

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	CRIMINAL NO. _____
v.	:	DATE FILED: _____
MICHAEL HOGAN	:	VIOLATIONS:
	:	18 U.S.C. § 1341 (mail fraud - 2 counts)
	:	18 U.S.C. § 1343 (wire fraud - 4 counts)
	:	18 U.S.C. § 1957 (conducting transactions
	:	in the proceeds of unlawful activity - 2
	:	counts)
	:	18 U.S.C. § 1028A(a)(1), (c)(5)
	:	(aggravated identity theft - 5 counts)
	:	18 U.S.C. § 1543 (passport forgery – 1
	:	count)
		18 U.S.C. § 2 (aiding and abetting)
		Notice of forfeiture

INFORMATION

COUNTS ONE AND TWO

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Defendant MICHAEL HOGAN operated investment businesses seeking investors and applying for loans and credit cards.

2. Vision Quest Investment Group (“VQIG”) was a Pennsylvania corporation established by defendant MICHAEL HOGAN purportedly to engage in real estate and other investments, doing business from 2449 Golf Road, Suite 8, Philadelphia, Pennsylvania 19131.

3. Vision Quest Capital Funding (“VQCF”) was a Nevada corporation used by defendant MICHAEL HOGAN purportedly to engage in real estate and other investments, doing business from 2449 Golf Road, Suite 8, Philadelphia, Pennsylvania 19131.

4. Gateway Capital Investment Group, Inc., (“Gateway Capital”) was a Nevada corporation established by defendant MICHAEL HOGAN purportedly to engage in real estate and other investments, doing business from 2449 Golf Road, Suite 8, Philadelphia, Pennsylvania 19131.

5. Cutting Edge Funding Group LLC (“Cutting Edge”) was a Pennsylvania corporation used by defendant MICHAEL HOGAN purportedly to engage in real estate and other investments, doing business from 2449 Golf Road, Suite 8, Philadelphia, Pennsylvania 19131.

THE SCHEME

6. From in or about January 2013 to in or about May 2014, in the Eastern District of Pennsylvania, and elsewhere, defendant

MICHAEL HOGAN

knowingly executed, attempted to execute, and aided and abetted the execution of, a scheme to defraud his investors and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

7. Defendant MICHAEL HOGAN recruited investors with good credit to obtain funds through credit lines and credit card accounts as part of what he called a “Credit Investor Program.” The funds obtained from the credit accounts were transferred to defendant HOGAN’s control at VQIG, VQCF and Gateway Capital. Defendant HOGAN told the investors that VQCF and Gateway Capital would invest the funds, pay off the incurred debts, and pay the investor 2% to 3% of the aggregate total of their invested funds as profit on a monthly basis.

8. Defendant MICHAEL HOGAN advertised his investment scheme on the internet through websites such as Craigslist.

9. Victims sent credit cards and loan proceeds to defendant HOGAN to use in real estate investments but he used the funds for his personal expenses.

10. Defendant MICHAEL HOGAN pitched his investment scheme to a group of victims in Chicago in February 2013. Defendant HOGAN convinced the victims to apply for credit cards and loans using their personal credit. Defendant HOGAN instructed them to direct loan proceeds to him and to send him the cards through the mail so that he could take the maximum credit advances on the accounts to use in supposed investments. Defendant HOGAN agreed to pay the balances on these credit cards until they were fully satisfied but failed to do so.

11. "T.P." attended defendant HOGAN's Chicago presentation regarding VQCF in February 2013. T.P. became a VQCF investor sending \$122,200 from various credit cards and loans to defendant HOGAN at VQCF. Defendant HOGAN promised T.P. a 2% monthly return on his investment, while also making payments due on T.P.'s credit cards and loans. T.P. received bi-monthly payments, in the amount of \$1,220, from defendant HOGAN from May to October 2013. During this time, defendant HOGAN made T.P.'s credit card and loan payments. In October 2013, defendant HOGAN ceased making the payments to both T.P. and the credit card companies.

12. In November 2013, Defendant MICHAEL HOGAN sent to T.P., a Gateway Capital contract containing an agreement that defendant HOGAN would pay the debt that defendant HOGAN had amassed in T.P.'s name under VQCF through his newer company, Gateway Capital. T.P. signed the contract in a last ditch hope that defendant HOGAN would rectify the financial problems that defendant HOGAN had created for T.P. through VQCF. After making a few payments, defendant HOGAN also failed to make any additional payments toward T.P.'s credit

card and loan debts, which again fell into arrears. T.P. contacted defendant HOGAN, who became increasingly evasive until he ceased all communication with T.P. in June 2014. Defendant HOGAN used the remainder of T.P.'s investment money for his own personal expenses.

