UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No. 24-20321-CR-RAR

UNITED STATES OF AMERICA

vs.

MALAINA CHAPMAN,

Defendant.
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STIPULATED FACTUAL BASIS IN SUPPORT OF GUILTY PLEA

MALAINA CHAPMAN (hereinafter referred to as the "Defendant") hereby acknowledges that, had this case proceeded to trial, the United States would establish the following facts beyond a reasonable doubt:

The government would have proved, and the Defendant agrees that she participated in multiple schemes to defraud various Covid-19 relief programs including the Paycheck Protection Program (PPP), Economic Injury and Disaster Loan (EIDL), the City of Miami Emergency Rental Assistance Program and the State of Florida Emergency Rental Assistance program. The government would have proved that she defrauded these programs by causing the submission of false and fraudulent loan applications to the SBA and SBA-approved PPP Lenders and false applications to the City of Miami and the State of Florida. The government would have proved that she conspired with numerous individuals known and unknown to the grand jury, and knowingly caused the submission of false documents in support of the numerous PPP loan applications, some of which were in her own name and some of which were in the name of others.

The government would have proved that the defendant worked at the Small Business Administration (SBA) as a disaster relief specialist in 2020 and 2021. On February 10, 2021, while still employed by the SBA, the defendant submitted a PPP loan application to Lender 3 in the name of Upscale Credit Lounge. According to Sunbiz, the defendant was listed as the Manager of the corporation. In support of her application, the defendant submitted a tax year 2020 Schedule C that reported gross revenues of $103,674 and a tentative profit of $81,860. Lender 3 relied upon the representations in the defendant's application and on February 11, 2021, approved a loan in the amount of $17,052.50. Records were obtained pursuant to an *Ex-Parte* tax order and the actual Schedule C filed with the IRS in her 2020 tax returns showed she reported gross revenues of $37,010 and tentative profit of negative $3464.

On February 19, 2021, the defendant submitted, via interstate wire communication, a PPP loan application with Lender 3 on behalf of DA TRAP LLC ("DA TRAP"). According to SUNBIZ, the defendant was listed as the Manager of the company. In her application, she claimed DA TRAP had four (4) employees and an average monthly payroll of $14,191. In support of her application, the defendant submitted four (4) IRS Employers Quarterly Tax Return ("Form 941"), which purportedly documented the wages paid by DA TRAP. Lender 3 relied upon the representations in the application and on February 26, 2021, approved a loan in the amount of $35,477.50. Records obtained pursuant to an *Ex-Parte* tax application for DA TRAP revealed that the 941's filed with the lender were not filed with the IRS at the time she filed her actual tax returns. The government would have proved that the defendant submitted and caused the submission of false and fraudulent EIDL and other PPP loan applications in her own name other than the two mentioned above.

The government would also have presented evidence that the defendant prepared PPP loan applications and forgiveness applications for co-conspirators in return for the payment of kickbacks. The defendant sent a March 11, 2021, email in which she stated "thank you for allowing

The Upscale Resource to assist with your PPP application. Congratulations on being approved by the SBA. Next steps would be to use the funds correctly so that the loan will be forgiven. We also provide loan forgiveness." The email further stated, "if you received a loan in the amount of $20,833 your payment today will be $2083." Investigation has revealed that the defendant prepared loan and forgiveness applications for numerous individuals and the government would have introduced tax records for six (6) individuals that the defendant conspired with and in each instance a false Schedule C was submitted to back up the false representations contained in the loan applications. One of these six (6) individuals for whom the defendant submitted a loan application was Individual 5 who was incarcerated at the time he applied for a PPP loan. The defendant prepared a PPP loan application that stated that Individual 5 was not incarcerated at the time of the application when in truth Individual 5 was incarcerated in the Dade County Jail and the defendant knew this because he was the father of her child. The government also would have introduced text messages in which the defendant communicated with the applicants she recruited into the scheme in which she discussed taking various actions on their behalf and applying for forgiveness.

All of these events took place in Miami-Dade County, in the Southern District of Florida.

Date: 3/14/25

MALAINA CHAPMAN
Defendant

Date: 3/14/25

MATT ROGOFF
Attorney for MALAINA CHAPMAN

Date: 3/14/25

For
DANIEL BERNSTEIN
Assistant United States Attorney