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United States Courts
Southern District of Texas
FILED

June 12, 2025

Nathan Ochsner, Clerk of Court

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

UNITED STATES OF AMERICA

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v.

**SHAQUAN JERMAINE JELKS,
a/k/a/ “Quan,”**

Defendant

CASE NO. 4:25-cr-315

UNDER SEAL

INDICTMENT

The Grand Jury charges that, at all times relevant to this Indictment, unless otherwise set forth:

I. INTRODUCTION

Overview

1. Defendant, **SHAQUAN JERMAINE JELKS (“JELKS”)**, also known as “Quan,” resided in the vicinity of Houston, Texas, within the Southern District of Texas. JELKS made money by managing and controlling commercial trucking companies, also known as motor carriers, and by driving commercial trucks, also known as commercial motor vehicles (“CMVs”).

2. Beginning in approximately January 2019 and continuing through at least April 2025, to enrich himself through the operation of motor carriers, JELKS, with the help of friends, associates, and family members, engaged in multiple, related criminal offenses:

- a. JELKS and others lied to and engaged in a conspiracy to defraud the Federal Motor Carrier Safety Administration (“FMCSA”) by impairing, obstructing, and defeating

its lawful functions, including its responsibilities to regulate and provide safety oversight of motor carriers and CMVs.

- b. JELKS repeatedly violated a lawful order issued by the Honorable United States District Judge Sim Lake on July 1, 2022, in the case of *Buttigieg v. Adversity Transport Inc. et al.*, Civil Action No. H-22-817, that prohibited JELKS from arranging for transportation of property on any CMV or operating any CMV or motor carrier.
 - c. JELKS and others defrauded companies that provided CMVs on a lease-to-own basis (“Leasing Companies”), using counterfeit documents to convince the Leasing Companies of their creditworthiness in order to obtain CMVs for use in the operation of motor carriers.
 - d. JELKS and others defrauded the United States Small Business Administration (“SBA”) and lenders that participated in the Paycheck Protection Program (“PPP”) and spent proceeds of this fraud scheme on the operation of motor carriers.
 - e. When investigated by federal authorities, JELKS and others falsified records and engaged in witness tampering and attempted witness tampering.
3. By impairing, obstructing, and defeating FMCSA’s efforts to regulate and provide safety oversight of the motor carriers JELKS managed and controlled, JELKS and his co-conspirators were responsible for multiple safety violations and accidents, including a fatal crash in Vernal, Utah, on or about February 7, 2022. By illegally diverting funds from SBA and PPP lenders through fraud and kickbacks, JELKS and his co-conspirators funded his trucking operations with money stolen from American taxpayers. By lying and sending counterfeit

documents to Leasing Companies, JELKS and his co-conspirators deceived and attempted to deceive Leasing Companies into providing them with CMVs and financing for CMVs, which they would drive until each CMV broke down, was repossessed, or they could no longer afford its payments, whichever came first, causing the Leasing Companies to lose money on the CMVs.

II. THE SCHEME TO DEFRAUD THE FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION AND RELATED FALSE WRITINGS OR DOCUMENTS, WITNESS TAMPERING, AND RECORDS FALSIFICATION

Background

4. FMCSA was an agency of the United States Department of Transportation (“DOT”), and part of the executive branch of the Government of the United States. It had jurisdiction over and regulated the interstate transportation of property by CMVs for payment.

5. A critical function of the DOT and FMCSA was to protect the public by ensuring that CMVs and their drivers were equipped to operate safely on public roads and highways. To execute this function, FMCSA adopted and implemented various regulatory requirements for the safe operation of CMVs. Motor carriers were required to: (1) provide truthful and accurate information about their businesses and operations to FMCSA, and (2) submit to new entrant safety audits, periodic compliance reviews, and inspections.

6. FMCSA was authorized to revoke the registration of and issue an Out-of-Service Order and Order Revoking Operating Authority Registration (“Out-of-Service Order”) to a motor carrier that:

- a. failed its safety audit or compliance review and failed to timely remedy its safety management practices; or

- b. refused to allow FMCSA, upon demand, to inspect and copy any record or inspect and examine equipment, lands, buildings and other property, at any time, including during a safety audit or compliance review.

The Out-of-Service Order would prohibit the motor carrier from operating in interstate commerce.

7. In extreme cases, FMCSA would determine that a motor carrier's operation, or the operation of a CMV or CMV driver, substantially increased the likelihood of serious injury or death if not discontinued immediately. In such extreme cases, FMCSA issued an "Imminent Hazard Out-of-Service Order" that required immediately stopping all operations as necessary to limit the risk of harm posed by the hazard, up to and including stopping the operation of all CMVs.

8. Since December 2015, individuals and motor carriers applying for operating authority for the first time were required to submit to FMCSA a Form MCSA-1, which required them to answer, under penalty of perjury, the following question (the "Affiliation/Reincarnation Question"):

Do you currently have, or have you had within the last 3 years of the date of filing this application, relationships involving common stock, common ownership, common management, common control or familial relationships with any FMCSA-regulated entities?

9. Motor carriers were prohibited from using common ownership, common management, common control, or common familial relationship to avoid regulatory compliance, conceal regulatory noncompliance, or conceal a history of regulatory noncompliance.

