# EXHIBIT F

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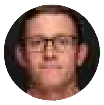
INVESTIGATIONS

# Congress widens PPP fraud probe to more online financial companies



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A congressional subcommittee aimed at investigating financial fraud during the pandemic broadened its probe into online lending this week to include two of the most prominent processors of coronavirus assistance.

Rep. James Clyburn, D-S.C., chairman of the Select Subcommittee on the Coronavirus Crisis, sent letters to Blueacorn and Womply on Tuesday requesting information about fraud prevention. Both emerged as major players that fused tech and financing to speed up lending through the government's Paycheck Protection Program.

Womply had no lending experience before COVID-19 and Blueacorn did not exist, yet together the companies captured more than $3 billion in fees – eclipsing their direct competitors.

The startups are not banks but worked as middlemen, marketing to struggling businesses and quickly approving loans with partner banks, backed by the Small Business Administration. The companies make their money through a government-paid fee for facilitating the loans.

"Unfortunately, many of these fees may have been earned by processing fraudulent or ineligible loan applications," Clyburn wrote in his letter requesting a trove of internal compliance documents, including "emails, chat room logs and transcripts, direct electronic messages and minutes" that discussed financial crimes.

Womply worked with 17 lenders and processed 1.4 million loans totaling more than $20 billion of the government's $800 billion program. Blueacorn processed at least $14 billion in loans, according to Clyburn.

**More:** Online financial companies' processes facilitated fraud in PPP loans, Texas university study finds

In August, USA TODAY spotlighted a University of Texas, Austin paper that identified more than 1.8 million loans with indications of potential fraud by borrowers. Some of the most egregious examples cited by the researchers involved Kabbage, Womply and Blueacorn.

The Texas report outlined how borrowers, including criminals, could create fake companies with fake head counts and fake salaries to capture a slice of the pandemic assistance, facilitated by the largely automatic review of lenders.

“I am deeply troubled by reports alleging that financial technology (FinTech) lenders and their bank partners failed to adequately screen PPP loan applications for fraud,” Clyburn wrote. “This failure may have led to millions of dollars worth of FinTech-facilitated PPP loans being made to fraudulent, non-existent, or otherwise ineligible businesses.”

Fintechs have raised concerns throughout the pandemic among regulators at the SBA, Department of Justice and Congress. In February, Clyburn sent letters in his probe to Kabbage, BlueVine, Cross River Bank and Celtic Bank.

Clyburn gave Womply and Blueacorn until Nov. 26 to indicate whether they would cooperate with the requests.

In a previous statement to USA TODAY, Blueacorn CEO Barry Calhoun said the company was “incredibly proud of the work we have undertaken to dramatically reduce fraud in the PPP program,” adding that it focused on serving a “traditionally overlooked population.” A spokeswoman said Tuesday the company would cooperate with the congressional inquiry.

Toby Scammell, founder and chief executive officer of Womply, called PPP “an imperfect program” that nonetheless succeeded in saving millions of small businesses.

“Womply helped the program succeed, and I am particularly proud that our efforts leveled the playing field, so America’s very small and minority-owned businesses were able to participate,” Scammell said Tuesday.

On its website, Womply directs anyone who suspects fraud to report it directly to the SBA. “We know the vast majority of PPP borrowers are deserving, eligible businesses,” it says. “We will seek to address potential fraud in a manner that minimizes the negative impacts to legitimate borrowers using our platform.”

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