF (collectively, “the JOLLOFFS”) for wire fraud and the related conspiracy and unlawful use of loan proceeds related to the fraudulent submission of Paycheck Protection Program (“PPP”) and Economic Injury Disaster Loan (“EIDL”) applications to federally insured financial institutions and the Small Business Administration (“SBA”). Specifically, at least six (6) false and fraudulent PPP loan applications were electronically submitted to a federally insured financial institution, which led to the issuance of approximately \$409,900 in PPP loan funds. Additionally, eleven (11) false and fraudulent EIDL applications were submitted to the SBA, which led to the issuance of approximately \$1,738,900 in EIDL and EIDL Advance funds (“EIDG”). In total, at least \$2,148,000 in loan and advance fund

proceeds were disbursed as a result of the JOLLOFFS' scheme to defraud financial institutions and the SBA. In the course of the scheme and conspiracy, the fraudulently obtained loan proceeds were deposited into bank accounts the JOLLOFFS opened and controlled. As detailed later, the JOLLOFFS conspired to misuse the fraudulently obtained loan proceeds by way of monetary transactions of a value in excess of \$10,000, which included the purchase of boats and real estate.

3. Based on these acts, as set forth more fully below, probable cause exists to believe that Timothy Craig JOLLOFF violated 18 U.S.C. § 1343 (Wire Fraud), and the JOLLOFFS violated 18 U.S.C. §§ 1956(h) (Conspiracy to Commit Money Laundering) and 1957 (Illegal Monetary Transactions). This Affidavit is intended to show merely that there is sufficient probable cause for the requested warrant and does not set forth all of my knowledge about this matter. Unless specifically indicated otherwise, all dates and amounts described in this affidavit are approximate and all statements or representations described in this affidavit are related in substance and in part.

STATEMENT OF PROBABLE CAUSE

Overview of the Paycheck Protection Program

4. In March of 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted to provide immediate 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 forgivable loans to small businesses for job retention and certain other expenses,

through a program referred to as the PPP. The program was administered by the SBA.

5. To obtain a PPP loan, a qualifying business must submit a PPP 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 obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation to the lending institution showing their payroll expenses. Typically, businesses would supply documents showing the amount of payroll taxes reported to the Internal Revenue Service ("IRS").

6. A PPP loan application must be processed by a participating lender. If approved, the participating lender funds the PPP loan using its own monies, which are 100% guaranteed by the SBA. Data from the application, including information from 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. In the ordinary course of providing the loan guaranty, neither the SBA nor any other government agency checked IRS records to confirm that the applicant had paid the payroll taxes represented in the PPP applications.

7. PPP loan proceeds MUST be used by the business on certain permissible expenses – Payroll costs, interest on mortgages, rent, and utilities. Interest and principal on the PPP loan are entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain amount of the loan proceeds on payroll expenses. A PPP loan borrower may qualify for full loan forgiveness if during the 8 to 24 week covered period following loan disbursement, (i) employee and compensation levels are maintained, (ii) the loan proceeds are spent on payroll and other eligible expenses, and (iii) at least 60% of the proceeds are spent on payroll costs. A borrower can apply for forgiveness once all loan proceeds for which the borrower is requesting forgiveness have been used. To seek forgiveness, the borrower must submit an application to the lender, providing a range of information and supporting documentation to establish eligibility for forgiveness. Once the borrower furnishes a complete application, the lender then applies to the SBA for forgiveness, furnishing the information provided by the borrower. Based on the borrower's information furnished by the lender, the SBA determines whether the PPP loan qualifies, in whole or in part, for forgiveness.

Overview of the Economic Injury Disaster Loan Program

8. The EIDL program was an SBA program that was in existence prior to the passing of the CARES Act. It provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The CARES Act and subsequent legislation also authorized the SBA to provide EIDLs of up to \$2 million to eligible small businesses experiencing substantial financial disruptions due

to the COVID-19 pandemic. In addition, the CARES Act and subsequent legislation authorized the SBA to issue advances, referred to as EIDL Advances, of up to \$10,000 (\$1,000 per employee) to small businesses within three days of applying for an EIDL. The EIDL Advance (“EIDG”) was a grant authorized by the CARES Act and was intended to provide emergency economic relief to small businesses facing economic disruption due to the COVID-19 impact.

9. In order to obtain an EIDL and EIDG, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenue for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was the period preceding January 31, 2020. For a business to be eligible for an EIDL, the business must have been in operation before February 1, 2020. The applicant was also required to certify that all of the information in the application was true and correct to the best of the applicant’s knowledge.