10. After delivering a customer's property, a motor carrier could send the customer an invoice, which the customer might take 30 days or longer to pay. Rather than dealing with such delays, many motor carriers would assign their rights to payment for outstanding invoices to

factoring companies. A factoring company would pay the motor carrier an advance, representing the amount of the outstanding invoice minus a fee. In exchange for these fees, the factoring company would assume responsibility for collecting payment on the outstanding invoice from the motor carrier's customer. This arrangement allowed motor carriers to receive quick payments for transporting property.

11. Before making an advance payment, factoring companies typically required proof that a motor carrier had delivered the property associated with its outstanding invoice. Typically, this proof included a bill of lading. A bill of lading served as a receipt for property. Typically, a representative of the company shipping property would sign the bill of lading to acknowledge having transferred the property to a motor carrier; a CMV driver, as the motor carrier's representative, would sign the bill of lading to acknowledge having received the property from the shipping company; and a representative of the company receiving the property would sign the bill of lading to acknowledge having received the property from the motor carrier.

Relevant Persons and Entities

12. Adversity Transport Inc. ("Adversity") was a Texas corporation that was registered on or about April 23, 2020, to Person 1, who resided within the Southern District of Texas and was a friend of and driver for JELKS.

13. 4 Life Transport Corporation ("4 Life") was a Texas corporation that was registered on or about January 13, 2021, to Person 2, who resided within the Southern District of Texas and was in a romantic relationship with JELKS.

14. Vashti Freight Lines LLC ("Vashti") was a Texas limited liability corporation that was originally registered under the name Velocity Freight Lines LLC on or about July 7, 2021, to

Person 3, who resided within the Southern District of Texas and was a friend of JELKS. Its name was amended to Vashti on or about August 13, 2021.

15. Highway Empire Transportation, Inc. (“Highway Empire”), was a Texas corporation that was registered on or about August 26, 2022, to Person 3. On or about September 16, 2022, Person 3 filed a certificate of amendment causing Highway Empire to be registered in the name of Person 3’s daughter.

16. Oil Man Transport LLC (“Oil Man”) was a Texas limited liability corporation that was registered on or about August 21, 2021, to Person 4, who resided within the Southern District of Texas and was an associate of JELKS.

17. King C Transportation LLC (“King C”) was a Texas limited liability corporation that was registered on or about June 1, 2021, to Person 5, who resided within the Southern District of Texas and was a cousin of and driver for JELKS.

18. Everyday Transportation Inc., also known as Every Transportation Inc. (both, “Everyday”) was a Texas corporation that was registered on or about March 17, 2023, to Person 6, who resided within the Southern District of Texas and was a nephew of and driver for JELKS.

19. Money Black Enterprise LLC (“MBE”) was a Texas limited liability corporation that was registered on or about February 29, 2024, to Person 7, who resided within the Southern District of Texas and was JELKS’s cousin.

20. TNT Top Hauling Inc. (“TNT”) was a Texas corporation that was registered on or about October 24, 2017, to Person 8, who resided within the Southern District of Texas and was a friend of JELKS.

21. RDAA Transportation LLC (“RDAA”) was a Texas limited liability corporation that was registered on or about June 27, 2014, to Person 9, who resided within the Southern District of Texas and was a dispatcher for JELKS.

22. Channette Enterprises LLC, d/b/a C.E. Transport (“C.E. Transport”), was a Texas limited liability corporation that was registered on or about November 23, 2021, to Person 10, who resided within the Southern District of Texas.

23. Person 11 was a resident of Katy, Texas, within the Southern District of Texas.

24. Person 12 was a driver for JELKS and a resident of Houston, Texas, within the Southern District of Texas.

25. Person 13 was a driver for JELKS and a resident of various localities within the Southern District of Texas.

26. Person 14 was a resident of Houston, Texas, within the Southern District of Texas, and JELKS’s nephew. Person 14 died on or about February 7, 2022, in a single-vehicle crash in Vernal, Utah, while he was driving for 4 Life.

COUNT ONE

(Conspiracy to Defraud the United States, 18 U.S.C. § 371)

27. The Grand Jury incorporates by reference paragraphs 1 through 26 as through fully restated and re-alleged herein.

28. From in or around April 2020, and continuing thereafter until at least in or around April 2025, in the Southern District of Texas and elsewhere, the defendant,

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did willfully, that is, with the intent to further the object of the conspiracy, and knowingly, combine, conspire, confederate, and agree with others known and unknown to the Grand Jury, to defraud the United States and the FMCSA, an agency of the United States, by impairing, impeding, obstructing, and defeating, through deceitful and dishonest means, the lawful government functions of FMCSA, that is, the regulation of motor carriers that operated in interstate commerce, the collection of truthful and accurate information from regulated motor carriers, and the conducting of periodic safety audits, compliance reviews, and inspections of motor carriers, CMVs, and CMV drivers, in violation of Title 18, United States Code, Section 371.

Object of the Conspiracy

29. It was the object of the conspiracy for JELKS and his co-conspirators to enrich themselves through commercial trucking, by unlawfully impairing, impeding, and obstructing FMCSA's ability to undertake its lawful functions.

