

***IN THE DISTRICT COURT OF THE UNITED STATES***

***for the Western District of New York***

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**MARCH 2021 GRAND JURY  
(Impaneled March 26, 2021)**

**THE UNITED STATES OF AMERICA**

**SUPERSEDING INDICTMENT  
21-CR-136-JLS**

**-vs-**

**CHRISTIAN D. JOHNSON**

**Violations:**

Title 18, United States Code,  
Sections 1343, 1344, and 1014  
(18 Counts and Forfeiture Allegation)

**INTRODUCTION**

**The Grand Jury Charges That:**

At all times relevant to this Superseding Indictment:

1. The defendant, CHRISTIAN D. JOHNSON (“JOHNSON” or “the defendant”), was a resident of Erie County, New York.
2. Million Man LLC (“Million Man”) was a New York limited liability company formed on or about May 21, 2019. Million Man was issued an Employer Identification Number (“EIN”) by the Internal Revenue Service (“IRS”) on or about June 18, 2019 but had no discernable business operations. JOHNSON purported to be the owner of Million Man.

**The Small Business Administration**

3. The United States Small Business Administration (“SBA”) was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

**The Paycheck Protection Program**

4. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. 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 Paycheck Protection Program (“PPP”).

5. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was 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 be eligible to obtain the PPP loan. In the PPP loan application (SBA Form 2483), the small business (through its authorized representative) was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition,

businesses applying for a PPP loan were typically required to provide documentation showing their payroll expenses.

6. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which were 100 percent guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

7. PPP loan proceeds were required to be used on certain permissible expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan were eligible for forgiveness if the business spent the loan proceeds on these expense items within a designated period of time and used a certain portion of the loan towards payroll expenses.

**Relevant Financial Institutions**

8. Bank 1 was a financial institution based in Hinton, Oklahoma, that participated as a lender in the SBA's PPP loan program, and whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC").

9. Bank 2 was a financial institution based in Salt Lake City, Utah, that participated as a lender in the SBA's PPP loan program, and whose deposits were insured by the FDIC.

10. Bank 3 was a financial institution based in Providence, Rhode Island, that participated as a lender in the SBA's PPP loan program, and whose deposits were insured by the FDIC.

11. Bank 4 was a financial institution based in Salt Lake City, Utah, that participated as a lender in the SBA's PPP loan program, and whose deposits were insured by the FDIC.

12. Lender 1 was an independent finance provider for small businesses based in New York, New York, that participated as a lender in the SBA's PPP loan program.

13. Lender 2 was an independent finance provider for small businesses based in New York, New York, that participated as a lender in the SBA's PPP loan program.

14. Lender 3 was an independent finance provider for small businesses based in Los Angeles, California, that participated as a lender in the SBA's PPP loan program.

15. Financial Services Company 1, based in Troy, Michigan, was a small business funding provider that participated in the SBA's PPP loan program.

16. Financial Services Company 2, based in Lehi, Utah, was a remote small business solutions company that served as an intermediary to connect applicants with a lender that participated in the PPP program.

17. Financial Services Company 3, based in Lehi, Utah, was a company that allowed potential borrowers to submit loan applications to its partner banks in various locations throughout the United States. Bank 1 received Million Man PPP loan applications through Financial Services Company 3.

18. Financial Services Company 4, based in Atlanta, Georgia, was a small business funding provider that participated in the SBA's PPP loan program.

19. Federal Credit Union 1 was a financial institution located in Buffalo, New York, whose deposits were insured by the National Credit Union Administration ("NCUA"). The defendant held a personal savings account at Federal Credit Union 1.

### **OVERVIEW OF THE SCHEME TO DEFRAUD**

20. Beginning in or around April 2020, and continuing until at least in or around May 2020, the exact dates being unknown, in the Western District of New York and elsewhere, the defendant, CHRISTIAN D. JOHNSON, did execute, and attempt to execute, a scheme and artifice to defraud the financial institutions and other lenders identified in paragraphs 8-19 of this Superseding Indictment and the SBA in connection with the following fraudulent PPP loan applications (collectively, the "PPP Loan Applications"):

<b>Application No.</b>	<b>Approx. Date of Application</b>	<b>Lender</b>	<b>Approx. Loan Amount Sought</b>	<b>Purported No. of Employees</b>	<b>Purported Avg. Monthly Payroll</b>
1	April 10, 2020	Financial Services Company 4	\$170,508	5	\$68,203.56