10. All EIDL applications were submitted online. All applications submitted on July 11, 2020, or after were handled by an SBA contractor with servers located in Des Moines, Iowa. Prior to July 11, 2020, EIDL applications were submitted through three different servers, located in Boydton, Virginia, West Des Moines, Iowa, or Quincy, Washington. Approval of a loan application and the amount of a loan was based, in part, on the information provided on the application about the number of employees, gross revenue, and cost of goods sold, as described

above. The EIDL loan applications required minimal documentation and information from small businesses to process the loan for approval.

11. Once an SBA EIDL application was approved, the SBA's Denver Finance Center¹, located in Denver, Colorado, created payment files and authorized payments of the EIDL funds based on those applications. The disbursement of the EIDL funds were transmitted by the Financial Management System (FMS) to the Treasury and then to the recipient's bank account. The primary server for the FMS is in Sterling, VA. Upon approval of an application for an EIDL or advance, SBA would disburse the funds. EIDL loan proceeds were permitted to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

The JOLLOFFS' Background

12. The JOLLOFFS have been part-time residents of Lee County, Florida since at least February 2019. The JOLLOFFS have also been part-time residents of DeKalb and Steuben County, Indiana during the same period. At or around the time the JOLLOFFS fraudulently applied for PPP and EIDL loans, they resided at 11300 Hidalgo Court, Fort Myers, Florida (the "Hidalgo Residence").

¹ Denver Finance Center, OCFO, SBA, 721 19th Street, Suite 373, Denver, CO 80202.

Overview of the JOLLOFFS' Entities

13. Timothy JOLLOFF applied for and sought PPP and EIDL funds for companies that were incorporated in Florida and Indiana. Below is a chart, that summarizes the name of each company, its date of incorporation, the company's officers, and whether it is presently an active company in Florida or Indiana. The JOLLOFFS are believed to have had an ownership interest in each company. The information was obtained from records kept and maintained by the Indiana Secretary of State and Florida Department of State.

Name	Date of Inc.	State of Inc.	Officers	Status
Avisal, Inc.	12/11/13	FL	Abishek Sallapudi Krupa Sallapudi	Active
Central Acquisitions, Inc.	4/24/14	IN	James Scott	Admin Dissolved (4/5/21)
FXFWY01, Inc.	4/1/14	IN	The JOLLOFFS	Admin Dissolved (10/5/22)
FXFWY03, Inc.	5/1/14	IN	The JOLLOFFS	Admin Dissolved (11/5/2022)
FXFWY04, Inc.	5/1/14	IN	The JOLLOFFS	Admin Dissolved (11/5/22)
FXKOK01, Inc.	4/1/14	IN	David Hiatt Timothy JOLLOFF	Admin Dissolved (4/5/21)
FXKOK02, Inc.	4/2/14	IN	The JOLLOFFS	Admin Dissolved (10/5/22)
J.P. Ganczak Enterprises, Inc.	6/23/11	IN	The JOLLOFFS	Active
MRK Delivery, Inc.	7/30/14	IN	Nicholas Hester Lisa JOLLOFF	Admin Dissolved (2/5/11)

MSN Delivery's, Inc.	4/16/07	FL	Abiskeh Sallapudi Krupa Sallapudi	Inactive (5/14/2021)
Schultise Enterprises, Inc.	2/1/96	IN	Jason Whitney	Admin Dissolved (1/5/21)
TZ International, Inc.	5/23/16	FL	Timothy JOLLOFF James Bowers	Admin Dissolution (9/24/21)

14. Each business listed above provided package delivery services for Federal Express Ground Package System, Inc. (FedEx) as independent service providers (ISP) in Indiana and Florida. Beginning no later than 2019, and before Timothy JOLLOFF applied for PPP and EIDL loans, FedEx began terminating the ISP agreements with the companies, causing a complete loss of revenue to each respective company. Below is a chart that summarizes the “on or about” ISP termination dates for the companies that received PPP and EIDL funds, based on records provided to your Affiant by FedEx.

<u>Company</u>	<u>Date of ISP Termination</u>
Avisal, Inc.	12/1/20
Central Acquisitions, Inc.	2/21/20
FXFWY01, Inc.	1/17/19
FXFWY03, Inc.	4/10/19
FXFWY04, Inc.	8/13/19
FXXKOK01, Inc.	2/13/20
FXXKOK02, Inc.	8/8/19
J.P. Ganczak Enterprises, Inc.	2/5/20
MRK Delivery, Inc.	11/7/19

MSN Delivery's, Inc.	10/15/20
Schultise Enterprises, Inc.	12/12/19
TZ International, Inc.	4/10/20

Overview of Relevant Financial Institutions

15. The Lender was a federally insured bank based in North Carolina. The Lender was an SBA approved lender and participated in the PPP as a lender to small businesses. All of the fraudulent PPP applications referenced in this affidavit were submitted to the Lender. At least six fraudulent PPP applications were submitted to the Lender.