Manner and Means of the Conspiracy

30. JELKS and others known to the grand jury withheld from FMCSA the affiliation of JELKS with each applicant for motor carrier authority by falsely answering the Affiliation/Reincarnation Question "No."

31. JELKS and others known to the grand jury provided untruthful and misleading statements to FMCSA during safety investigations.

32. JELKS and others known to the grand jury provided counterfeit documents to FMCSA during safety investigations.

33. Instead of addressing motor carriers' safety deficiencies, JELKS and others known to the grand jury shifted their operations to other motor carriers managed and controlled by JELKS.

Overt Acts

34. In furtherance of the conspiracy, and to effect the object thereof, the following overt acts, among others, were committed in the Southern District of Texas and elsewhere:

35. On or about the dates alleged within, JELKS was involved in managing and controlling the operations of multiple motor carriers nominally owned by his friends and family members, including, but not limited to, Adversity, 4 Life, Vashti, Highway Empire, and King C.

36. At various times, JELKS also shifted his motor carrier operations to other motor carriers, including, but not limited to, TNT, Oil Man, RDAA, and C.E. Transport.

Adversity

37. On or about May 5, 2020, JELKS and Person 1 submitted and caused to be submitted Form MCSA-1 to FMCSA for Adversity. JELKS and Person 1 falsely answered the Affiliation/Reincarnation Question “No.”

38. On various dates between at least on or about August 27, 2020, and on or about December 2, 2021, JELKS, using adversitytransportinc@gmail.com, emailed a factoring company, stating, among other things, “Delivered b.o.l” or “Delivered B.O.L,” and attaching, among other things, bills of lading for property transported by Adversity.

4 Life

39. On or about January 20, 2021, JELKS submitted Form MCSA-1 to FMCSA for 4 Life. JELKS, purporting to be Person 2, falsely answered the Affiliation/Reincarnation Question “No.”

40. On a date between in or around June 2021 and in or around August 2021, the specific date being unknown to the Grand Jury, JELKS told Person 2 that if anything happened to Adversity, he would switch his motor carrier operations to 4 Life.

41. On various dates between at least on or about October 22, 2021, and on or about February 15, 2022, JELKS, using fourlifeinctransport@yahoo.com, emailed a factoring company stating, among other things, “Delivered b.o.l” or “Delivered B.O.L,” and attaching, among other things, bills of lading for property transported by 4 Life.

42. On or about December 1, 2021, FMCSA served Adversity with an Out-of-Service Order. JELKS was aware of this Out-of-Service Order, which went into effect on December 8, 2021, at 12:01 A.M. On or about December 10, 2021, JELKS spoke on the phone with Person 6, who had been stopped by officers of the Missouri State Highway Patrol, Commercial Vehicle Enforcement Division. After JELKS spoke on the phone with Person 6, JELKS and Person 2 falsified and sent Person 6 a counterfeit document purporting to permit Adversity to transport the load Person 6 was then driving. Following the roadside inspection, the Missouri State Highway Patrol, Commercial Enforcement Division ordered the CMV and trailer Person 6 had been driving out of service due to multiple safety violations, including, among others, a swollen brake hose near the glad hand connection to the trailer.

43. On or about January 25, 2022, FMCSA contacted Person 2 regarding an initial information request for a safety investigation of 4 Life. On or about the same day, JELKS texted Person 2, “Don’t meet with no one don’t even know y u open the door ..don’t meet and don’t say nothing to him .can send them information they ask for that’s it.”

44. On or about January 26, 2022, in response to FMCSA's information request for a safety investigation of 4 Life, JELKS and Person 2 sent and caused to be sent a counterfeit lease to FMCSA, having: (a) replaced JELKS's typewritten name with Person 2's typewritten name; and (b) backdated the document to November 4, 2021.

45. On or about January 26, 2022, JELKS asked Person 2 to make a false statement to FMCSA regarding whether 4 Life had Records of Duty Status ("RODs"), also known as drivers' "logs," by telling FMCSA that 4 Life had RODs, when it did not.

46. Between on or about January 28, 2022, and February 1, 2022, JELKS made counterfeit paper RODs for drivers Person 12 and Person 5, and Person 2 submitted these counterfeit paper RODs to FMCSA.

47. On or about January 31, 2022, JELKS sent Person 2 text messages instructing Person 2 to tell Special Agent Patrick Karabanoff that 4 Life had used two drivers, Person 5 and Person 12, knowing that, in fact, 4 Life had used other drivers in addition to Person 5 and Person 12.

48. On or about February 7, 2022, Person 14 died in a single-vehicle crash in Vernal, Utah, while he was driving for 4 Life. On or about February 11, 2022, after 4 Life was served by FMCSA with an Imminent Hazard Out-of-Service Order, Person 2 texted JELKS, "We outta service," followed by, "ALL TRUCKS NEED TO BE PARKED IN THE NEXT 8 hours."

TNT and Vashti

49. On or about the same day, February 11, 2022, JELKS and Person 3 agreed that they would shift JELKS's operations to a motor carrier owned by Person 3.