13. Defendant MICHAEL HOGAN directed T.P. to encourage his mother-in-law, "L.C.," to enroll as a Gateway Capital investor.

14. Defendant MICHAEL HOGAN provided L.C. a contract stating that defendant HOGAN and Gateway Capital would obtain funds using L.C.'s credit which would be invested in real estate projects. On November 16, 2013, L.C. returned the signed contract to defendant HOGAN at Gateway Capital using U.S. Priority Mail Express. As with his other victims, defendant HOGAN agreed that Gateway Capital would pay L.C. monthly commission checks and pay her credit card debt until it was fully satisfied but failed to do so.

15. On November 25, 2013, at defendant MICHAEL HOGAN's direction, L.C. mailed credit cards secured in her name to defendant HOGAN at Gateway Capital in Philadelphia. L.C., who did not speak English, expected that defendant HOGAN would utilize the funds from these credit cards for real estate investment as he promised. Defendant HOGAN ultimately applied for and obtained \$157,000 using L.C.'s credit.

16. Defendant MICHAEL HOGAN made some of the contractually agreed upon monthly payments toward L.C.'s credit card debt and commission payments to L.C. but stopped in May 2014. Defendant HOGAN used the remainder of L.C.'s investment money for his own personal expenses.

17. T.P. and L.C. were both forced to file for bankruptcy, because they could not afford to repay the combined \$292,000 in credit card and loan debt defendant HOGAN generated using their credit.

18. As a result of defendant MICHAEL HOGAN's fraudulent scheme, he obtained from individual credit investor victims a total of approximately \$520,209.10

19. On or about the following dates, in the Eastern District of Pennsylvania and elsewhere, defendant

MICHAEL HOGAN,

for the purpose of executing the scheme described above, and attempting to do so, knowingly caused to be delivered by mail and commercial interstate carriers, according to the directions thereon, the following items:

COUNT	DATE	DESCRIPTION
1	1/30/14	TD Bank check 126 from account number 367624822 sent to T.P. in Chicago
2	2/14/14	TD Bank check 995019 from account number 367624822 sent to L.C. in Chicago

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNTS THREE THROUGH SIX

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 of Count One are incorporated here.
2. TD Bank was a financial institution with bank branches located in Philadelphia and Cheltenham, in the Eastern District of Pennsylvania.
3. BB&T Bank was a financial institution with bank branches located in Philadelphia and Amelia Court House, Virginia.
4. Wells Fargo Bank was a financial institution with bank branches located in Philadelphia and Amelia Court House, Virginia.
5. TimePayment was a small business lease financing company located in Burlington, Massachusetts. TimePayment worked with independent vendors to finance equipment leases to the vendor's customer. A prospective vendor submitted an application to TimePayment to establish a vendor account. After TimePayment reviewed and approved the vendor's application, the vendor submitted lease applications to TimePayment on behalf of their customer to lease equipment. If TimePayment approved the lease application, it electronically disbursed the funds for the cost of the equipment to the vendor's bank account and the lessee satisfied the lease by making payments to TimePayment.
6. Ascentium Capital was a business financing company located in Kingwood, Texas, specializing in loans to finance equipment leases to small businesses.
7. Can Capital was a business financing company located in Kennesaw, Georgia, specializing in loans to small businesses that are repaid in daily loan payments.

8. Financial Pacific Leasing was a business financing company located in Federal Way, Washington, specializing in loans to finance equipment leases to small businesses.

9. Pawnee Leasing was a business financing company located in Fort Collins, Colorado, specializing in loans up to \$200,000 to finance equipment leases to small businesses.

THE SCHEME

10. From in or about February 2012 to in or about November 2016, in the Eastern District of Pennsylvania, and elsewhere, defendant

MICHAEL HOGAN

knowingly executed, attempted to execute, and aided and abetted the execution of, a scheme to defraud financing companies and to obtain money and property by means of false and fraudulent pretenses, representations, and promises.

MANNER AND MEANS

11. Defendant MICHAEL HOGAN used stolen identities in submitting business loan and lease agreement applications, and supporting documents, containing false information to TimePayment, Ascentium Capital, Can Capital, Financial Pacific Leasing, and Pawnee Leasing for the purpose of obtaining approximately \$755,562.37 under fraudulent pretenses and representations.