16. Bank #1 was a federally insured bank based in Indiana. A chart summarizing each business checking account the JOLLOFFS maintained at Bank #1 is summarized below. PPP funds were deposited into each of these accounts. Only the JOLLOFFS were signatories and could draw on funds deposited into these accounts.

<u>Account Name</u>	<u>Account#</u>	<u>Date Opened</u>	<u>Signor(s)</u>
FXFWY04, Inc.	Ending in -0893	6/5/19	The JOLLOFFS
FXKOK02, Inc.	Ending in -0919	6/5/19	The JOLLOFFS
MRK Delivery, Inc.	Ending in -0877	6/5/19	The JOLLOFFS

17. Bank #2 was a federally insured bank based in Ohio. The chart below summarizes each business checking account the JOLLOFFS maintained at Bank #2.

PPP, EIDL, and EIDG funds were deposited or transferred into each of these accounts. Only the JOLLOFFS were signatories and could draw on funds deposited into these accounts.

<u>Account Name</u>	<u>Account#</u>	<u>Date Opened</u>	<u>Signor(s)</u>
Avisal, Inc.	Ending in -5470	11/6/19	The JOLLOFFS
Central Acquisitions, Inc.	Ending in -5397	11/5/19	The JOLLOFFS
FXFWY01, Inc.	Ending in -5389	11/5/19	The JOLLOFFS
FXFWY03, Inc.	Ending in -5462	11/6/19	The JOLLOFFS
FXFWY04, Inc.	Ending in -5405	11/5/19	The JOLLOFFS
FXKOK01, Inc.	Ending in -5447	11/5/19	The JOLLOFFS
FXKOK02, Inc.	Ending in -5413	11/5/19	The JOLLOFFS
J.P. Ganczak Enterprises, Inc.	Ending in -5439	11/5/19	The JOLLOFFS
MRK Delivery, Inc.	Ending in -0877	6/5/19	The JOLLOFFS
MSN Deliverys, Inc.	Ending in -5496	11/5/19	The JOLLOFFS
Schultise Enterprises, Inc.	Ending in -5421	6/5/19	The JOLLOFFS
TZ International, Inc.	Ending in -5355	8/12/19	The JOLLOFFS

The False and Fraudulent PPP Applications

18. On or about May 4 and 5, 2020, Timothy JOLLOFF submitted a total of six false and fraudulent PPP loan applications to the Lender in violation of 18 U.S.C. § 1343. The six applications, described in detail below, were approved and

funded by the Lender, causing approximately \$409,900 to be deposited into bank accounts controlled by the JOLLOFFS. The chart below summarizes the PPP applications that were submitted and funded by the Lender. As previously noted, the ISPs with FedEx were terminated prior to the application/execution dates for each of the six applications for these businesses.

Applicant	Business Name	Application/ Execution Date	Amount Requested	Date Funded/ Amount
Timothy Jolloff	FXFWY01, Inc.	5/4/20	\$39,013	5/5/20 (\$38,900)
Timothy Jolloff	FXFWY03, Inc.	5/4/20	\$37,825	5/5/20 (\$37,800)
Timothy Jolloff	FXFWY04, Inc.	5/4/20	\$93,863	5/5/20 (\$93,800)
Timothy Jolloff	FXKOK02, Inc.	5/4/20	\$58,868	5/5/20 (\$58,800)
Timothy Jolloff	MRK Delivery, Inc.	5/5/20	\$84,445	5/6/20 (\$84,400)
Timothy Jolloff	Schultise Enterprises, Inc.	5/4/20	\$96,262	5/5/20 (\$96,200)
Total Funded:				\$409,900

19. In all the PPP loan applications for the loans listed above, Timothy JOLLOFF and Lisa JOLLOFF were each listed as having 50% percent ownership in the applicant business. Further, Timothy JOLLOFF was listed as the PPP applicant's President and Lisa JOLLOFF was listed as the Vice President. The

address provided for the JOLLOFFS in all the PPP loan applications was the Hidalgo Residence in Fort Myers, Florida. The PPP loan applications also listed the average monthly payroll (AMP), loan request (2.5 times the AMP), and the number of employees for each of the applicant businesses. The chart below summarizes the AMP, loan request, and number of employees listed in each of the PPP applications submitted.