50. Between on or about February 20, 2022, and April 12, 2022, while JELKS and Person 3 were completing steps necessary to operate under the operating authority of Person 3's motor carrier, Vashti, JELKS and others known and unknown to the grand jury transported property under TNT's operating authority.

51. On various dates between at least on or about February 24, 2022, and on or about April 14, 2022, JELKS, using tophaulers777@gmail.com, sent an email stating, among other things, "Delivered b.o.l" or "Delivered B.O.L," and attaching, among other things, a bill of lading for property transported by TNT.

52. On various dates between at least on or about March 30, 2022, and on or about September 28, 2022, JELKS emailed Person 3 stating, among other things, "Delivered b.o.l" or "Delivered B.O.L," and attaching, among other things, bills of lading for property transported by Vashti.

Highway Empire

53. On or about August 29, 2022, Person 3 submitted Form MCSA-1 to FMCSA for Highway Empire. Person 3 falsely answered the Affiliation/Reincarnation Question "No." Person 3 then texted JELKS, "We got the new USDOT number 😊" and attached a screenshot of an email from DOT assigning Highway Empire a USDOT number.

54. On or about September 28, 2022, Person 3 texted JELKS, "Just need to roll trucks on new insurance and cancel Vashti in FMCSA this evening."

55. On various dates between at least on or about October 6, 2022, and on or about December 2, 2022, JELKS emailed Person 3 stating, among other things, "Delivered b.o.l" or

“Delivered B.O.L,” and attaching, among other things, bills of lading for property transported by Highway Empire.

56. On or about October 21, 2022, Person 3 texted JELKS, “I say let’s run the trucks until they are picked up. We are out of compliance, no insurance it’s just a mess.”

King C and Oil Man

57. On or about November 23, 2022, JELKS texted the mother of his son, “Start us a trucking company.” She responded, “What’s wrong with yours.”

58. On or about November 28, 2022, JELKS texted Person 3, “Do you have sum free time to help me do a d.o.t # and a corporation thru security of state.”

59. On or about November 28, 2022, JELKS and Person 5 submitted and caused to be submitted Form MCSA-1 to FMCSA for King C. JELKS, purporting to be Person 5, falsely answered the Affiliation/Reincarnation Question “No.”

60. Between approximately at least on or about December 5, 2022, and on or about December 22, 2022, JELKS and others known and unknown to the grand jury transported property under Oil Man’s operating authority.

61. On various dates between at least on or about January 3, 2023, and on or about March 14, 2023, JELKS emailed a factoring company and attached, among other things, bills of lading for property transported by King C.

62. On or about February 26, 2022, Person 5 was involved in an accident while transporting property for King C. As a result, Person 5 did not deliver the property he was then transporting. On or about February 27, 2022, JELKS, using KingCLLC.com@gmail.com, emailed

a counterfeit bill of lading to a factoring company in an attempt to trick the factoring company into paying for the load, even though the property had not been delivered.

63. On or about March 10, 2023, JELKS, using KingCLLC.com@gmail.com, emailed Person 5 an Out-of-Service Order from FMCSA addressed to King C.

Everyday

64. On or about March 10, 2023, JELKS texted Person 6, “Gone have to do authority in your name [Person 5] than [*sic*] fucked the other one off.” Person 6 responded, “Ok that’s cool.”

65. On or about May 15, 2023, JELKS submitted Form MCSA-1 to FMCSA for Everyday. JELKS, purporting to be Person 6, falsely answered the Affiliation/Reincarnation Question “No.”

66. On or about May 22, 2023, JELKS, purporting to be Person 6, emailed a factoring company. JELKS provided the factoring company a phone number, supposedly Person 6’s, that ended in 2810. In fact, this phone number was one used by JELKS.

67. On or about July 13, 2023, JELKS, purporting to be Person 6, contacted Leasing Company 1, described in greater detail below, to inquire about leasing a Freightliner CMV. JELKS provided his phone number ending in 2810 as the contact number for Person 6.

Operations Since Everyday

68. On various dates since May 2023, and continuing until at least on or about April 2025, JELKS transported property on CMVs and arranged for others to do the same under various motor carriers’ operating authorities. JELKS knew that he had been prohibited from doing so by the lawful order issued by the Honorable Sim Lake, United States District Judge, on July 1, 2022,

in the Southern District of Texas, in the case of *Buttigieg v. Adversity Transport Inc. et al.*, Civil Action No. H-22-817.

COUNTS TWO THROUGH FOUR

(False Writing and Document, 18 U.S.C. §§ 1001(a)(3), 2(a) (Forms MCSA-1))

69. The Grand Jury incorporates by reference paragraphs 1, 4 through 8, 13, 17, and 18 as through fully restated and re-alleged herein.

70. On or about each of the dates set forth below, as to each count, in the Southern District of Texas, and elsewhere, the defendant,

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and others set forth below, aiding and abetting each other, knowingly and willfully made and caused to be made a false writing and document, namely, a Form MCSA-1 for each motor carrier set forth below, knowing the same to contain a materially false, fictitious, and fraudulent statement and entry in a matter within the jurisdiction of the executive branch of the government of the United States, namely, FMCSA, by responding “No,” to the question, “Do you currently have, or have you had within the last 3 years of the date of filing this application, relationships involving common stock, common ownership, common management, common control or familial relationships with any FMCSA-regulated entities?,” knowing that the truthful answer was “Yes.”