12. On or about June 4, 2013, Defendant MICHAEL HOGAN opened a business bank account (account ending in 1203) at TD Bank in the name of Vision Quest Construction Group, 2449 Golf Road, Suite 8, Philadelphia, PA 19131.

13. On or about September 8, 2014, defendant MICHAEL HOGAN electronically submitted a business loan agreement (loan #194408) to Can Capital for Vision Quest Construction Group. The agreement sought a \$50,200 loan from Can Capital. "G.W." was listed as the personal guarantor for this loan. Defendant HOGAN also submitted a TD Bank account statement (account ending in 1203), in the name of Vision Quest Construction Group. This document falsely reflected the account had a balance of approximately \$486,525.11 as of August 31, 2014. Actual account records for the TD Bank account reflected an account balance on August 31, 2014, of \$995.85, not \$486,525.11.

14. On or about September 10, 2014, Can Capital approved and entered into the business loan agreement (loan #194408).

15. On or about September 12, 2014, Can Capital electronically deposited approximately \$50,200 in loan proceeds into the Vision Quest Construction Group TD Bank account. On or about that same date, defendant HOGAN withdrew most of the money from that account in a \$49,000 cash withdrawal at a TD Bank branch in Cheltenham, Pennsylvania, and used the funds for personal expenses.

16. G.W. was unaware of the loan transaction; received no proceeds or items of value from it; and never provided defendant HOGAN with consent to enter into this loan agreement.

17. On or about August 12, 2015, defendant MICHAEL HOGAN electronically submitted a lease application (loan #36647378), for the amount of \$12,000, to TimePayment. The lease's personal guarantor was "V.B." The lease was purportedly for V.B.'s company, Compuworld, to lease \$12,000 in computer equipment from Wintel Communications.

18. On or about August 13, 2015, defendant MICHAEL HOGAN opened a business bank account (ending in 4388) at Wells Fargo Bank in the name of "Wintel Communications Corporation, 45 E. City Ave, Suite 492, Bala Cynwyd, PA 19004-2421." Defendant HOGAN listed himself as the sole owner for Wintel Communications on the account signature card. Defendant HOGAN used his true name and date of birth to open this bank account.

19. On or about August 15, 2015, defendant MICHAEL HOGAN deposited a TimePayment check (#0000085832), dated August 13, 2015, in the amount of approximately \$12,000, payable to Wintel Communications, into the Wells Fargo Bank account ending in 4388 and used the funds for personal expenses.

20. The personal guarantor whom defendant MICHAEL HOGAN listed on the loan paperwork, "V.B.," was unaware of the loan transaction, did not give consent to defendant HOGAN to enter into a lease on V.B.'s behalf or to use V.B. as the guarantor to obtain the loan, and received no proceeds or items of value from the loan.

21. On or about September 13, 2016, defendant MICHAEL HOGAN submitted a lease application to Ascentium Capital. The application's lessee was listed as "Randy Gilmore Automotive, Inc., 259 Churton Street, Hillsborough, NC 27278." The application sought a \$25,675 lease for Randy Gilmore Automotive, Inc to purportedly obtain a Toshiba telephone system from Telecom International Services.

22. In support of the lease application, defendant MICHAEL HOGAN submitted a copy of a voided SunTrust Bank account check, from account ending in 5855, to Ascentium Capital reflecting Randy Gilmore Automotive Inc. as the account holder. Defendant HOGAN fraudulently altered the account holder name on the face of

this check. The true account holder for the SunTrust Bank account ending in 5855 was VQIG and the account had been opened by defendant HOGAN.

23. On or about September 14, 2016, defendant MICHAEL HOGAN opened a business bank account (account ending in 6135) at BB&T Bank for "Telecom International Services, Inc., 9200 Virginia Street, Amelia Court House, VA 23002-4893."

24. On or about September 16, 2016, Ascentium Capital electronically deposited \$25,675 into Telecom International Service's BB&T Bank account ending in 6135.

25. From on or about September 16, 2016 through on or about September 19, 2016, defendant MICHAEL HOGAN withdrew most of the \$25,675 Ascentium deposit in three counter check withdrawals of approximately \$14,000 and approximately \$7,000 on or about September 16, 2016, and approximately \$3,500 on or about September 19, 2016, and used the funds for personal expenses.