Business Name	AMP	Loan Request (X 2.5)	# of Employees
FXFWY01, Inc.	\$15,605	\$39,013	6
FXFWY03, Inc.	\$15,130	\$37,825	8
FXFWY04, Inc.	\$37,545	\$93,863	10
FXKOK02, Inc.	\$23,547	\$58,868	11
MRK Delivery, Inc.	\$33,778	\$84,445	9
Schultise Enterprises, Inc.	\$38,512	\$96,262	8

20. In support of the AMP calculation, copies of Employer's Annual Federal Unemployment Tax Returns (Form 940) were submitted for each of the businesses listed above for the year 2019, to the Lender. The 940s provided the total payments to all employees for 2019 for the JOLLOFFS' companies, which was used

to calculate the AMP by the JOLLOFFS and the Lender. A payroll statement, summarizing the payroll for each PPP applicant business for the months of January and February 2020, was also submitted to the Lender in support of the requested loan amount.

21. As part of the PPP loan applications, the authorized representative for the applicant business was required to make a number of representations and certification. Timothy JOLLOFF served as the authorized representative for all six of the PPP loan applications. Timothy JOLLOFF represented that “[a]ll SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules.” Additionally, Timothy JOLLOFF initialed and falsely certified, among other things, that the PPP funds acquired from the requested loan would “be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments.” Timothy JOLLOFF further certified that he understood that the federal government could pursue criminal fraud charges if the “funds are knowingly used for unauthorized purposes.” These statements were knowingly false when made because, as further explained below, the JOLLOFFS knowingly used the PPP funds for unauthorized purposes. All six of the PPP loan applications summarized above were both physically and digitally signed by Timothy JOLLOFF.

22. Following the Lender’s approval of the JOLLOFFS’ six PPP loan applications, Timothy JOLLOFF electronically signed and executed a PPP loan agreement for each loan on or about May 4 and 5, 2020. The Lender’s PPP loan

agreement contained the terms of the loan, including limits on the use of the PPP loan funds that were consistent with the PPP application. Specifically, that the “[b]orrower shall not use any proceeds of the Loan for (i) personal, family or household purposes...” The loan agreement also contained a use of funds provision that, “[t]he funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.”

**The JOLLOFFS Misuse of PPP Funds
(Conspiracy to Commit Money Laundering, Illegal Monetary Transactions)**

23. In reliance on the fraudulent representations, the Lender approved the six PPP loan applications and deposited PPP funds into accounts the JOLLOFFS controlled at Banks #1 and #2, on or about May 5, 2020. The chart below summarizes the accounts at Banks #1 and #2 that the PPP funds were deposited into.

Account	PPP Loan	Total PPP Deposited
Bank #1 Ending in -0919 (FXKOK02, Inc.)	FXKOK02, Inc.	\$58,800
Bank #1 Ending in -0893 (FXFWY04, Inc.)	FXFWY04, Inc.	\$93,800
Bank #1 Ending in -0877 (MRK Delivery, Inc.)	MRK Delivery, Inc.	\$84,400

Bank #2 Ending in -5421 (Schultise Enterprises, Inc.)	Schultise Enterprises, Inc.	\$96,200
Bank #2 Ending in -5389 (FXFWY01, Inc.)	FXFWY01, Inc.	\$38,900
Bank #2 Ending in -5462 (FXFWY03, Inc.)	FXFWY03, Inc.	\$37,800

24. On May 6, 2020, a day after the PPP loan funds were deposited, the JOLLOFFS moved \$404,650 of the \$409,900 in PPP funds to the Bank #2 account ending in -5470, in the name of Avisal, Inc. Specifically, the JOLLOFFS wired \$93,750 in PPP funds for FXFWY04, Inc., \$53,750 in PPP funds for FXKOK02, Inc, and \$84,350 in PPP funds for MRK Delivery, Inc. to the Avisal, Inc. Bank #2 account ending in -5470. Additionally, Lisa JOLLOFF withdrew \$38,900 in PPP funds intended for FXFWY01, Inc., \$37,800 in PPP funds intended for FXFWY03, Inc., and \$96,100 in PPP funds intended for Schultise Enterprises, Inc., at a Bank #2 branch office and transferred the funds to the Avisal, Inc. Bank #2 account ending in -5470. Before the PPP funds were moved into the Avisal, Inc. Bank #2 account, the account's balance was \$17, with little to no account activity. Below is a chart that summarizes the movement of PPP funds to the Avisal, Inc. Bank #2 account ending in -5470.