Count	Date Submitted	Motor Carrier
Two	January 20, 2021	4 Life
Three	November 28, 2022	King C
Four	May 15, 2023	Everyday

Each false writing and document listed above constituting a separate and distinct violation of Title 18, United States Code, Sections 1001(a)(3), 2(a).

COUNT FIVE

(Tampering With a Witness, 18 U.S.C. §§ 1512(b)(3), 2(a))

71. The Grand Jury incorporates by reference paragraphs 1, 4 through 8, 13, and 24 as through fully restated and re-alleged herein.

72. On or about the 31st day of January, 2022, in the Southern District of Texas, the defendant,

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and Person 2, each aiding and abetting the other, did knowingly corruptly persuade and attempt to corruptly persuade Person 12 by instructing Person 12, “Don’t answer phone for audit person,” with the intent to prevent the communication to Special Agent Patrick Karabanoff, a law enforcement officer, of information relating to the commission and possible commission of federal offenses, in violation of Title 18, United States Code, Sections 1512(b)(3), 2(a).

COUNT SIX

(Falsification of Records in Federal Investigation, 18 U.S.C. §§ 1519, 2(a))

73. The Grand Jury incorporates by reference paragraphs 1, 4 through 8, 13, and 14 as through fully restated and re-alleged herein.

74. On or about the 26th day of January, 2022, in the Southern District of Texas, and elsewhere, the defendant,

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and Person 2, each aiding and abetting the other, knowingly altered and caused to be altered a lease agreement between Person 3 and 4 Life, with the intent to impede, obstruct, and influence the investigation and proper administration of a safety investigation of 4 Life, a matter that the

defendant knew was within the jurisdiction of FMCSA, a department and agency of the United States, in violation of Title 18, United States Code, Sections 1519, 2(a).

III. THE SCHEME TO DEFRAUD LEASE-TO-OWN LENDERS

Background

75. Leasing Companies 1–3 provided lease-to-own financing for CMVs and were headquartered in the following locations:

- a. Leasing Company 1 was headquartered in and around Indianapolis, Indiana.
- b. Leasing Company 2 was headquartered in and around Los Angeles, California.
- c. Leasing Company 3 was headquartered in and around Pompano Beach, Florida.

76. Applicants could apply for lease-to-own financing from Leasing Companies 1–3 online. In support of an application, an applicant was required to provide proof of: (1) the applicant’s identity; (2) the identity of the motor carrier the applicant owned or for which the applicant worked; and (3) the applicant’s ability to pay. Each of these facts was material to the Leasing Companies’ decision to provide financing for a Lease-to-Own CMV.

77. The information and proof considered by each Leasing Company in deciding whether to provide financing for a Lease-to-Own CMV included the following (the “Application Information and Supporting Documents”):

- a. A copy of the applicant’s driver’s license;
- b. The name(s) and phone number(s) of (a) personal reference(s);
- c. The name of the motor carrier the applicant owned or for which the applicant worked;

- d. A certificate of formation for the motor carrier the applicant owned or for which the applicant worked;
- e. Information about the length of time the applicant had worked in commercial trucking;
- f. Information about the average balance in the applicant's bank account(s);
- g. Bank account statements for the motor carrier the applicant owned or for which the applicant worked; and
- h. A utility bill.

78. The Application Information and Supporting Documents in the paragraph above, when considered by a Leasing Company, was material to the Leasing Company's decision to provide financing for a Lease-to-Own CMV.

79. Upon entering a lease for a Lease-to-Own CMV, the applicant was indebted to the Leasing Company for the full amount of the purchase price, plus interest that later accrued, in accordance with the terms of the lease agreement.

COUNT SEVEN
(Conspiracy to Commit Wire Fraud, 18 U.S.C. § 1349)

80. The Grand Jury incorporates by reference paragraphs 1 and 75 through 79 as through fully restated and re-alleged herein.

81. From in or about January 2019 and continuing through at least in or about March 2024, in the Southern District of Texas and elsewhere, the defendant,

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did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with others known and unknown to Grand Jury, to commit an offense against the United States: that is, to knowingly, and with intent to defraud, devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations and promises were false and fraudulent when made, and for the purpose of executing such scheme and artifice, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, and sounds, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1349.

Object of the Conspiracy

82. It was the object of the conspiracy for the co-conspirators to obtain financing for CMVs through fraud.

The Manner and Means of the Conspiracy

83. The manner and means by which the co-conspirators sought to accomplish the object of the conspiracy included the following:

84. Contacting a Leasing Company to express interest in leasing a CMV (a “Lease-to-Own CMV”) via interstate wire.

85. Falsifying, altering, and otherwise counterfeiting documents as needed to appear creditworthy to the Leasing Company.

86. Transmitting and causing to be transmitted via interstate wire to the Leasing Company the Application Information and Supporting Documents, including information and

documents that were materially false and included materially false information, as necessary to obtain financing.

