

Approved: Sagar K. Ravi
SAGAR K. RAVI
Assistant United States Attorney

20 MAG 8698

Before: THE HONORABLE STEWART D. AARON
United States Magistrate Judge
Southern District of New York

- - - - -	-X	<u>SEALED COMPLAINT</u>
UNITED STATES OF AMERICA	:	Violations of
- v. -	:	15 U.S.C. § 645(a)
SHENG-WEN CHENG,	:	and 18 §§ 1001,
a/k/a "Justin Cheng,"	:	1014, 1028A, 1031,
a/k/a "Justin Jung,"	:	1343, and 1344
Defendant.	:	COUNTY OF OFFENSE:
	:	NEW YORK
- - - - -	-X	

SOUTHERN DISTRICT OF NEW YORK, ss.:

KRISTIN M. ALLAIN, being duly sworn, deposes and says that she is a Special Agent with the Federal Bureau of Investigation ("FBI"), and charges as follows:

COUNT ONE
(Major Fraud Against the United States)

1. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, willfully and knowingly executed, and attempted to execute, a scheme and artifice with the intent to defraud the United States, and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, in a grant, contract, subcontract, subsidy, loan, guarantee, insurance, and other form of Federal assistance, including through an economic stimulus, recovery and rescue plan provided by the Government, the value of which was \$1,000,000 and more, to wit, CHENG engaged in a scheme to obtain more than \$7 million in Government-guaranteed loans by means of false and fraudulent pretenses, representations, and documents, for several companies controlled by CHENG, namely Alchemy Finance, Inc., Alchemy Guarantor LLC d/b/a "Celer Offer," Celeri Network,

Inc., Celeri Treasury LLC, and Wynston York LLC (collectively, the "Cheng Companies"), through two loan programs of the United States Small Business Administration (the "SBA") designed to provide relief to small businesses during the novel coronavirus/COVID-19 pandemic, namely the Paycheck Protection Program (the "PPP") and the Economic Injury Disaster Loan ("EIDL") Program.

(Title 18, United States Code, Sections 1031 and 2.)

COUNT TWO
(Bank Fraud)

2. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, willfully and knowingly executed, and attempted to execute, a scheme and artifice to defraud a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC"), and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, such financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, CHENG engaged in a scheme to obtain Government-guaranteed loans for the Cheng Companies from FDIC-insured banks through the PPP by means of false and fraudulent pretenses, representations, and documents.

(Title 18, United States Code, Sections 1344 and 2.)

COUNT THREE
(Wire Fraud)

3. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, 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, knowingly 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, which affected a financial institution, to wit, CHENG engaged in a scheme to obtain Government-guaranteed loans for the Cheng Companies from the SBA and financial institutions through the PPP and the EIDL Program

by means of false and fraudulent pretenses, representations, and documents, including through electronic communications transmitted into and out of the Southern District of New York.

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

COUNT FOUR
(Making False Statements to a Bank)

4. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, knowingly made a false statement and report and willfully overvalued land, property, and security, for the purpose of influencing the actions of a financial institution, the accounts of which were insured by the FDIC, in connection with an application, advance, discount, purchase, purchase agreement, repurchase agreement, commitment, and loan, and insurance agreement and application for insurance and a guarantee, and charge and extension of any of the same, by renewal, deferment of action and otherwise, and the acceptance, release and substitution of security therefor, to wit, CHENG made false statements regarding, among other things, the number of employees of the Cheng Companies and the wages paid to employees of the Cheng Companies, for the purpose of obtaining Government-guaranteed loans for the Cheng Companies from FDIC-insured banks through the PPP.

(Title 18, United States Code, Sections 1014 and 2.)

COUNT FIVE
(Making False Statements)

5. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, in a matter within the jurisdiction of the executive branch of the Government of the United States, knowingly and willfully falsified, concealed and covered up by a trick, scheme and device a material fact, made a materially false, fictitious, and fraudulent statement and representation and made and used a false writing and document knowing the same to contain a materially false, fictitious, and fraudulent statement and entry, to wit, CHENG made false and misleading statements to the SBA regarding, among other things, the number of employees of the Cheng Companies, for the purpose

of obtaining loans for the Cheng Companies through the EIDL Program administered by the SBA.

(Title 18, United States Code, Sections 1001 and 2.)

COUNT SIX
(Making False Statements to the SBA)

6. From at least in or about April 2020 through at least on or about August 13, 2020, in the Southern District of New York and elsewhere, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, knowingly and willfully made a false statement, knowing such statement to be false, for the purpose of obtaining a loan, extension thereof by deferral of action and otherwise, and the acceptance, release and substitution of security therefor, for himself and an applicant, influencing in any way the action of the SBA, and obtaining money, property, or anything of value, under Chapter 14 of Title 15 of the United States Code, to wit, CHENG made false statements to the SBA regarding, among other things, the number of employees of the Cheng Companies, for the purpose of obtaining loans for the Cheng Companies through the EIDL Program administered by the SBA.

(Title 15, United States Code, Sections 645(a), and Title 18, United States Code, Section 2.)

COUNT SEVEN
(Aggravated Identity Theft)

7. From at least in or about April 2020 through at least on or about August 13, 2020, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," 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, CHENG used the name and identity of a payroll company employee in connection with the submission of fraudulent loan applications and supporting documentation to multiple financial institutions during and in relation to the fraud and false statement charges in Counts One through Five of this Complaint.