<u>Date</u>	<u>PPP Loan</u>	<u>Source</u>	<u>Amount</u>
5/6/2020	FXFWY01, Inc.	Withdrawal and Transfer	\$38,900
5/6/2020	FXFWY03, Inc.	Withdrawal and Transfer	\$37,800
5/5/2020	FXFWY04, Inc.	Wire Transfer	\$93,750
5/6/2020	FXKOK02, Inc.	Wire Transfer	\$53,750
5/6/2020	MRK Delivery, Inc.	Wire Transfer	\$84,350
5/6/2020	Schultise Enterprises, Inc.	Withdrawal and Transfer	\$96,100
Total PPP deposited into Bank #2 ending in -5470			\$404,650

25. After \$404,650 in PPP funds were transferred and deposited into the Avisal, Inc. Bank #2 account ending in -5470, the JOLLOFFS conducted monetary transactions, thereafter, misusing the funds for their own personal enrichment. Specifically, on May 19, 2020, Lisa JOLLOFF issued a \$56,355.66 check to Sam Galloway Ford, an auto dealership in Fort Myers, Florida, for the purchase of a 2019 GMC Sierra 1500 Denali pickup truck. Prior to this date, Lisa JOLLOFF had never issued a check from the account. The truck was purchased for an individual with the initials K.S. and registered in his/her name. The truck is used as a personal vehicle by K.S.

26. On May 26, 2020, Timothy JOLLOFF issued two checks, each in the amount of \$25,000, to his then minor children, C.J. and M.J. Your Affiant believes,

based on a bankruptcy filing² by the JOLLOFFS on January 17, 2022, that the purpose of the checks was for college tuition. Later, on October 15, 2020, Timothy JOLLOFF issued another \$36,000 check, funded by PPP monies, to C.J.

27. On May 30, 2020, Lisa JOLLOFF issued a \$26,000 check to Van's Home Center, a furniture and appliance retailer in Auburn, Indiana. An invoice related to the transaction showed the funds were used to purchase furniture for the JOLLOFFS' personal residence located at 5814 Menza Dr, Auburn, Indiana (the "Menza Residence"). The JOLLOFFS also unlawfully used EIDL funds towards the purchase of the Menza Residence, discussed further below.

28. On June 18, 2020, Lisa JOLLOFF issued a \$85,000 check to Searay of Louisville. The check was for the purchase of a 2019 Barletta pontoon boat and trailer. The boat was purchased in the name of Bob Jolloff, who is believed to be Timothy JOLLOFF's father. On July 23, 2020, Timothy JOLLOFF issued a \$25,575 check to Fear Powersports. A review of records from Fear Powersports, revealed the check was for the purchase of a 2020 Polaris 1000XP (Side by Side Ultra Terrain Vehicle (UTV)). The Polaris was purchased and registered in the name of Timothy JOLLOFF.

29. On October 2, 2020, the JOLLOFFS made a \$13,000 payment, using PPP funds from the Avisal Bank #2 account ending in -5470, to pay down the

² The JOLLOFFS originally filed for Chapter 13 bankruptcy on or about August 13, 2021, under Case No. 2:21-bk-01052-FMD. Their bankruptcy was thereafter converted to a Chapter 7 bankruptcy on October 19, 2021. On August 26, 2022, the JOLLOFFS' bankruptcy case was dismissed.

balance of a Discover credit card account ending in -0046 in the name of Lisa JOLLOFF. The credit card balance that was paid down included a \$8,519.98 purchase from a pet store in Fort Myers, Florida on September 17, 2020. Records from the pet store revealed the JOLLOFFS purchased two dogs. On October 20, 2020, Timothy JOLLOFF issued an \$8,500 check, using PPP funds, to a jewelry store in Fort Myers, Florida for the purchase of a white gold, 3 carat total weight, diamond ring.

30. The JOLLOFFS also issued checks to themselves, using PPP funds, from the Avisal, Inc. Bank #2 account ending in -5470, between May 21, 2020, and October 21, 2020. The checks were in varying amounts, ranging from \$2,000 to \$8,500. Below is a chart that summarizes each check issued to the JOLLOFFS from the account, which were all funded with the use of PPP funds. The non-sequential checks listed below were counter checks the JOLLOFFS had issued by Bank #2.

<u>Date</u>	<u>Payee</u>	<u>Check #</u>	<u>Amount</u>
5/21/2020	Tim Jolloff	1002	\$2,000.00
5/21/2020	Tim Jolloff	1003	\$2,000.00
8/17/2020	Lisa Jolloff	74336942	\$8,500.00
9/4/2020	Lisa Jolloff	19247	\$6,000.00
9/25/2020	Tim Jolloff	1002	\$8,500.00
9/25/2020	Lisa Jolloff	1005	\$2,000.00
10/1/2020	Lisa Jolloff	1032	\$2,500.00
10/16/2020	Lisa Jolloff	1034	\$2,500.00
10/16/2020	Lisa Jolloff	16740	\$7,000.00

10/21/2020	Lisa Jolloff	12795	\$2,500.00
		Total	\$43,500.00

31. Based on your Affiant's review of the JOLLOFFS' use of PPP funds in the Avisal, Inc. Bank #2 account ending in -5470, there were no transactions consistent with payroll payments made to the number of employees that Timothy JOLLOFF represented his companies employed (52 employees total in the six PPP applications described above).

