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LJW/MJC/2013R00284

FILED
U.S. DISTRICT COURT
DISTRICT OF MARYLAND
**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND**
2014 APR 23 P 4 23

UNITED STATES OF AMERICA

CLERK'S OFFICE
AT BALTIMORE

UNDER SEAL

v.

JEON JOON MOON,
a/k/a Patrick Moon,

Defendant.

BY: *[Signature]*
CLERK

Criminal No. W02-14-0196

(Conspiracy to Commit Bank Fraud,
18 U.S.C. § 1349; Bank Fraud,
18 U.S.C. § 1344; Aiding and Abetting,
18 U.S.C. § 2; Destruction of Records
in a Federal Investigation, 18 U.S.C. §
1519; Forfeiture, 18 U.S.C. §
982(a)(2)(A))

INDICTMENT

COUNT ONE

(Conspiracy to Commit Bank Fraud)

The Grand Jury for the District of Maryland charges that at all times relevant to this

Indictment:

Introduction

1. **JEON JOON MOON, a/k/a Patrick Moon,** was a resident of Germantown, Maryland and owned and operated JM Capital Solutions, Inc. and later RNB Consulting, Inc.
2. JM Capital Solutions, Inc. and RNB Consulting, Inc., were loan brokerage firms with offices located at 4304 Evergreen Lane, Suite 102, Annandale, Virginia, and 9001 Braddock Road, Suite 302, Springfield, Virginia. These firms specialized in securing loans for individuals interested in purchasing or refinancing small businesses in Maryland, Virginia, the District of Columbia and elsewhere.
3. The Small Business Administration (SBA) was an independent agency within the executive branch of the federal government that was created by Congress in 1953 for the purpose of

encouraging the development of small businesses by, among other things, guaranteeing certain loans (or portions of such loans) made by lenders to small businesses. The guarantee provided by the federal government for such loans enabled small businesses to obtain long-term financing under terms and conditions that would otherwise not be available to them through normal commercial channels.

4. Under Section 7(a) of the Small Business Act (Section 7(a) Program), the SBA was authorized to help new and existing small businesses obtain financing by guaranteeing 75 to 90 percent of qualified loans made and administered by commercial lending institutions. Participating lenders bore the risk of payment default of 10 to 25 percent of the total loan amount (the portion not guaranteed by SBA) and the lenders agreed to structure the loans in accordance with the requirements of the SBA. In particular, the owners of the small businesses seeking an SBA-guaranteed loan under the Section 7(a) Program are required to invest a certain amount of their own money into the business before they can qualify for the loan. This requirement, called an “equity injection,” reduces the amount of the debt needed to start or upgrade the business, creates an incentive for the owners to remain committed to the business during the term of the loan, provides a cushion to help the business endure economic downturns, and improves the value of the collateral used to secure the loan.
5. **MOON** encouraged prospective borrowers using the services of JM Capital and RNB Consulting to apply for business loans through the Section 7(a) Program. For the borrowers who did apply, **MOON**, and others known and unknown to the Grand Jury, compiled and submitted, and caused to be compiled and submitted to financial institutions including Foster Bank of Los Angeles, California, a financial institution within the meaning

of Title 18, United States Code, Section 20, the documentation necessary to substantiate the principal borrowers' equity injection and the business's ability to repay the loan, including a summary of the borrowers' business experience and recent copies of the borrowers' tax returns and monthly bank statements and financial statements for the business.

6. **MOON**, and others known and unknown to the Grand Jury, also submitted loan applications and supporting documentation to commercial banks, including Revere Bank of Laurel, Maryland, a financial institution within the meaning of Title 18, United States Code, Section 20, on behalf of JM Capital and RNB Consulting clients seeking commercial loans to purchase small businesses. These loans were not guaranteed by the SBA and, therefore, borrowers were not required to meet SBA requirements. However, borrowers were required to meet the underwriting standards of the financial institution, including meeting debt-to-income requirements.

The Scheme and Artifice to Defraud

7. From in or about 2006 and continuing until April 2014, in the District of Maryland and elsewhere, the defendant, **JEON JOON MOON a/k/a Patrick Moon**, and others known and unknown to the Grand Jury, knowingly devised and intended to devise a scheme and artifice to defraud financial institutions including those participating in the Section 7(a) Program and to obtain money and property owned by or under the custody and control of those financial institutions by means of materially false and fraudulent pretenses, representations, and promises (hereinafter, the "scheme to defraud").