26. The personal guarantor whom defendant MICHAEL HOGAN listed on the loan paperwork, "J.R.G.," was unaware of the loan transaction, received no proceeds or items of value from the loan, and never provided defendant HOGAN with consent to enter into this loan agreement.

27. On or about the dates set forth below, in Philadelphia, in the Eastern District of Pennsylvania and elsewhere, defendant

MICHAEL HOGAN

for the purpose of executing the scheme described above, caused to be transmitted by means of wire communications in interstate and foreign commerce the signals and sounds

described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION
3	9/8/14	Wire communication of lease agreement with guarantor G.W. from Can Capital's computer in Kennesaw, Georgia, to defendant HOGAN's computer in Philadelphia, Pennsylvania.
4	9/12/14	Wire communication of \$50,200 deposit of lease loan proceeds from Can Capital into TD Bank account of Vision Quest Construction Group based on the lease agreement with guarantor G.W., from Atlanta, Georgia to Toronto, Canada.
5	8/12/15	Wire communication of lease agreement with guarantor V.B. from TimePayment's computer in Marlborough, Massachusetts, to defendant HOGAN's computer in Glenside, Pennsylvania
6	9/16/16	Wire communication of Ascentium Capital's electronic deposit of \$25,675 into BB&T bank account of Telecom International Services based on the lease agreement with guarantor, J.R.G., from Houston, Texas, to New York, to North Carolina.

In violation of Title 18, United States Code, Sections 1343 and 2.

COUNTS SEVEN AND EIGHT

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 9, 11 through 16, and 21 through 26 of Counts Three through Six are incorporated here.

2. On or about the dates set forth below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere,

MICHAEL HOGAN

knowingly engaged in, and attempted to engage in, and aided, abetted, and willfully caused, a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, described below, and such property was derived from a specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343:

COUNT	DATE	DESCRIPTION
7	9/12/14	Cash withdrawal of approximately \$49,000 from TD Bank account ending in 1203 of lease loan proceeds from Can Capital lease agreement with guarantor G.W.
8	9/16/16	Counter check withdrawal of approximately \$14,000 from BB&T Bank account ending in 6135 of lease loan proceeds from Ascentium Capital lease agreement with guarantor J.R.G.

In violation of Title 18, United States Code, Sections 1957 and 2.

COUNTS NINE THROUGH THIRTEEN**THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:**

On or about the dates set forth below, in Philadelphia, in the Eastern District of Pennsylvania, and elsewhere,

MICHAEL HOGAN

knowingly and without lawful authority, transferred, possessed, and used, and aided and abetted the transfer, possession, and use of, a means of identification of another person, that is, the name, as more fully described below, during and in relation to the commission of wire fraud:

COUNT	DATE	DESCRIPTION
9	10/31/14	Defendant HOGAN used the name of E.S., to obtain a \$55,500 loan from Can Capital.
10	9/13/16	Defendant HOGAN used the name of J.R.G., to obtain a \$25,675 lease from Ascentium Capital.
11	6/27/16	Defendant HOGAN used the name of T.D., to obtain a \$15,000 lease from TimePayment.
12	7/11/16	Defendant HOGAN used the name of M.K., to obtain a \$15,000 lease from TimePayment.
13	2/18/15	Defendant HOGAN used the name of K.P., to obtain a \$7,500 lease from TimePayment.

In violation of Title 18, United States Code, Sections 1028A(a)(1), (c)(5) and 2.

COUNT FOURTEEN

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

On or about May 19, 2016, in Charleston, in the Southern District of West Virginia, defendant

MICHAEL HOGAN

knowingly and willfully made and used a false, forged, and altered passport, that is, defendant HOGAN tendered as identification of a party to a fraudulent loan from Ascentium Capital, a forged United States passport in the name of "K.W.," a United States citizen, which passport he knew to be false.

In violation of Title 18, United States Code, Section 1543.

NOTICE OF FORFEITURE

THE UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. As a result of the violations of Title 18, United States Code, Sections 1341 and 1343, as set forth in this information, defendant

MICHAEL HOGAN

shall forfeit to the United States of America any property that constitutes, or is derived from, proceeds obtained directly or indirectly from the commission of such offenses, including, but not limited to, the sum of \$1,275,771.47.

2. If any of the property subject to forfeiture, 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;

it is the intent of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property subject to forfeiture.

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

A handwritten signature in blue ink, appearing to read "Ronald A. Swain", is written over a horizontal line.

for **WILLIAM M. MCSWAIN**
UNITED STATES ATTORNEY