(Title 18, United States Code, Sections 1028A(a)(1), (b) & (c)(4)-(5), and 2.)

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

8. I am a Special Agent with the FBI and I have been personally involved in the investigation of this matter. This affidavit is based upon my personal participation in the investigation of this matter, my conversations with law enforcement agents, witnesses, and others, as well as my examination of report and records. 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. Where figures, calculations, and dates are set forth herein, they are approximate, unless stated otherwise.

Overview of the Fraudulent Conduct

9. SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, is a Taiwanese national presently residing in Manhattan, New York who entered the United States on an F-1 student visa that expired on or about June 11, 2020.

10. According to a publicly available LinkedIn profile in the name of "Justin J." that depicts a photograph of SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, CHENG is a "serial entrepreneur" who earned a Bachelor's Degree from Pennsylvania State University ("Penn State") and has a company called Alchemy Marketplace Inc., which provides loans to small and medium-sized enterprises ("SMEs") and graduate students.

11. From at least in or about April 2020 through at least on or about August 13, 2020, SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, appears to have used the identity of at least five other individuals to submit online applications to the SBA and at least five financial institutions for a total of over \$7 million in government-guaranteed loans for the Cheng Companies through the SBA's PPP and EIDL Program. In connection with these loan applications, CHENG represented, among other things, that other individuals were the sole owners of the Cheng Companies and that the Cheng Companies together had over 200 employees and paid a total of approximately \$1.5 million in wages to those employees on a monthly basis. In fact, however, as described below, the Cheng Companies appear to

have a total of no more than 14 employees. In order to support the false representations in the loan applications about the number of employees at and the wages paid by the Cheng Companies, CHENG submitted fraudulent and doctored tax records that were never actually filed with the IRS and payroll records containing the forged electronic signature of a payroll company employee.

12. Based on the fraudulent PPP loan applications submitted by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, a total of more than \$3.7 million in PPP loans were approved for the Cheng Companies and approximately \$2.8 million in PPP loan proceeds were deposited into bank accounts solely controlled by CHENG as of on or about August 13, 2020. Based on my review of bank records received to date, instead of using the PPP loan proceeds for payroll costs, mortgage interest, rent, and/or utilities for the purported Cheng Companies as required by the PPP, CHENG used a portion of the \$2.8 million in loan proceeds he received as follows:

a. A total of at least approximately \$881,000 in PPP loan proceeds was transferred to accounts of different individuals and entities located at banks based in Taiwan, the United Kingdom, South Korea, and Singapore.

b. A total of at least approximately \$360,000 in PPP loan proceeds appears to have been withdrawn in cash and/or cashier's checks.

c. A total of at least approximately \$279,000 in PPP loan proceeds was spent on personal expenses, including the purchase of an 18-carat gold Rolex watch for approximately \$40,000, rent and move-in fees for a \$17,000 per month luxury condominium for CHENG, approximately \$50,000 of furnishings for CHENG's condominium, at least approximately \$80,000 toward the purchase of a 2020 S560X4 Mercedes, and purchases totaling approximately \$37,000 at Louis Vuitton, Chanel, Burberry, Gucci, Christian Louboutin, and Yves Saint Laurent.

d. A total of at least approximately \$160,000 in PPP loan proceeds was transferred to Alchemy Marketplace, another company owned and controlled by CHENG, in international accounts.

Background on SBA Lending in Response to COVID-19

13. The SBA is a federal agency of the Executive Branch that administers assistance to American small businesses. This assistance includes guaranteeing loans that are issued by certain lenders to qualifying small businesses. Under the SBA loan guarantee programs, the actual loan is issued by a commercial lender, but the lender receives the full faith and credit backing of the United States Federal Government on a percentage of the loan. Therefore, if a borrower defaults on an SBA-guaranteed loan, the commercial lender may seek reimbursement from the SBA, up to the percentage of the guarantee. By reducing the risk to commercial lenders, the SBA loan guarantee programs enable lenders to provide loans to qualifying small businesses when financing is otherwise unavailable to them on reasonable terms through normal lending channels. When a borrower seeks an SBA-guaranteed loan, the borrower must meet both the commercial lender's eligibility requirements for the loan as well as the SBA's eligibility requirements.

14. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted on March 29, 2020 designed to provide emergency financial assistance to the millions of Americans who are 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 business 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.

15. 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 conditions. 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 their 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.

16. The CARES Act also expanded the separate EIDL Program, which provided small businesses with low-interest loans of up to \$2 million prior to in or about May 2020 and up to \$150,000 beginning in or about May 2020, which can provide vital economic support to help overcome the temporary loss of revenue they are experiencing due to COVID-19. To qualify for an EIDL under the CARES Act, the applicant must have suffered "substantial economic injury" from COVID-19, based on a company's actual economic injury determined by the SBA. EIDLs may be used for payroll and other costs as well as to cover increased costs due to supply chain interruption, to pay obligations that cannot be met due to revenue loss, and for other similar uses. The CARES Act also permitted applicants to request an advance of up to \$10,000 to pay allowable working capital needs, which was expected to be paid by the SBA within three days of submission of an EIDL application to the SBA, provided the application contains a self-certification under penalty of perjury of the applicant's eligibility for an EIDL. Unlike the PPP, the SBA directly makes loans to applicants under the EIDL Program.