87. Through such materially false and fraudulent pretenses, representations, and promises, causing the Leasing Company to:

- a. approve an application for financing for a Lease-to-Own CMV, and
- b. sign a lease agreeing to provide financing for a Lease-to-Own CMV.

88. Making a downpayment for the Lease-to-Own CMV.

89. Traveling to claim the Lease-to-Own CMV.

90. Driving the Lease-to-Own CMV until it broke down, it was repossessed, or the co-conspirators could no longer afford payments, whichever came first.

COUNTS 8–12

(Wire Fraud, 18 U.S.C. §§ 1343, 2(a))

91. The Grand Jury incorporates by reference paragraphs 1 and 75 through 79 as through fully restated and re-alleged herein.

92. From in or around January 2019 and continuing through at least in or around March 2024, in the Southern District of Texas and elsewhere, the defendant,

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and others unknown to the grand jury, aiding and abetting each other, devised and intended to devise, with intent to defraud, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

Purpose of the Scheme to Defraud

93. It was the purpose of the scheme to defraud for JELKS and others to obtain financing for CMVs through fraud.

Manner and Means of the Scheme to Defraud:

94. The Grand Jury incorporates by reference the manner and means of the conspiracy alleged in paragraphs 83–90 as the manner and means of the scheme to defraud, as through fully restated and re-alleged herein.

Use of the Wires

95. On or about each of the dates listed in the table below, in the Southern District of Texas and elsewhere, the defendant and others, aiding and abetting each other, and for the purpose of executing and attempting to execute the scheme described above, did transmit and cause to be transmitted by means of wire communications in interstate commerce, the following writings and signals, as more specifically described below:

Count	Date	Leasing Company (“L.C.”)	Description of Wire
8	March 20, 2021	L.C. 2	Email with signed lease agreement attached
9	March 2, 2023	L.C. 1	Email containing counterfeit bank statements and fake name of personal reference
10	July 19, 2023	L.C. 3	Wire payment of approximately \$4,650
11	August 7, 2023	L.C. 1	Electronically signed lease
12	March 7, 2024	L.C. 1	Application for lease in the name of Person 7 and MBE

Each of the wire communications listed above constituting a separate and distinct violation of Title 18, United States Code, Sections 1343, 2(a).

IV. THE SCHEME AND CONSPIRACY TO DEFRAUD PPP LENDERS AND THE UNITED STATES SMALL BUSINESS ADMINISTRATION

96. JELKS also sought to enrich himself, with the assistance of others known and unknown to the grand jury, by defrauding institutions and agencies engaged to provide financial assistance to the public arising from the COVID-19 pandemic. By approximately February 2021, he had enlisted Person 2 in this scheme. They agreed that Person 2 would get kickbacks from fraudulent loan applications submitted to these institutions and agencies and that they would spend these criminal proceeds on commercial trucking.

Relevant Entities

97. Lender 1 was a federally insured financial institution headquartered in Fort Lee, New Jersey.

98. Lender 2 was a financial services firm headquartered in Fort Lee, New Jersey.

99. Lender 3 was a financial technology company based in San Francisco, California.

100. The 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

101. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. One form of assistance provided by the CARES Act was the authorization of United States taxpayer funds in

forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). PPP loan proceeds were required to be used by the businesses to pay certain permissible expenses: payroll costs, interest on mortgages, rent, and utilities.

102. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application signed by an authorized representative of the business. The PPP loan application required the applicant business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications regarding its eligibility.

103. In the PPP loan application, the applicant was required to state 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, the applicant was required to provide documentation showing its payroll expenses.

104. A PPP loan application was required to be processed by a participating financial institution (“Lender”). Many Lenders constituted financial institutions, as that term is defined in Title 18, United States Code, Section 20. If a PPP loan application was approved, the Lender funded the PPP loan using its own moneys, which were 100% 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, were transmitted by the Lender to the SBA in the course of processing the loan.

105. Loans provided through the PPP had government-backed guarantees and were 100% forgivable if the borrower certified to the PPP Lender and SBA that at least 60% of the PPP loan proceeds were used to meet existing payroll obligations and to retain employees.

106. Funds disbursed under the PPP are referred to herein as “PPP Loans.”

The Economic Injury Disaster Loan Program

107. Another source of relief provided by the CARES Act was the authorization for the SBA to provide Economic Injury Disaster Loans (“EIDLs”) to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic and to issue advances (“EIDL Advances”) of up to \$10,000. The EIDL program was an SBA program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The amount of the EIDL Advance was determined by the number of employees the applicant certified having as employees. The EIDL Advances did not have to be repaid.

108. To obtain an EIDL or an EIDL Advance (herein, collectively, “EIDLs”) for COVID-19 relief, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, and gross revenues and cost of goods sold for the 12-month period preceding January 31, 2020. The applicant was also required to certify that all the information in its application was true and correct to the best of the applicant’s knowledge.

109. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor. The amount of the EIDL, if the application was approved, was determined based, in part, on the information provided by the applicant about employment, revenue, and cost of goods sold, as described above. Any funds issued under an EIDL were issued directly by the SBA through the United States Treasury. EIDL funds were required to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

COUNTS 13–16
(Wire Fraud, 18 U.S.C. §§ 1343, 2(a))

110. The Grand Jury incorporates by reference paragraphs 1 and 96 through 109 as through fully restated and re-alleged herein.

