

2020R01278/DAF/JMR

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA : Crim. No. 22-186 (KMW)
 :
 v. : 18 U.S.C. § 1344
 :
 CORNELL MCCOY :

I N F O R M A T I O N

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of New Jersey charges:

1. At all times relevant to this Information:
 - a. The defendant, CORNELL MCCOY, was a resident of Lawnside, New Jersey.
 - b. Defendant MCCOY was the owner of Silver Cup Services Group LLC (“Silver Cup”), a company that was incorporated in the State of New Jersey on or about September 6, 2018.
 - c. Financial Institution 1 was a financial institution incorporated in Maryland and headquartered in New York. Financial Institution 1 participated as a lender in the Paycheck Protection Program (“PPP”), as described herein.
 - d. Silver Cup maintained a business bank account at Financial Institution 2, a federally insured financial institution incorporated and headquartered in Ohio (“Account 1”).

The Paycheck Protection Program

e. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and was designed to provide emergency financial assistance to the millions of Americans who suffered the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”).

f. To obtain a PPP loan, a qualifying business had to submit a PPP loan application signed by an authorized representative of the business. The applicant of a PPP loan was required to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the applicant had to state, among other things, its average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

g. A PPP loan application had to be processed by a participating financial institution (the lender). If the PPP loan application was approved, the lender funded the PPP loan using its own monies, which were 100% guaranteed by the Small Business Administration (“SBA”). Data from the application, including information about the borrower, the total amount of the

loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

h. PPP loan proceeds could only be used by the business for certain permissible expenses, including payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business used the loan proceeds on these expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Scheme to Defraud

2. From in or around February 2021 through in or around April 2021, in Camden County in the District of New Jersey and elsewhere, defendant

CORNELL MCCOY

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud Financial Institution 1 and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice was in substance as set forth below.

Purpose of the Scheme to Defraud

3. The purpose of the scheme was for defendant MCCOY to unjustly enrich himself by obtaining PPP proceeds under false and misleading pretenses, including by making false statements about the number of Silver Cup employees and Silver Cup's payroll, and by providing false documentation.

Manner and Means of the Scheme

4. It was part of the scheme that:
 - a. On or about February 6, 2021, defendant MCCOY submitted a PPP application to Financial Institution 1 on behalf of Silver Cup seeking a loan for approximately \$237,500.00 (the “Application”). MCCOY submitted the Application in his name and listed himself as the owner of Silver Cup.
 - b. The Application contained materially false and fraudulent information, including that Silver Cup had 12 employees and had an average monthly payroll of \$95,000.00. In fact, Silver Cup had no employees and no payroll.
 - c. As part of the Application, MCCOY submitted to Financial Institution 1: (1) materially false and fraudulent IRS Forms 941 (Employer’s Quarterly Federal Tax Return) for 2019 showing that Silver Cup paid \$300,000 in wages to 12 employees during each quarter of 2019; and (2) a materially false and fraudulent Form 1040 U.S. Individual Income Tax Return showing that MCCOY purportedly earned more than \$800,000 in income from Silver Cup in 2019. These supporting documents were created for purposes of applying for the PPP loan and were never submitted to the IRS.
 - d. Based on the Application, Financial Institution 1 approved the loan to Silver Cup and, on or about April 6, 2021, Financial Institution 1 disbursed approximately \$237,500.00 to Account 1, which was controlled by MCCOY.

All in violation of Title 18, United States Code, Section 1344.

FORFEITURE ALLEGATION

1. As a result of committing the offense charged in this Information, defendant CORNELL MCCOY shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), all property, real or personal, constituting or derived from proceeds traceable to the offense, the value of which totaled \$237,500.00, including but not limited to:

a. The contents of Financial Institution 2 Account Number XXXXXXXX4316, in the name of Silver Cup Services Group LLC.

SUBSTITUTE ASSETS PROVISION

2. If any of the property described above, as a result of any act or omission of the defendant:

- a. cannot be located upon the exercise of due diligence;
- b. has been transferred or sold to, or deposited with, a third party;
- c. has been placed beyond the jurisdiction of the court;
- d. has been substantially diminished in value; or
- e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to forfeiture of

any other property of the defendant up to the value of the above-described forfeitable property.

Handwritten signature of Philip R. Sellinger in cursive script, with the initials "b7A" written to the right of the signature.

PHILIP R. SELLINGER
United States Attorney

CASE NUMBER: _____

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

CORNELL MCCOY

INFORMATION FOR

18 U.S.C. § 1344

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