The Cheng Companies

17. Based on my review of publicly available information on the Internet and from the websites of the Delaware Department of State, Division of Corporations, the New York State Department of State, Division of Corporations, as well as records provided to the SBA and financial institutions regarding the Cheng Companies, I have learned the following, in substance and in part:

a. Celeri Network, Inc. ("Celeri Network") is a Delaware corporation that was formed on or about October 28, 2019. According to its website, Celeri Network "is one of the most powerful lending platforms available in today's market and we aim to help those who seek to achieve financial success." SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, was listed as the CEO of Celeri Network on its website. In an interview dated on or about June 1, 2020 available on Celeri Network's website, which took place after CHENG had submitted at least two fraudulent PPP loan applications, CHENG stated, in substance and in part, the following: "During COVID-19, we have helped fund millions of dollars of Paycheck Protection Program (PPP) loans for a wide

variety of businesses. . . . While we have helped our clients with millions of dollars of PPP funding, there are still many more people to be helped during and after this crisis.”

b. Alchemy Finance, Inc. (“Alchemy Finance”) is a Delaware corporation that was formed on or about June 9, 2017. According to its website, Alchemy Finance “helps college students to build credit through microfinancing.” CHENG was listed as the CEO of Alchemy Finance on its website.

c. Alchemy Guarantor LLC d/b/a “Celer Offer” (“Alchemy Guarantor”) is a New York limited liability company that was formed on or about September 27, 2019. According to its website, Celer Offer is a “closely held company” that “helps you find the job that you want without worrying about your resume.” According to a limited liability company agreement for Alchemy Guarantor that was provided to a financial institution, Alchemy Guarantor provides “public relations consulting services.”

d. Celeri Treasury LLC (“Celeri Treasury”) is a New York limited liability company that was formed on or about January 21, 2020. According to a limited liability company agreement for Celeri Treasury that was provided to a financial institution, Celeri Treasury provides “marketing management consulting services for small businesses.”

e. Wynston York LLC (“Wynston”) is a New York limited liability company that was formed on or about January 21, 2020, the same day as Celeri Treasury.

The PPP Loan Application for Celeri Network

18. Based on my review of records in connection with a PPP loan application for Celeri Network submitted to a financial institution headquartered in North Carolina (“Bank-1”), I have learned the following, in substance and in part:

a. On or about May 5, 2020, an individual (“Individual-1”) purportedly submitted an online application to Bank-1 for a PPP loan in the amount of \$439,474.56 for Celeri Network. The loan application represented, among other things, the following, in substance and in part:

i. Celeri Network had 43 employees and a total average monthly payroll of \$175,789.82.

ii. Celeri Network was located at 180 Maiden Lane in Manhattan, New York (the "Maiden Lane Building").

iii. The information provided in the loan application and all supporting documents and forms was "true, accurate, and correct."

iv. The email address for Individual-1 was an email account with the username "justin" and a domain associated with Celeri Network (the "Celeri Network Email").

v. The business phone number for Celeri Network was a phone number ending in 7472 (the "7472 Number").

b. In order to support the representations regarding the number of employees and average monthly payroll for Celeri Network in the loan application, the following documents were provided to Bank-1:

i. A purported IRS Form 940 (Employer's Annual Federal Unemployment ("FUTA") Tax Return)¹ for Celeri Network for 2019 dated February 11, 2020, which was purportedly signed electronically by an employee (the "Payroll Company Employee") of a payroll company (the "Payroll Company") and reported total payments of \$2,109,477.91 to employees in 2019.

ii. A purported IRS Form 941 (Employer's Quarterly Federal Tax Return)² for Celeri Network for the first quarter of 2020 dated April 30, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$380,591.12 to 43 employees in the first quarter of 2020.

c. On or about May 7, 2020, Bank-1 approved a \$439,474 PPP loan to Celeri Network. Individual-1 purportedly

¹ IRS Form 940 is used to report an employer's annual FUTA tax. Together with state unemployment tax systems, the FUTA tax provides funds for paying unemployment compensation to workers who have lost their jobs.

² IRS Form 941 is used to report wages a business has paid as well as employment taxes withheld on a quarterly basis. Form 941 is generally due by the last day of the month following the end of the quarter.

signed the promissory note for the loan electronically on or about May 7, 2020.

19. Based on my review of bank records relating to the Cheng Companies, I have learned, in substance and in part, that the \$439,474 PPP loan to Celeri Network was disbursed to an account in the name of Celeri Network solely controlled by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant. A portion of the loan proceeds issued to Celeri Network was spent by CHENG as described above in paragraph 12.

20. Based on my review of records maintained by the New York State Department of Labor ("NYSDOL"), which requires wage reporting for employees in New York State, I have learned the following, in substance and in part:

a. Based on a form submitted to the NYSDOL on or about February 19, 2020 by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, who represented himself to be the CEO of Celeri Network, Celeri Network began doing business in New York State on or about December 27, 2019, has a physical location at the Maiden Lane Building, and had 14 employees.

b. Contrary to the representations made to Bank-1 that Celeri Network had 43 employees and total payroll of \$2,109,477.91 in 2019 and \$380,591.12 in the first quarter of 2020, Celeri Network did not report any payroll to the NYSDOL for 2019 and only reported payroll of \$39,101 for 11 employees in the first quarter of 2020. Eight of the 11 employees who purportedly worked for Celeri Network also were reported to NYSDOL as employees of Alchemy Marketplace, another company associated with CHENG, during the same period.