111. From in or about March 2020 and continuing through at least in or about August 2021, in the Southern District of Texas and elsewhere, the defendant,

SHAQUAN JERMAINE JELKS

and other persons known and unknown, aiding and abetting each other, devised and intended to devise, with intent to defraud, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute the scheme to defraud, did transmit and caused to be transmitted, by means of wire communication in interstate and foreign commerce, writings, signs, pictures, and sounds, as further described below, in violation of 18 U.S.C. §§ 1343, 2(a).

Purpose of the Scheme to Defraud

112. It was the purpose of the scheme to defraud for JELKS to unlawfully enrich himself by: (a) submitting and causing the submission of false and fraudulent applications for EIDLs and PPP loans; and (b) diverting fraud proceeds to himself for personal use.

Manner and Means of the Scheme to Defraud:

113. It was part of the scheme that JELKS solicited counterfeit documents from others known and unknown to the grand jury.

114. It was further part of the scheme that JELKS, aided and abetted by others known and unknown to the grand jury, completed applications for EIDLs and PPP loans in his name as

an independent contractor and in the name of companies he owned, operated, and controlled (collectively, JELKS's "Fraudulent Applications").

115. It was further part of the scheme that JELKS, aided and abetted by others known and unknown to the grand jury, knowingly included in his Fraudulent Applications materially false information and counterfeit documents in an attempt to ensure each application's success. This materially false information included at least one of the following material facts:

- a. On EIDL Advance applications, the following:
 - i. the applicant's number of employees as of January 31, 2020;
 - ii. the amount of the applicant's gross revenues and cost of goods sold for the 12 months prior to January 31, 2020; and
 - iii. the truth and accuracy of all the information and documents submitted in or with the applications;
- b. On PPP loan applications, the following:
 - i. the applicant's average monthly payroll;
 - ii. the applicant's number of employees;
 - iii. whether the applicant or the owner of the applicant was an owner of or had common management with any other business;
 - iv. whether the applicant had received an EIDL between January 31, 2020, and April 3, 2020;
 - v. whether the applicant or any owner of the application had been convicted of or pleaded guilty to any felony within the last 5 years;

- vi. whether the applicant had received or would receive another PPP loan between February 15, 2020, and December 31, 2020; and
- vii. the truth and accuracy of all the information and documents submitted in or with the applications.

116. It was further part of the scheme that JELKS falsely represented the intended use of the funds, claiming that the funds would be used for legitimate business expenses by the stated applicant. In fact, when JELKS received EIDLs and PPP loans, he used the loan funds for businesses other than the one that received the loan, and for, among other things, personal expenses and other non-business expenses.

117. It was further part of the scheme that JELKS submitted and caused to be submitted EIDL and PPP loan applications, transmitted by interstate wire, that were fraudulent for the reasons explained above.

118. It was further part of the scheme that JELKS submitted and caused to be submitted applications for loan forgiveness for PPP loans issued in connection with the Fraudulent Applications.

119. In total, in connection with the scheme described in this count, JELKS applied for over \$2 million in PPP loans, received over \$41,000 in PPP loans, and had over \$42,000 in PPP loans forgiven; and applied for and received at least \$26,000 in EIDL funds.

Use of the Wires

120. On or about each of the dates listed in the table below, in the Southern District of Texas and elsewhere, JELKS, and others, known and unknown to the Grand Jury, aiding and abetting each other, and for the purpose of executing and attempting to execute the scheme and

artifice to defraud described above, and attempting to do so, did transmit and cause to be transmitted by means of wire communications in interstate or foreign commerce, the following writings and signals:

Count	Date	Lender	Description of Wire Transmission(s)
13	June 23, 2020	Lender 3	Transmission of PPP loan application
14	July 5, 2020	SBA - EIDL	Transmission of EIDL Advance application
15	January 21, 2021	Lender 1	Transmission of PPP loan application
16	February 25, 2021	Lender 2	Transmission of PPP loan application

Each of the wire communications listed above constituting a separate and distinct violation of Title 18, United States Code, Section 1343.

COUNT 17

(Conspiracy to Commit Wire Fraud, 18 U.S.C. § 1349)

121. The Grand Jury incorporates by reference paragraphs 1, 13, and 96 through 109 as through fully restated and re-alleged herein.

122. From in or about February 2021 and continuing through at least in or about August 31, 2021, in the Southern District of Texas and elsewhere, the defendant,

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did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with Person 2 and others known and unknown to Grand Jury, to commit an offense against the United States: that is, to knowingly, and with intent to defraud, devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations and promises were false and fraudulent when made,

and for the purpose of executing such scheme and artifice, did knowingly transmit and cause to be transmitted by means of wire communication in interstate commerce, certain writings, signs, signals, and sounds, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1349.

The Object of the Conspiracy

123. It was the object of the scheme for JELKS, Person 2, and others known and unknown to the Grand Jury to unlawfully enrich themselves by, among other things: (a) submitting and causing the submission of false and fraudulent applications for PPP loans; (b) offering, paying, and receiving kickbacks in return for submitting false and fraudulent loan applications; and (c) diverting fraud proceeds for personal use.