The False and Fraudulent EIDL Applications (Wire Fraud)

32. On or about April 4, 2020, Timothy JOLLOFF electronically submitted at least eleven false and fraudulent EIDL applications to the SBA in violation of 18 U.S.C. § 1343. Below is a chart that summarizes each approved EIDL application and the date the EIDL was funded by the SBA.

Applicant(s)	Business	Application Date	Approx. Loan Amount	EIDG	Date Funded
Timothy Jolloff	Avisal, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	MRK Delivery, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	FXFWY03, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	Schultise Enterprises, Inc.	4/4/20	\$150,000	N	6/12/20

Timothy Jolloff	FXKOK01, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	Central Acquisitions, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	FXFWY01, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	FXFWY04, Inc.	4/4/20	\$150,000	N	6/12/20
Timothy Jolloff	FXKOK02, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	TZ International, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20
Timothy Jolloff	JP Ganczak Enterprises, Inc.	4/4/20	\$150,000	Y (\$10,000)	6/12/20

33. The eleven approved EIDLs totaled \$1,648,900³, all of which was deposited into various accounts opened by the JOLLOFFS. The SBA also reviewed the EIDL applications and approved EIDGs for nine of their eleven businesses, totaling \$90,000 in EIDG funds. Applications for the approved EIDLs and EIDGs listed above were electronically submitted via the internet from an IP address in the Fort Myers Division of the Middle District of Florida. Only Avisal, Inc. and TZ International, Inc. had active ISPs with FedEx at the time of application for the

³ The SBA would deduct a \$100 UCC filing fee for each EIDL over \$25,000, so the JOLLOFFS received a \$149,900 deposit for each EIDL.

EIDL loans. However, by the date of funding for both, only Avisal, Inc. had an active ISP with FedEx.

34. In all the EIDL applications listed above, the applicant's business activity was transportation. The EIDL applicant's Gross Revenue and Cost of Goods Sold (COGS) for the 12 months prior to the date of the disaster (January 31, 2020), is summarized in the chart below. The Gross Revenue and COGS was used by the SBA to calculate the EIDL loan amount. The SBA did not request any additional supporting documentation from Timothy JOLLOFF, and the SBA approved the EIDLs based on what was represented in each EIDL application. Further, the EIDL applications listed the number of employees for each business, which was used by the SBA to approve and fund the EIDGs. Below is a chart that summarizes the relevant information, used by the SBA to calculate and approve each EIDL application.

Business	Business Activity	Gross Revenue	COGS	# of Employees
Avisal, Inc.	Transportation	\$781,221	\$395,777	12
MRK Delivery, Inc.	Transportation	\$830,993	\$376,578	11
FXFWY03, Inc.	Transportation	\$1,383,240	\$683,691	17
Schultise Enterprises, Inc.	Transportation	\$936,471	\$450,780	13
FXKOK01, Inc.	Transportation	\$986,244	\$503,881	14

Central Acquisitions, Inc.	Transportation	\$1,331,871	\$582,504	18
FXFWY01, Inc.	Transportation	\$981,595	\$541,015	12
FXFWY04, Inc.	Transportation	\$1,331,871	\$582,504	17
FXKOK02, Inc.	Transportation	\$1,143,538	\$542,581	16
TZ International, Inc.	Transportation	\$1,014,582	\$485,632	14
JP Ganczak Enterprises, Inc.	Transportation	\$1,067,347	\$531,446	15

35. For all the EIDL applications submitted above, Timothy JOLLOFF was listed as the 100% owner of the EIDL applicant businesses. It should be noted, that in PPP applications submitted for FXFWY01, Inc., FXFWY03, Inc., FXFWY04, Inc., FXKOK02, Inc, MRK Delivery, Inc., and Schultise Enterprises, Inc. on May 4 and 5, 2020, Timothy JOLLOFF represented that he and Lisa JOLLOFF each had 50% ownership interest in the businesses.

36. Following the SBA's approval of the EIDL applications listed above, Timothy JOLLOFF electronically signed and executed an SBA Loan Authorization and Agreement, Note, and Security Agreement. The loan documents for all the EIDLs were electronically signed and dated June 11, 2020. The Loan Authorization and Agreement contained a section titled "Use of Loan Proceeds." This section stated, the "[b]orrower will use all the proceeds of this Loan solely as working capital

to alleviate economic injury caused by disaster occurring in the month of January 31, 2020, and continuing thereafter...” As detailed below, the JOLLOFFS did not use the EIDL funds for working capital to alleviate economic injury caused by the pandemic. Instead, the JOLLOFFS conspired to misuse the EIDL funds for their own personal enrichment.