21. Based on my review of records maintained by the Payroll Company, I have learned the following, in substance and in part:

a. The Payroll Company did not file the IRS tax forms described in 18(b) above provided to Bank-1, which were fabricated and forged the electronic signature of the Payroll Company Employee.

b. The Payroll Company did file an IRS Form 941 for Celeri Network for the first quarter of 2020, which reported total payments of \$37,439.12 to 11 employees in the first quarter of 2020.

22. Based on my review of tax records for Celeri Network obtained from the IRS, I have learned, in substance and in part, that Celeri Network did not file an IRS Form 940 for 2019 and filed the same IRS Form 941 for the first quarter of 2020 provided by the Payroll Company, as described in paragraph 21(b).

The PPP Loan Application for Wynston

23. Based on my review of records in connection with a PPP loan application for Wynston submitted to a lender headquartered in New Jersey ("Bank-2"), I have learned the following, in substance and in part:

a. On or about May 21, 2020, an individual ("Individual-2") purportedly submitted an online application to Bank-2 for a PPP loan in the amount of \$243,258 for Wynston. The loan application represented, among other things, the following, in substance and in part:

i. Wynston had 17 employees and a total average monthly payroll of \$97,303.20.

ii. Wynston was located at 110 Wall Street in Manhattan, New York (the "Wall Street Building").

iii. Individual-2 was the sole owner of Wynston.

iv. The information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-2 was an email account with the username "justin" and a domain associated with Wynston (the "Wynston Email").

vi. The business phone number for Wynston was a phone number ending in 8250 (the "8250 Number").

b. Individual-2 purportedly signed the loan application electronically on or about May 21, 2020 using

Internet protocol ("IP") address 74.101.198.122 (the "122 IP Address").³

c. In order to support the representations regarding the number of employees and average monthly payroll for Wynston in the loan application, Bank-2 was provided with a purported IRS Form 941 for Wynston for the first quarter of 2020 dated April 30, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$263,183.52 to 17 employees in the first quarter of 2020.

d. On or about May 21, 2020, Bank-1 approved a \$243,258 PPP loan to Wynston. Individual-2 purportedly signed the promissory note for the loan electronically on or about May 21, 2020.

24. Based on my review of bank records relating to the Cheng Companies, I have learned, in substance and in part, that the \$243,258 PPP loan to Wynston was disbursed on or about May 22, 2020 to an account in the name of Wynston solely controlled by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, which had a balance of approximately \$55.00 prior to the loan disbursement. A portion of the loan proceeds issued to Wynston was spent by CHENG as described above in paragraph 12.

25. Based on my review of correspondence with the NYSDOL, the NYSDOL was not able to locate any records relating to Wynston.

26. Based on my review of correspondence with the Payroll Company, I have learned, in substance and in part, that the Payroll Company did not file the IRS tax form described in paragraph 23(c) above provided to Bank-2, which was fabricated and forged the electronic signature of the Payroll Company Employee.

27. Based on my review of correspondence from the IRS, I have learned that Wynston has not filed any tax forms with the IRS for tax years 2018 through 2020.

³ Based on my training and experience, each electronic device connected to the Internet must be assigned a unique IP address so that communications from or directed to that electronic device are routed properly.

The PPP Loan Applications for Alchemy Finance

28. Based on my review of records in connection with a PPP loan application for Alchemy Finance submitted to a lender headquartered in California ("Bank-3"), I have learned the following, in substance and in part:

a. On or about June 10, 2020, an individual ("Individual-3") purportedly submitted an online application to Bank-3 for a PPP loan in the amount of \$1,540,800 for Alchemy Finance. The loan application represented, among other things, the following, in substance and in part:

i. Alchemy Finance had 87 employees and a total average monthly payroll of \$616,348.

ii. Alchemy Finance was located at the Wall Street Building.

iii. Individual-3 was the sole owner of Alchemy Finance.

iv. The information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-3 was an email account with the username "eveagisme" (the "Alchemy Finance Email").

vi. The business phone number for Alchemy Finance was a phone number ending in 3730 (the "3730 Number").

b. Individual-3 purportedly signed the loan application electronically on or about June 10, 2020.

c. In order to support the representations regarding the number of employees and average monthly payroll for Alchemy Finance in the loan application, the following documents were provided to Bank-3:

i. A purported IRS Form 940 for Alchemy Finance for 2019 dated February 11, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$7,396,181.91 to employees in 2019.

ii. A purported IRS Form 941 for Alchemy Finance for the first quarter of 2019 dated April 30, 2019, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,827,791.73 to 82 employees in the first quarter of 2019.

iii. A purported IRS Form 941 for Alchemy Finance for the second quarter of 2019 dated July 31, 2019, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,827,791.73 to 82 employees in the second quarter of 2019.

iv. A purported IRS Form 941 for Alchemy Finance for the third quarter of 2019 dated October 31, 2019, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,721,525.09 to 81 employees in the third quarter of 2019.

v. A purported IRS Form 941 for Alchemy Finance for the fourth quarter of 2019 dated January 31, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$2,019,072.64 to 95 employees in the fourth quarter of 2019.

d. On or about June 17, 2020, when Bank-3 requested Individual-3 to provide a payroll summary from the Payroll Company, an individual claiming to be Individual-3 responded that the Payroll Company would not provide Individual-3 with such records. Shortly thereafter, Individual-3 withdrew the loan application from Bank-3.