The Conspiracy to Execute the Scheme to Defraud

8. From in or about 2006 until in or about April 2014, in the District of Maryland and elsewhere,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, did knowingly and willfully conspire and agree with others known and unknown to the Grand Jury to knowingly execute, and attempt to execute, the scheme and artifice to defraud financial institutions and to obtain moneys, funds, credits, assets, securities, and other property owned by or under the custody and control of the financial institutions by means of material false and fraudulent pretenses, representations and promises, in violation of 18 U.S.C. § 1344.

Objects of the Scheme to Defraud and Conspiracy

9. The objects of the scheme to defraud and the conspiracy to execute the scheme to defraud were to defraud financial institutions by making material, false and fraudulent representations in order induce financial institutions to lend funds to the borrower which would result in a loan broker commission being paid to JM Capital and RNB Consulting by the lending institution and/or the borrower.

Manner and Means of the Scheme to Defraud and Conspiracy

10. It was part of the scheme to defraud and the conspiracy to execute the scheme to defraud that **JEON JOON MOON, a/k/a Patrick Moon**, and others known and unknown to the Grand Jury, altered, or caused to be altered, copies of the borrowers' monthly bank statements that they provided to financial institutions, by changing the numerals on the

statements to fraudulently reflect more money than was actually in the borrowers' bank accounts.

11. It was a further part of the scheme to defraud and the conspiracy to execute the scheme to defraud that **JEON JOON MOON, a/k/a Patrick Moon**, and others known and unknown to the Grand Jury, prepared false tax returns for JM Capital and RNB Consulting clients. The income reported on these individual income tax returns was inflated to make the borrower's income appear to be higher than they were in fact in order to increase the likelihood that a loan would be approved. These tax returns were then submitted to the financial institutions in an effort to induce the financial institutions underwriting the loans to make loans to these clients.

18 U.S.C. § 1349

COUNT 2
(Bank Fraud)

And the Grand Jury for the District of Maryland further charges that:

1. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
2. On or about April 27, 2012, in the District of Maryland and elsewhere,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly and willfully executed and attempted to execute the scheme and artifice to defraud Foster Bank and to obtain monies, funds and credits under the custody and control of Foster Bank by means of material false and fraudulent pretenses and representations, in that the defendants submitted and caused to be submitted to Foster Bank fraudulent bank statements in support of an application for an SBA guaranteed loan of \$300,000 for a business trading as Kafe Kosmos in Landover.

18 U.S.C. § 1344

18 U.S.C. § 2

COUNTS 3-19
(Bank Fraud)

And the Grand Jury for the District of Maryland further charges that:

1. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
2. On or about the dates enumerated below, in the District of Maryland and elsewhere,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly and willfully executed and attempted to execute the scheme and artifice to defraud Revere Bank of Laurel, Maryland, and to obtain moneys, funds, and credits under the custody and control of Revere Bank by means of material false and fraudulent pretenses and representations, in that the defendant submitted and caused to be submitted to Revere Bank false and fraudulent income tax returns in support of loan applications for the following loans:

COUNT	LOAN NUMBER	DATE OF LOAN	LOAN AMOUNT
3	2936001	8/30/2011	\$3,550,000
4	2703001	5/4/2011	\$550,000
5	2703002	9/22/2011	\$216,000
6	2592001	3/11/2011	\$320,000
7	2550001	2/3/2011	\$360,000
8	2617001	4/6/2011	\$3,300,000
9	3064001	10/21/2011	\$680,000
10	8003113	5/23/2011	\$270,000
11	2579001	3/21/2011	\$340,000
12	2614001	3/30/2011	\$200,000
13	2670001	9/30/2011	\$350,000
14	2670002	9/29/2011	\$100,000
15	2687001	5/12/2011	\$240,000
16	8003683	10/7/2011	\$580,000
17	2662001	4/19/2011	\$900,000
18	2603001	3/30/2011	\$1,350,000
19	2714001	5/27/2011	\$205,000

18 U.S.C. § 1344
18 U.S.C. § 2

COUNT 20
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

1. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
2. On or about July 12, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by CIT Small Business Lending, File No. C-08-004, for a business trading as New Seoul Department Store with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

COUNT 21
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

1. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
2. On or about July 12, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by Hanmi Bank, File No. C-06-122, for a business trading as Festival Cleaners, with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