<b>Application No.</b>	<b>Approx. Date of Application</b>	<b>Lender</b>	<b>Approx. Loan Amount Sought</b>	<b>Purported No. of Employees</b>	<b>Purported Avg. Monthly Payroll</b>
2	April 16, 2020	Bank 1	\$300,000	50	\$120,000
3	April 20, 2020	Bank 1	\$300,000	50	\$120,000
4	April 23, 2020	Bank 4	\$475,000	50	\$190,000
5	April 25, 2020	Bank 4	\$500,000	50	\$200,000
6	May 4, 2020	Financial Services Company 1	\$300,000	54	\$278,000
7	May 4, 2020	Financial Services Company 4	\$339,825	54	\$135,930.35
8	May 5, 2020	Financial Services Company 2	\$690,000	54	\$278,000
9	May 5, 2020	Lender 3	\$696,000	54	\$278,400
10	May 10, 2020	Bank 2	\$374,625	54	\$149,850
11	May 21, 2020	Bank 3	\$959,000	51-250	\$279,000

<b>Application No.</b>	<b>Approx. Date of Application</b>	<b>Lender</b>	<b>Approx. Loan Amount Sought</b>	<b>Purported No. of Employees</b>	<b>Purported Avg. Monthly Payroll</b>
12	May 24, 2020	Lender 1	\$695,000	54	\$278,000
13	May 25, 2020	Financial Services Company 3	\$695,000	54	\$278,000
14	May 25, 2020	Financial Services Company 4	\$258,575	54	\$130,688.63
15	May 26, 2020	Lender 2	\$696,000	54	\$278,400
16	May 27, 2020	Financial Services Company 3	\$695,000	54	\$278,000

**PURPOSE OF THE SCHEME TO DEFRAUD**

21. It was the purpose of the scheme for the defendant to unjustly enrich himself by fraudulently obtaining PPP loans through false and misleading pretenses, representations, and promises, and to conceal the scheme.

**MANNER AND MEANS OF THE SCHEME TO DEFRAUD**

22. It was part of the defendant's fraudulent scheme to submit PPP Loan Applications on behalf of Million Man containing false information concerning, among other things, the number of Million Man employees and its monthly payroll, and false certifications about Million Man's business and intended use for the funds.

23. In furtherance of the scheme, the defendant created, used, and controlled at least four separate email addresses on the PPP Loan Applications to conceal that the same person (namely, the defendant) was applying for more than one loan for the same business.

24. In furtherance of the scheme, on or about the dates specified in the table above, the defendant fabricated Million Man's average monthly payroll and the number of employees at Million Man in each of the PPP Loan Applications. On separate dates and in separate applications within approximately a two-month period in or around April and May, 2020, the defendant falsely claimed that Million Man had between 5 and 250 employees and average monthly payroll of between \$68,200 and \$279,000.

25. The defendant also falsely certified on the PPP Loan Applications that the PPP loan funds would be used to retain workers and cover payroll expenses, and to make mortgage interest payments, lease payments, and/or utility payments. In fact, however, the defendant did not intend to use the funds for these purposes as Million Man had no workers, payroll expenses, or mortgage interest, lease, or utility payments.

26. In furtherance of the scheme, while the defendant's fraudulent loan application for Million Man with Bank 1 was pending, the defendant exchanged e-mails with Bank 1 employees during which the defendant wrote that he did not have a Million Man bank statement for 2020 because he "temporarily closed [his] business account because of covid-19 made [his] business go down significantly." In a follow-up e-mail, the defendant wrote that Million Man "was operating until 3/16/20" and that he, the defendant, was still paying



employees from his personal savings but was “running out.” As the defendant then knew, these statements were false when made, because Million Man had no business bank account prior to the outbreak of COVID-19, and the defendant did not pay any Million Man employees out of his personal savings.

27. In furtherance of the scheme and in support of certain PPP Loan Applications, the defendant submitted, and caused to be submitted, fraudulent IRS Form 940s and IRS Form 941s to Bank 1, Bank 2, Lender 1, Financial Services Company 3, and Financial Services Company 4. The defendant further submitted fraudulent IRS Form 940s to Bank 3 and Lender 3, and submitted fraudulent IRS Form 941s to Lender 2. The IRS Forms 940 and 941 contained false information concerning Million Man’s payroll expenses and number of employees and had not been filed with the IRS.