29. Based on my review of records in connection with a PPP loan application for Alchemy Finance submitted to a lender headquartered in Pennsylvania ("Bank-4"), I have learned the following, in substance and in part:

a. On or about June 24, 2020, Individual-3 purportedly submitted an online application to Bank-4 for a PPP loan in the amount of \$1,540,870 for Alchemy Finance. The loan application represented, among other things, the following, in substance and in part:

i. Alchemy Finance had 87 employees and a total average monthly payroll of \$616,348.

ii. Alchemy Finance was located at the Wall Street Building.

iii. Individual-3 was the sole owner of Alchemy Finance.

iv. The information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-3 was the Alchemy Finance Email.

vi. The business phone number for Alchemy Finance was the 3730 Number.

b. Individual-3 purportedly signed the loan application electronically on or about June 24, 2020.

c. In order to support the representations regarding the number of employees and average monthly payroll for Alchemy Finance in the loan application, the following documents were provided to Bank-4:

i. A purported IRS Form 940 for Alchemy Finance for 2019 dated February 11, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$7,396,181.91 to employees in 2019.

ii. A purported IRS Form 941 for Alchemy Finance for the fourth quarter of 2019 dated January 31, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$2,019,072.64 to 95 employees in the fourth quarter of 2020.

d. On or about June 25, 2020, Bank-4 approved a \$1,540,800 PPP loan to Alchemy Finance. Individual-3 purportedly signed the promissory note for the loan electronically by on or about June 25, 2020.

30. Based on my review of records in connection with a PPP loan application for Alchemy Finance submitted to a lender headquartered in New York ("Bank-5"), I have learned the following, in substance and in part:

a. On or about June 24, 2020, Individual-3 purportedly submitted an online application to Bank-5 for a PPP loan in the amount of \$1,540,870 for Alchemy Finance. The loan

application represented, among other things, the following, in substance and in part:

i. Alchemy Finance had 87 employees and a total average monthly payroll of \$616,348.

ii. Alchemy Finance was located at the Wall Street Building.

iii. Individual-3 was the sole owner of Alchemy Finance.

iv. The information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-3 was the Alchemy Finance Email.

vi. The business phone number for Alchemy Finance was the 3730 Number.

b. Individual-3 purportedly signed the loan application electronically on or about June 24, 2020.

c. In order to support the representations regarding the number of employees and average monthly payroll for Alchemy Finance in the loan application, the following documents were provided to Bank-5:

i. A purported payroll summary for 2019, which listed the names of more than 90 purported employees of Celeri Treasury and provided their individual wages. Based on my review of the names of the employees listed in the payroll summary, I believe that several of the employee names listed in the payroll summary consist of current and former athletes (including several from Penn State where SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, attended school), artists, actors, and public figures. For example, the list of purported employee names includes a co-anchor on Good Morning America, a former National Football League player, and a prominent Penn State football coach who is now deceased.

ii. A purported IRS Form 941 for Alchemy Finance for the first quarter of 2019 dated April 30, 2019, which was purportedly signed electronically by the Payroll Company

Employee and reported total payments of \$1,827,791.73 to 82 employees in the first quarter of 2019.

iii. A purported IRS Form 941 for Alchemy Finance for the second quarter of 2019 dated July 31, 2019, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,827,791.73 to 82 employees in the second quarter of 2019.

iv. A purported IRS Form 941 for Alchemy Finance for the third quarter of 2019 dated October 31, 2019, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,827,791.73 to 81 employees in the third quarter of 2019. As summarized in paragraph 28(c)(iv) above, the same form submitted to Bank-3 reported total payments of \$1,721,525.09 to 81 employees in the third quarter of 2019.

v. A purported IRS Form 941 for Alchemy Finance for the fourth quarter of 2019 dated January 31, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$2,019,072.64 to 95 employees in the fourth quarter of 2019.

d. On or about June 26, 2020, after Bank-4 approved the PPP loan to Alchemy Finance, Individual-3 withdrew the loan application from Bank-5.

31. Based on my review of bank records relating to the Cheng Companies, I have learned, in substance and in part, that the \$1,540,800 PPP loan to Alchemy Finance from Bank-4 was disbursed to an account in the name of Alchemy Finance solely controlled by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant. A portion of the loan proceeds issued to Alchemy Finance was spent by CHENG as described above in paragraph 12, with an additional approximately 154,000 transferred to Individual-1 and approximately \$68,000 transferred to Individual-5, who is discussed *infra* at paragraph 41.

32. Based on my review of correspondence with the NYSDOL, the NYSDOL was not able to locate any records relating to Alchemy Finance.