COUNT 22
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

1. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
2. On or about July 12, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by PNC Bank, File No. C-06-028, for a business trading as Princeton Cleaners, with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

COUNT 23
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

3. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
4. On or about July 15, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by Foster Bank, File No. C-11-082, for a business trading as Kafe Kosmos, with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

COUNT 24
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

5. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
6. On or about July 15, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by Hanmi Bank, File No. PC 07-0014, for a business trading as Cedar Hill , with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

COUNT 25
(Destruction of Records in a Federal Investigation)

And the Grand Jury for the District of Maryland further charges that:

7. Paragraphs 1 through 7 and 9 through 11 of Count One are hereby realleged and incorporated by reference herein as though fully set forth in this Count of the Indictment.
8. On or about July 15, 2013,

JEON JOON MOON, a/k/a Patrick Moon

the defendant herein, knowingly altered, destroyed, mutilated, concealed, covered up, falsified, or made false entries in the records, documents, and tangible objects relating to a loan file for an SBA guaranteed loan funded by Hanmi Bank, for a business trading as New Promise Cleaners, with the intent to impede, obstruct and influence the investigation and proper administration of such matters and in relation to and contemplation of any such matter and case within the jurisdiction of a department and agency of the United States, specifically, a federal Grand Jury sitting in the District of Maryland, the United States Small Business Administration, Office of the Inspector General and the United States Postal Inspection Service.

18 U.S.C. § 1359

FORFEITURE ALLEGATIONS

1. The allegations contained in Counts 1 through 25 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 982(a)(2).
2. Upon conviction of the offenses set forth in Counts 1 through 25, the defendant,

JEON JOON MOON, a/k/a Patrick Moon

shall forfeit to the United States of America, pursuant to 18 U.S.C. § 982(a)(2), any property constituting, or derived from, proceeds obtained directly or indirectly, as the result of such violations, including but not limited to: a Money Judgment in the amount of at least \$14,708,000 in U.S. Currency

3. If any of the property described above, as a result of any act or omission of the defendants,
 - 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 that cannot be divided without difficulty;

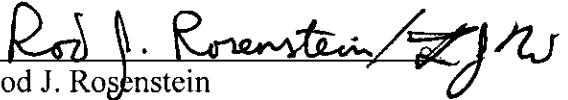
the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c). Substitute assets include but are not limited to the following:

- a. Union First Market Bank Account # 7400766589 in the names of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting and JM Capital Solution;
- b. Foster Bank (BBCN Bank) Accounts # 1096007 and 1096650 in the names of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting and JM Capital Solution;

- c. Educational Systems Federal Credit Union (formerly MCTFCU) Account # 900921069 in the names of Young Ran Moon and Jeong J. Moon;
- d. Capital One Bank Account # 684312247 in the names of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting and JM Capital Solution;
- e. Bank of Georgetown Account # 1010080578 in the names of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting and JM Capital Solution;
- f. Stellar One Bank Account # 22117202 in the names of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting, JM Capital Solution and Fredericksburg Auction Company LLC;
- g. Wachovia/Wells Fargo Account # 1010106417722 in the name of Jeong J. Moon, Young R. Moon, Ha Ha Ha Corp, RNB Consulting and JM Capital Solution;
- h. Real Property known and numbered as 21100 Hickory Forest Way, Germantown, MD 20876;
- i. Real Property known and numbered as 2125 14th Street NW, Unit 719, Washington, DC;
- j. Real Property known and numbered as 1214 Gaither Road, Rockville, MD 20850
- k. Any and all interest in Kleen Car Wash/MD Ha Ha Ha Corporation, 4927 Marlboro Pike, Capitol Heights, MD 20743;
- l. Any and all interest in Fredericksburg Auction Company LLC/Ha Ha Ha Corporation, 6201 Jefferson Davis Hwy, Woodford, VA 22580
- m. Any and all interest in JM Capital Solutions, Inc.
- n. Any and all interest in RNB Consulting, Inc.
- o. Any and all interest in Ha Ha Ha Corp.

- p. Any and all interest in MD Ha Ha Ha Corp.
- q. Any and all interest in Fredericksburg Auction Company LLC

All pursuant to 18 U.S.C. § 982(a)(2).


Rod J. Rosenstein
United States Attorney for the
District of Maryland

A TRUE BILL:

SIGNATURE REDACTED

Foreperson

Date: 4/23/14