The Manner and Means of the Conspiracy

124. The manner and means by which the co-conspirators sought to accomplish the object of the conspiracy included, among other things, the following:

125. JELKS and Person 2 recruited individuals to apply for PPP loans (“Fraudulent Borrowers”) through their personal networks and by referral. Many of the Fraudulent Borrowers did not operate a small business. The Fraudulent Borrowers that did operate a small business did not have the average payroll and number of employees they represented to SBA and Lenders in their applications.

126. When JELKS recruited a Fraudulent Borrower, JELKS provided Person 2’s contact information to the Fraudulent Borrower. JELKS also sometimes sent documents between the Fraudulent Borrowers and Person 2.

127. JELKS and Person 2 agreed that Person 2 would generally seek loans in the amount of approximately \$20,000 and charge the Fraudulent Borrowers a \$3,000 kickback for each approved application.

128. Person 2 filled out applications on behalf of the Fraudulent Borrowers in exchange for their agreement to pay Person 2 a kickback—that is, an agreed-upon amount of any loan proceeds Person 2 helped the Fraudulent Borrower to obtain through fraud. In filling out the applications, Person 2 knowingly included materially false information as needed to ensure each application's success. This materially false information included, *inter alia*, the Fraudulent Borrowers' year of establishment, gross income, and number of employees.

129. In furtherance of numerous applications, Person 2 edited and counterfeited bank statements to support the false representations included on the applications.

130. Person 2 caused the Fraudulent Borrowers to submit PPP loan applications, transmitted by interstate wire, including the fraudulent information described above.

131. Person 2 supplied the fraudulent documents and applications to the Fraudulent Borrowers via email for the Fraudulent Borrowers to review, sign, and submit to SBA and Lenders.

132. The Fraudulent Borrowers signed and submitted the fraudulent application form via interstate wire. These submissions were made by electronically transmitting the fraudulent applications to lending institutions, through SBA servers located in Oregon, via interstate wire transmission.

133. The Fraudulent Borrowers electronically signed the promissory note or promise to pay.

134. The PPP loan monies were then deposited via interstate wire transfer into the Fraudulent Borrowers' bank accounts.

135. The Fraudulent Borrowers whose applications were approved paid Person 2 a kickback.

136. Person 2 assisted many of the Fraudulent Borrowers to apply for forgiveness of their PPP loans by, among other things, instructing them to inform SBA, falsely, that 70% of their loans were used for payroll.

137. JELKS and Person 2 used the kickbacks Person 2 received to enrich themselves and others, and to invest in commercial trucking.

138. Each application Person 2 submitted and caused to be submitted was fraudulent because it intentionally misrepresented, among other things, at least one of the following material facts:

- a. whether the Fraudulent Borrower operated a business before February 15, 2020;
- b. the Fraudulent Borrower's average monthly payroll; and
- c. the Fraudulent Borrower's number of employees.

139. The agreement between JELKS and Person 2 resulted in the fraudulent disbursement of more than \$1.4 million in PPP Loans to the Fraudulent Borrowers, many of whom did not even have a qualifying small business, and Person 2's receipt of more than \$100,000 in kickbacks from the Fraudulent Borrowers.

COUNT 18

(Tampering With a Witness, 18 U.S.C. § 1512(d)(1), (2), (4))

140. The Grand Jury incorporates by reference paragraphs 1 and 13 as through fully restated and re-alleged herein.

141. From on or about February 15, 2025, and continuing until at least on or about March 28, 2025, in the Southern District of Texas, the defendant,

SHAQUAN JERMAINE JELKS

did intentionally harass another person, Person 2, and did thereby attempt to hinder, delay, prevent, and dissuade Person 2 from:

- a. attending and testifying in an official proceeding, that is, a grand jury investigation in the Southern District of Texas, in violation of Title 18, United States Code, Sections 1512(d)(1);
- b. reporting to a law enforcement officer the commission of Federal offenses, that is, violations of 18 U.S.C. §§ 371, 401(3), 1343, and 1349, in violation of Title 18, United States Code, Section 1512(d)(2); and
- c. assisting a criminal prosecution to be sought and instituted, in violation of Title 18, United States Code, Section 1512(d)(4).

FORFEITURE NOTICE

142. The allegations contained in this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures.

143. Pursuant to 18 U.S.C. §§ 981(a)(1)(C), 982(a)(2)(A) and 28 U.S.C. § 2461(c), the United States gives notice that upon conviction, the defendant shall forfeit to the United States all

property constituting or derived from proceeds obtained, directly or indirectly, as a result of such violations.

Money Judgment

144. Defendant is notified that upon conviction, the United States may seek a money judgment in the amount equal to the total value of the property subject to forfeiture.

Substitute Assets

145. 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 of America shall be entitled to forfeiture of substitute property 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).

A TRUE BILL


Original Signature on File

FOREPERSON OF THE GRAND JURY

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Acting Director
Consumer Protection Branch

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Ethan L. Carroll
Lindsey Marcus
Trial Attorneys
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