33. Based on my review of correspondence with the Payroll Company, I have learned, in substance and in part, that the Payroll Company did not file the IRS tax forms described in

paragraphs 28(c), 29(c), and 30(c) above provided to Bank-3, Bank-4, and Bank-5, which were fabricated and forged the electronic signature of the Payroll Company Employee.

34. Based on my review of correspondence from the IRS, I have learned that Alchemy Finance has not filed any tax forms with the IRS for tax years 2018 through 2020.

35. Based on my review of travel records, I have learned, in substance and in part, that on or about April 8, 2020, approximately two months before the PPP loan applications were purportedly submitted by Individual-3, Individual-3 departed John F. Kennedy International Airport on a one-way flight to Taiwan.

The PPP Loan Application for Celeri Treasury

36. Based on my review of records in connection with a PPP loan application for Celeri Treasury submitted to Bank-5, I have learned the following, in substance and in part:

a. On or about July 14, 2020, an individual ("Individual-4") purportedly submitted an online application to Bank-5 for a PPP loan in the amount of \$621,000 for Celeri Treasury. The loan application represented, among other things, the following, in substance and in part:

i. Celeri Treasury had 28 employees and a total average monthly payroll of \$248,400.

ii. Celeri Treasury was located at the Wall Street Building.

iii. Individual-4 was the sole owner of Celeri Treasury.

iv. The information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-4 was an email account with the username "emily" and a domain associated with Celeri Treasury (the "Celeri Treasury Email-1").

vi. The business phone number for Celeri Treasury was the 8250 Number, which was the same phone number provided to Bank-2 for Wynston.

b. Individual-4 purportedly signed the loan application electronically on or about July 14, 2020.

c. In order to support the representations regarding the number of employees and average monthly payroll for Celeri Treasury in the loan application, the following documents were provided to Bank-5:

i. A purported payroll summary for the first quarter of 2020, which listed the names of more than 30 purported employees of Celeri Treasury and provided their individual wages. Based on my review of the names of the employees listed in the payroll summary, I have determined that nearly all of the same names appear in the payroll summary provided to Bank-5 for Alchemy Finance described above in paragraph 30(c)(i).

ii. A purported IRS Form 941 for Celeri Treasury for the first quarter of 2020 dated April 30, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$526,367.04 to 28 employees in the first quarter of 2020.

d. On or about July 15, 2020, Bank-5 approved a \$621,000 PPP loan to Celeri Treasury. Individual-4 purportedly signed the promissory note for the loan electronically on or about July 15, 2020.

37. Based on my review of bank records relating to the Cheng Companies, I have learned, in substance and in part, that the \$621,000 PPP loan to Celeri Treasury was disbursed to an account in the name of Celeri Treasury solely controlled by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, which had a balance of approximately \$100.00 prior to the loan disbursement. A portion of the loan proceeds issued to Celeri Treasury was spent by CHENG as described above in paragraph 12.

38. Based on my review of correspondence with the NYSDOL, the NYSDOL was not able to locate any records relating to Celeri Treasury.

39. Based on my review of correspondence with the Payroll Company, I have learned, in substance and in part, that the Payroll Company did not file the IRS tax form described in paragraph 36(c)(ii) above provided to Bank-5, which was

fabricated and forged the electronic signature of the Payroll Company Employee.

40. Based on my review of correspondence from the IRS, I have learned that Celeri Treasury did not file any tax forms with the IRS for tax years 2018 through 2020.

The PPP Loan Application for Alchemy Guarantor

41. Based on my review of records in connection with a PPP loan application for Alchemy Guarantor submitted to Bank-5, I have learned the following, in substance and in part:

a. On or about August 4, 2020, an individual ("Individual-5") purportedly submitted an online application to Bank-5 for a PPP loan in the amount of \$916,345 for Alchemy Guarantor. The loan application represented, among other things, the following, in substance and in part:

i. Alchemy Guarantor had 54 employees and a total average monthly payroll of \$366,538.

ii. Alchemy Guarantor was located at 387 Park Avenue South in Manhattan, New York (the "Park Avenue Building").

iii. Individual-5 was the sole owner of Alchemy Guarantor.

iv. That the information provided in the loan application and all supporting documents and forms was "true and accurate in all material respects."

v. The email address for Individual-5 was an email account with the username "justin" and a domain associated with Alchemy Guarantor (the "Alchemy Guarantor Email").

vi. The business phone number for Alchemy Guarantor was a phone number ending in 1545 (the "1545 Number").

b. Individual-5 purportedly signed the loan application electronically on or about August 4, 2020.

c. In order to support the representations regarding the number of employees and average monthly payroll for Alchemy Guarantor in the loan application, the following documents, among others, were provided to Bank-5:

i. A purported IRS Form 941 for Alchemy Guarantor for the fourth quarter of 2019 dated January 31, 2020, which was purportedly signed electronically by the Payroll Company Employee and reported total payments of \$1,309,072.64 to 54 employees in the fourth quarter of 2019.

ii. A purported payroll summary for the fourth quarter of 2019, which listed the names of more than 50 purported employees of Alchemy Guarantor and provided their individual wages.

42. On or about August 6, 2020, Bank-5 approved a \$916,300 PPP loan to Alchemy Guarantor. Individual-5 purportedly signed the promissory note for the loan electronically on or about August 6, 2020.