37. The SBA Security Agreement that was also electronically signed by Timothy JOLLOFF on June 11, 2020, for the eleven approved EIDL loan applications, contained a section titled “Borrower Certifications” that also limited the use of EIDL funds. Specifically, that “none of the [o]bligations are or will be primarily for personal, family or household purposes.” The obligation, per the loan agreement, was the EIDL amount, including interest, other fees, and expenses. As further discussed below, the JOLLOFFS conspired to use EIDL funds for personal purposes. Timothy JOLLOFF, therefore, made a false certification concerning the use of EIDL funds in the SBA Security Agreement.

**The JOLLOFFS Misuse of EIDL Funds
(Conspiracy to Commit Money Laundering, Illegal Monetary Transactions)**

38. In reliance on the fraudulent representations, the SBA approved eleven of the EIDL applications and deposited EIDL funds into accounts the JOLLOFFS controlled at Bank #2 beginning on or about June 12, 2020. EIDG funds were also deposited into accounts controlled by the JOLLOFFS at Bank #2, between May 1, and June 26, 2020. The chart below summarizes the accounts at Bank #2 that the EIDL and EIDG funds were deposited into.

Account	EIDL Loan/EIDG	Total EIDL/EIDG Deposited
Bank #2 Ending in -5470 (Avisal, Inc.)	Avisal, Inc	\$159,900 (5/1/20*, 6/15/20)
Bank #2 Ending in -5397 (Central Acquisitions, Inc.)	Central Acquisitions, Inc.	\$159,900 (5/1/20*, 6/12/20)
Bank #2 Ending in -5389 (FXFWY01, Inc.)	FXFWY01, Inc.	\$159,900 (5/1/20*, 6/12/20)
Bank #2 Ending in -5462 (FXFWY03, Inc.)	FXFWY03, Inc.	\$159,900 (5/1/20*, 6/12/20)
Bank #2 Ending in -5405 (FXFWY04, Inc.)	FXFWY04, Inc.	\$149,900 (6/12/20)
Bank #2 Ending in -5447 (FXKOK01, Inc.)	FXKOK01, Inc.	\$159,900 (5/1/20*, 6/12/20)
Bank #2 Ending in -5413 (FXKOK02, Inc.)	FXKOK02, Inc.	\$159,900 (5/1/20*, 6/12/20)
Bank #2 Ending in -5439 (J.P. Ganczak Enterprises, Inc)	J.P. Ganczak Enterprises, Inc.	\$159,900 (5/1/20, 6/12/20*)
Bank #2 Ending in -5454 (MRK Delivery, Inc.)	MRK Delivery, Inc.	\$159,900 (5/1/20*, 6/12/20)

Bank #2 Ending in -5421 (Schultise Enterprises, Inc.)	Schultise Enterprises, Inc.	\$149,900 (6/12/20)
Bank #2 Ending in -5355 (TZ International, Inc.)	TZ International, Inc.	\$159,900 (6/12/20, 6/26/20*)
* - Date of EIDG Deposit	<u>TOTAL:</u>	\$1,738,900

39. A total of \$1,738,900 in EIDL and EIDG funds for the eleven EIDL applications listed above was deposited into accounts the JOLLOFFS controlled at Bank #2. Between June 12 and 15, 2020, \$1,649,100 in EIDL funds were transferred from the accounts listed above, via inter-account transfers, to the Bank #2 account ending in -5496, in the name of MSN Deliverys, Inc. Before EIDL funds were transferred into the account, the account's balance was \$102. Once the funds were transferred, the JOLLOFFS began to fraudulently misuse the EIDL funds for their own personal enrichment. The transactions described below were funded directly by the EIDL funds that were transferred into the MSN Deliverys account.