28. In furtherance of the scheme, the defendant submitted, and caused to be submitted, fake payroll registers in support of certain PPP Loan Applications:

- a. On or about April 10, 2020, the defendant sent Financial Services Company 4 a purported Million Man February 2020 payroll log. The log listed 19 employees representing that each employee worked from exactly 6:00 a.m. to 4:00 p.m. on each business day during the period and was paid exactly \$48 per hour. The log showed a monthly total payroll of \$192,000. Both the number of employees and monthly payroll figures in this purported payroll document were substantially different from the figures provided in the Financial Services Company 4 Loan Application.

- b. On or about April 25, 2020, the defendant sent a Bank 4 employee a purported Million Man January 2020 payroll log. The log listed 29 employees, as well as the defendant, representing that each employee worked exactly from 6:00 a.m. to 4:00 p.m. on each business day during the period and was paid exactly \$48 per hour. The log showed a monthly total payroll of \$278,400. Both the number of employees and monthly payroll figures in this purported payroll documents were substantially different from the figures provided in the Bank 4 PPP Loan Application.
- c. On or about May 1, 2020, the defendant sent a Bank 1 employee a purported payroll log for Million Man for January 2020. The log listed 29 employees, as well as the defendant, representing that each employee worked from exactly 6:00 a.m. to 4:00 p.m. on each business day during the period and was paid exactly \$48 per hour. The log showed a monthly total payroll of \$278,400. Both the number of employees and monthly payroll figures in this purported payroll document were substantially different from the figures provided in the Bank 1 PPP Loan Applications.
- d. On or about May 19, 2020, the defendant sent a Bank 2 employee a purported Million Man February 2020 payroll log. The log listed 29 employees, as well as the defendant, representing that each employee worked from exactly 6:00 a.m. to 4:00 p.m. on each business day during the period and was paid exactly \$48 per hour. The log showed a monthly total payroll of \$278,400. Both the number of employees and monthly payroll figures in this purported payroll

document were substantially different from the figures provided in the Bank 2 PPP Loan Application.

- e. On or about May 26, 2020, the defendant sent Lender 2 a purported Million Man January 2020 payroll log. The log listed 29 employees, as well as the defendant, representing that each employee worked from exactly 6:00 a.m. to 4:00 p.m. on each business day during the period and was paid exactly \$48 per hour. The log showed a monthly total payroll of \$278,400. Both the number of employees and monthly payroll figures in this purported payroll document were substantially different from the figures provided in the Lender 2 Loan Application.

29. In furtherance of the scheme, the defendant submitted, and caused to be submitted, false bank records and fabricated employee checks in support of certain PPP Loan Applications:

- a. On or about May 19, 2020, in support of his PPP Loan Application to Bank 2, the defendant included a fabricated Federal Credit Union 1 bank account statement for April 2020 that purported to show numerous checks issued which, in fact, and as the defendant knew, had not been issued.
- b. On or about May 20, 2020, the defendant provided cashed Federal Credit Union 1 checks to Bank 2 purportedly reflecting wages paid to Million Man employees which were false and fraudulent.

- c. On or about May 26, 2020, the defendant in support of his PPP Loan Application to Lender 2, included a fraudulent business banking statement from February 2020 purporting to show bank transactions and an account balance for Million Man.

**COUNTS 1-6**  
**(Wire Fraud)**

**The Grand Jury Further Charges That:**

30. Paragraphs 1 through 29 of this Superseding Indictment are re-alleged and incorporated by reference as though fully set forth herein.

31. Beginning in or around April 2020, and continuing until in or around May 2020, the exact dates being unknown to the Grand Jury, in the Western District of New York and elsewhere, the defendant, CHRISTIAN D. JOHNSON, knowingly and with the intent to defraud did devise, and intend to devise, a scheme and artifice to defraud certain financial institutions and other lenders and the SBA, and to obtain money and property from these financial institutions and the SBA by means of materially false and fraudulent pretenses, representations, and promises, and, for the purpose of executing such scheme and artifice, transmitted, and caused to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, that is, the communications set forth below:

Count	On or About Date	Execution of the Scheme
1	April 16, 2020	PPP Loan Application for Million Man purporting to have 50 employees and an average monthly payroll of \$120,000 from JOHNSON in New York to Bank 1 Employee in Oklahoma
2	May 1, 2020	Email from JOHNSON in New York to Bank 1 Employee in Oklahoma containing false statements re: Million Man
3	May 5, 2020	Email from JOHNSON in New York to Lender 3 Employee in California attaching IRS Form
4	May 10, 2020	Email from JOHNSON in New York to Bank 2 Employee in Utah attaching IRS Form
5	May 19, 2020	Email from JOHNSON in New York to Bank 2 Employee in Utah attaching Million Man Feb. 2020 Payroll Log identifying 29 employees
6	May 19, 2020	Email from JOHNSON in New York to Bank 2 Employee in Utah attaching Federal Credit Union 1 account statement

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

**COUNTS 7-12**  
**(Bank Fraud)**

**The Grand Jury Further Charges That:**

32. Paragraphs 1 through 29 of this Superseding Indictment are re-alleged and incorporated by reference as though set forth herein.

33. On or about the dates set forth below, each such date constituting a separate count of the Superseding Indictment, in the Western District of New York and elsewhere, the defendant, CHRISTIAN D. JOHNSON, did knowingly execute, and attempt to execute, a scheme and artifice to defraud financial institutions, and to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of financial institutions, by means of materially false and fraudulent pretenses, representations, and promises.

<b>Count</b>	<b>Federally Insured Institution</b>	<b>On or About Date</b>	<b>Execution of the Scheme</b>
7	BANK 1	April 16, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 1 for \$300,000.
8	BANK 1	April 20, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 1 for \$300,000.
9	BANK 4	April 23, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 4 for \$475,000.

<b>Count</b>	<b>Federally Insured Institution</b>	<b>On or About Date</b>	<b>Execution of the Scheme</b>
10	BANK 4	April 25, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 2 for \$500,000.
11	BANK 2	May 10, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 2 for \$374,625.
12	BANK 3	May 21, 2020	Submission of fraudulent PPP Loan Application for Million Man LLC to Bank 3 for \$959,000.

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

**COUNTS 13-18**  
**(False Statements to a Financial Institution)**

**The Grand Jury Further Charges That:**

34. Paragraphs 1 through 29 of this Superseding Indictment are re-alleged and incorporated by reference as though set forth herein.

35. On or about the dates set forth below, each such date constituting a separate count, in the Western District of New York and elsewhere, the defendant, CHRISTIAN D. JOHNSON, did knowingly make false statements and reports to financial institutions whose deposits were insured by the Federal Deposit Insurance Corporation, in connection with an

application, advance, discount, commitment, and loan, for the purpose of influencing in any way the action of these financial institutions:

<b>Count</b>	<b>Federally Insured Institution</b>	<b>On or About Date</b>	<b>False Statement</b>
13	BANK 1	April 16, 2020	PPP Loan Application stating that Million Man had 50 employees and an average monthly payroll of \$120,000.
14	BANK 1	April 20, 2020	PPP Loan Application stating that Million Man had 50 employees and an average monthly payroll of \$120,000.
15	BANK 4	April 23, 2020	PPP Loan Application stating that Million Man had 50 employees and an average monthly payroll of \$190,000.
16	BANK 4	April 25, 2020	PPP Loan Application stating that Million Man had 54 employees and an average monthly payroll of \$200,000.
17	BANK 2	May 10, 2020	PPP Loan Application stating that Million Man had 54 employees and an average monthly payroll of \$149,850.
18	BANK 3	May 21, 2020	PPP Loan Application stating that Million Man had 51-250 employees and an average monthly payroll of \$279,000.

**All in violation of Title 18, United States Code, Section 1014.**



**FORFEITURE ALLEGATION**

**The Grand Jury Alleges That:**

Upon conviction of any offense set forth in this Indictment, the defendant, CHRISTIAN D. JOHNSON, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense.

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

1. cannot be located upon the exercise of due diligence;
2. has been transferred or sold to, or deposited with, a third person;
3. has been placed beyond the jurisdiction of the Court;
4. has been substantially diminished in value; or
5. has been commingled with other property which cannot be divided without difficulty;

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

**All pursuant to Title 18, United States Code, Section 981(a)(1)(C), Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c).**

DATED: Buffalo, New York, March 17, 2022.

TRINI E. ROSS  
United States Attorney

JOSEPH S. BEEMSTERBOER  
Acting Chief, Fraud Section

BY: s/DAVID RUDROFF

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A TRUE BILL:

s/Foreperson  
FOREPERSON