43. Based on my review of bank records relating to the Cheng Companies, I have learned, in substance and in part, that the \$916,300 PPP loan to Alchemy Guarantor was to be disbursed to an account in the name of Alchemy Guarantor solely controlled by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant. However, the loan funds were frozen as a result of this investigation.

44. Based on my review of correspondence with the NYSDOL, the NYSDOL was not able to locate any records relating to Alchemy Guarantor.

45. Based on my review of travel records, I have learned, in substance and in part, that on or about the early morning of August 4, 2020, two days before the promissory note for Alchemy Guarantor was purportedly signed electronically by Individual-5, Individual-5 departed John F. Kennedy International Airport on a one-way flight to Taiwan.

46. Based on my training and experience and my participation in this investigation, I know that a majority of the loan proceeds issued to the Cheng Companies through the PPP loans described above originated from banks with deposits insured by the FDIC at all relevant times.

The EIDL Applications to the SBA for the Cheng Companies

47. Based on my review of records obtained from the SBA, I have learned the following, in substance and in part, regarding EIDL applications for the Cheng Companies:

a. On or about April 1, 2020, an application for an EIDL for Celeri Network was created online from the 122 IP Address (the same IP address used to submit the PPP loan application for Wynston) and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Celeri Network was located at the Maiden Lane Building; (ii) had the 7472 Number as its business phone number; (iii) had 13 employees (compared with the representation of 43 employees in the PPP loan application and no more than 14 employees reported to the NYSDOL); and (iv) that the Celeri Network Email was the business email for Celeri Network. The contact information provided for the application was "Justin Cheng," the CEO of Celeri Network, with the 7472 Number and the Celeri Network Email.

b. On or about April 1, 2020, approximately two hours after the EIDL application for Celeri Network discussed above was created, an application for an EIDL for Wynston was created online from the IP address 196.53.0.124 (the "124 IP Address") and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Wynston was located at the Wall Street Building; (ii) had the 7472 Number as its business phone number; (iii) had four employees (compared with the representation of 17 employees in the PPP loan application and no employees reported to the NYSDOL); and (iv) that the Wynston Email was the business email for Wynston. The contact information provided for the application was "Justin Cheng," the owner of Wynston, with the 7472 Number and the Wynston Email.

c. On or about April 1, 2020, approximately 10 minutes after the EIDL application for Wynston discussed immediately above was created, an application for an EIDL for Celeri Treasury was created online from the 124 IP address and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Celeri Treasury was located at the Maiden Lane Building; (ii) had the 7472 Number as its business phone number (the same number provided for Celeri Network and Wynston); (iii) had three employees (compared with the representation of 28 employees in the PPP loan application and no employees reported to the NYSDOL); and (iv) that the Celeri Network Email was the business email for Celeri Treasury. The contact information provided for the application was "Justin Cheng," the manager of Celeri Treasury, with the 7472 Number and a personal email address (the "Cheng Email").

d. On or about June 15, 2020, an EIDL for Alchemy Finance was created online from an IP address ending in 577b (the "577b IP Address") and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Alchemy Finance was located at the Wall Street Building; (ii) had the 3730 Number as its business phone number; (iii) had 87 employees (compared with no employees reported to the NYSDOL); and (iv) that the Alchemy Finance Email was the business email for Alchemy Finance. The contact information provided for the application was Individual-3, the owner of Alchemy Finance, with the 3730 Number and the Celeri Network Email.

e. On or about June 15, 2020, approximately 15 minutes after the EIDL application for Alchemy Finance discussed above was created, a second application for an EIDL for Celeri Treasury was created online from the 577b IP Address and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Celeri Treasury was located at the Wall Street Building; (ii) had the 8250 Number as its business phone number; (iii) had 28 employees (compared with the representation of 3 employees in the prior EIDL application and no employees reported to the NYSDOL); and (iv) that the Celeri Treasury Email-1 was the business email for Celeri Treasury. The contact information provided for the application was Individual-4, the owner of Celeri Treasury, with the 8250 Number and the Celeri Treasury Email-1.

f. On or about June 15, 2020, approximately four minutes after the second EIDL application for Celeri Treasury discussed immediately above was created, a second application for an EIDL for Wynston was created online from the 577b IP Address and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Wynston was located at the Wall Street Building; (ii) had a business phone number of the 7472 Number; (iii) had 17 employees (compared with the representation of 4 employees in the prior EIDL application and no employees reported to the NYSDOL); and (iv) that the Wynston Email was the business email for Wynston. The contact information provided for the application was Individual-2, the owner of Wynston, with the 7472 Number and the Wynston Email.

g. On or about June 15, 2020, approximately 50 minutes after the second EIDL application for Wynston discussed above was created, a second application for an EIDL for Celeri Network was created online from the 577b IP Address and

submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Celeri Network was located at the Maiden Lane Building; (ii) had the 3730 Number as its business phone number; (iii) had 43 employees (compared with the representation of 13 employees in the prior EIDL application and no more than 11 employees reported to the NYSDOL); and (iv) that the Celeri Network Email was the business email for Celeri Network. The contact information provided for the application was Individual-1, the owner of Celeri Network, with the 3730 Number and the Celeri Network Email.