40. Between June 16 and July 2, 2020, the JOLLOFFS used a total of \$30,500 in EIDL funds to pay down credit card balances on Lisa JOLLOFF's Discover credit card account ending in -0046. The credit card transactions that preceded the payments were for personal items. Specifically, the credit card was used to make a \$4,657.26 and \$405.23 purchase at Leaders Casual Furniture on June 5, 2020, and a \$4,207.15 purchase at the Great Escape on June 13, 2020. Records from the Great Escape, an outdoor furniture retailer in Fort Wayne, Indiana, showed the

invoice was in the name of Timothy JOLLOFF and was for an outdoor kitchen and barbecue grill. On June 15 and 23, 2020, the JOLLOFFS used the credit card to make two separate purchases from Paradise Grills in Fort Myers, Florida, in the amounts of \$5,000 and \$10,304.68. Records from Paradise Grills showed the transactions related to the purchase of a “Tahiti 6X9” (an outdoor kitchen) and four chairs. The customer on the invoice was Timothy JOLLOFF and the outdoor kitchen was delivered and installed at 12909 Hadley Ct. Fort Myers, Florida (the “Hadley Ct. Residence”). The credit card was used again on July 2, 2020, for a \$9,756.89 purchase from Sanborns Sofas in Angola, Indiana. On the same date, the JOLLOFFS made a \$10,000 credit card payment using EIDL funds.

41. On July 7, 2020, Timothy JOLLOFF wired approximately \$114,900 in EIDL funds to Marine 360 in Chapin, South Carolina. The wire was for the purchase of a 2018 Crest 270 Continental pontoon boat and trailer. A copy of the invoice, provided by Marine 360, showed the boat was purchased by Timothy JOLLOFF and Lisa JOLLOFF. The delivery address for the boat was the Hadley Ct. Residence.

42. On July 17, 2020, Lisa JOLLOFF issued a \$54,526.74 check to a bank in Angola, Indiana for the purchase of real property located at 420 Ln 101 FA Jimmerson Lake #A, Angola, Indiana. The total purchase price for the property was approximately \$290,000, and the \$54,526.74 down payment was funded entirely by EIDL funds. The property was purchased in the names of Timothy and Lisa JOLLOFF.

43. On July 24, 2020, the JOLLOFFS wired \$55,972.76 in EIDL funds to a title company in Fort Wayne, Indiana for the purchase of the Menza Residence in Auburn, IN. The total purchase price for the property was \$562,000, and the home was purchased in the JOLLOFFS' names.

44. The JOLLOFFS used EIDL funds to purchase another pontoon boat on August 7, 2020. Specifically, Lisa JOLLOFF wired \$112,000 in EIDL funds to an individual with the initials G.N. for the purchase of a 2018 27-foot Crest pontoon boat and trailer. In February 2023, a USSS agent interviewed G.N. about the boat transaction. G.N. stated he was contacted by Timothy JOLLOFF via text message about the purchase of G.N.'s boat. According to G.N., Timothy JOLLOFF purchased the boat unseen and arranged for a driver to pick up the boat from a boat dealership in Algonac, Michigan.

45. In August and October of 2020, the JOLLOFFS used approximately \$330,079.65 in EIDL funds to purchase a furniture company, Sanborn's Sofas Plus Furniture Co, Inc., as well as commercial property located at 1990 W Muamee Street, Angola, Indiana, which was the business's location. Specifically, on August 20, 2020, Timothy JOLLOFF issued a \$25,000 check, using EIDL funds, to a law firm as an escrow payment for the business and property. Later, on October 15, 2020, the JOLLOFFS wired \$305,079.65 in EIDL funds to a title company in Angola, Indiana as a down payment for the purchase of the furniture business and commercial property. It should be noted that none of the JOLLOFFS' businesses that applied and received EIDL funds were in the furniture industry.

46. The JOLLOFFS also used EIDL funds to purchase a landscape company called New Leaf Landscape Management that was based in Sarasota, Florida. Beginning on September 9, 2020, the JOLLOFFS wired \$10,000 in EIDL funds to a law firm in Naples, Florida, which was a deposit for the purchase of the business. The JOLLOFFS later wired the law firm an additional \$325,724.61 on October 5, 2020, and \$9,860.78 on October 7, 2020, all funded by EIDL funds, to purchase the landscape business. Of note, none of JOLLOFFS' companies that received EIDLs were in the landscaping or lawn maintenance industry.

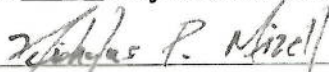
CONCLUSION

47. Based on the foregoing, I have probable cause to believe that Timothy JOLLOFF and Lisa JOLLOFF have committed violations of 18 U.S.C. §§ 1343 (Wire Fraud), 1956(h) (Conspiracy to Commit Money Laundering), and 1957 (Illegal Monetary Transactions). I therefore request that the Court issue a criminal complaint and arrest warrant for Timothy JOLLOFF and Lisa JOLLOFF.



Terry S. Hedrick
Senior Special Agent
United States Secret Service

Affidavit submitted by email and attested to me as true and accurate by telephone consistent with Fed. R. Crim. P. 4.1 and 41(d)(3) before me this 14th day of June, 2023, in Fort Myers, Florida.



NICHOLAS P. MIZELL
United States Magistrate Judge