h. On or about August 7, 2020, an application for an EIDL for Alchemy Guarantor was created online and submitted to the SBA. The EIDL application represented, in substance and in part, the following: (i) that Alchemy Guarantor was located at the Park Avenue Building; (ii) had the 1545 Number as its business phone number; (iii) had 54 employees (compared with no employees reported to the NYSDOL); and (iv) that the Alchemy Guarantor Email was the business email for Alchemy Guarantor. The contact information provided for the application was Individual-5, the owner of Celeri Network, with the 1545 Number and the Alchemy Guarantor Email.

i. Based on the above EIDL applications, the SBA issued a loan advance of \$10,000 to Celeri Network, a loan advance of \$4,000 to Wynston, and a \$150,000 EIDL to Alchemy Guarantor that was funded on or about August 7, 2020. The SBA did not otherwise issue any EIDL loans to the Cheng Companies, in part because additional documentation was requested for certain of the loans and has not yet been provided.

Evidence of Attribution of Fraudulent Loan Applications to CHENG

48. Based on my review of records obtained from Verizon, I have learned, in substance and in part, that the 577b IP Address used to submit the EIDL applications for Alchemy Finance, Celeri Network, Celeri Treasury, and Wynston on or about June 15, 2020 was registered to "Justin Cheng" with the 3730 Number (the same phone number provided in the loan applications for Alchemy Finance and Celeri Network).

49. Based on my review of records obtained from Google, I have learned the following, in substance and in part:

a. The Celeri Network Email, which purportedly belongs to Individual-1 and was used in connection with the loan

applications for Celeri Network, was registered to "Justin Jung."

b. The Wynston Email, which purportedly belongs to Individual-2 and was used in connection with the loan applications for Wynston, was registered to "Wynston York" with the Celeri Network Email as a recovery email account.

c. The Alchemy Finance Email, which purportedly belongs to Individual-3, was created on or about June 9, 2020, approximately one day prior to when it was used in connection with the first PPP loan application for Alchemy Finance, and was registered to "Eve G."

d. The Celeri Treasury Email-1, which purportedly belongs to Individual-4, was created on or about May 28, 2020, approximately two weeks prior to when it was used in connection with the second EIDL loan application for Celeri Treasury, and was registered to Individual-4.

e. The Alchemy Guarantor Email, which purportedly belongs to Individual-5, was registered to "Justin Cheng."

f. The Cheng Email, which was used by SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, in connection with certain of the EIDL applications, was registered to CHENG with a phone number ending in 9625 (the "9625 Number") as a recovery short message service ("SMS") number.

g. An email account with the username "justin" and a domain associated with Celeri Treasury (the "Celeri Treasury Email-2") was created on or about May 28, 2020 (the same day the Celeri Treasury Email-1 was created) and registered to "Justin Cheng" with the Cheng Email as a recovery email account.

h. The 8250 Number, which was used in connection with the loan applications for Wynston and Celeri Treasury, was registered to SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, and the Cheng Email.

i. On or about May 28, 2020, within a time period of approximately two hours, the 122 IP address (which was used to create the EIDL application for Celeri Network on or about April 1, 2020 and purportedly used by Individual-2 to sign the PPP loan application for Wynston on or about May 21, 2020) was used to access the Celeri Network Email, the Wynston Email, the

Celeri Treasury Email-1, the Celeri Treasury Email-2, and the Cheng Email.

j. On or about May 30, 2020, the 122 IP address was used, in or about the same time, to access the Celeri Network Email, the Wynston Email, the Celeri Treasury Email-1, the Celeri Treasury Email-2, and the Cheng Email.

k. On or about July 8, 2020, within a time period of approximately five minutes, the same IP address was used to access the Wynston Email, the Alchemy Finance Email, the Celeri Treasury Email-1, the Celeri Treasury Email-2, and the Cheng Email.

50. In a voluntary interview of SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, conducted by the FBI on or about May 22, 2019 and arranged at CHENG's request to report unrelated crimes, CHENG provided the 7472 Number as his current phone number and the 9625 Number as his prior phone number.

51. Based on my training and experience and my familiarity this investigation as set forth above, including the relationship between and among SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, and the Cheng Companies based on shared company names, shared physical addresses, shared phone numbers, shared employees, tax documents purportedly prepared and signed by the same Payroll Company Employee, the use of the same IP addresses to submit EIDL applications and to access email accounts used in connection with the fraudulent loan applications described above, and CHENG's control of bank accounts and email accounts of each of the Cheng Companies, I believe that CHENG submitted the fraudulent loan applications for the Cheng Companies and was in sole control of the fraudulent loan proceeds received by the Cheng Companies.

WHEREFORE, I respectfully request that a warrant be issued for the arrest of SHENG-WEN CHENG, a/k/a "Justin Cheng," a/k/a "Justin Jung," the defendant, and that he be arrested and imprisoned or bailed, as the case may be.

/s/ Kristin M. Allain, by SDA

KRISTIN M. ALLAIN
Special Agent
Federal Bureau of Investigation

Sworn to me through the transmission of this Affidavit by reliable electronic means, pursuant to Federal Rules of Criminal Procedure 41(d) (3) and 4.1, this 17th day of August, 2020



THE HONORABLE STEWART D. AARON
UNITED STATES MAGISTRATE JUDGE
SOUTHERN DISTRICT OF NEW YORK