UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF KENTUCKY
SOUTHERN DIVISION
LONDON

Eastern District of Kentucky
FILED
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AT LONDON
Robert R. Carr
CLERK U.S. DISTRICT COURT

UNITED STATES OF AMERICA

V. **INFORMATION NO.** 6:26-cr-114-SCM-HAI
18 U.S.C. § 152(3)

DANIEL G. CUEL

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THE UNITED STATES ATTORNEY CHARGES:

BACKGROUND

1. The United States Small Business Administration (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.

2. In March 2020, the COVID-19 pandemic resulted in the shutdown of numerous businesses and caused millions of American workers to become unemployed. On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which established several new temporary relief programs and provided for the expansion of others, including the SBA's Economic Injury

Disaster Loan (EIDL) Program to address the COVID-19 pandemic. The EIDL program was designed to provide economic relief to small businesses that were experiencing a temporary loss of revenue.

3. The EIDL program was directly managed by the SBA. Applicants applied for EIDL loans and advances directly through the SBA using an online portal. The EIDL application process required applicants to truthfully answer questions about their businesses, including the cost of goods sold, gross revenues, and number of employees, for the 12 months prior to the date of the disaster, and electronically certify that the information provided was accurate. Applicants were warned that any false statement or misrepresentation to the SBA or any misapplication of loan proceeds may result in sanctions, including criminal penalties.

4. EIDL funds were issued directly from the United States Treasury. EIDL proceeds were permitted to be used to pay normal operating expenses such as rent, utilities, and payroll; however, such loan proceeds were not intended to replace lost sales or profits or for the expansion or creation of a business.

5. At all relevant times, **DANIEL G. CUEL** was a resident of Whitley County, Kentucky.

6. On or about March 20, 2020, **CUEL** filed an EIDL application to the SBA for a business called C and D Trucking. By way of this loan application and subsequent loan modifications, **CUEL** obtained a total of $350,000 in EIDL proceeds from the SBA. As a condition of receiving these funds, **CUEL** agreed he would use these proceeds solely as working capital for his business to alleviate economic injury.

7. After receiving the EIDL proceeds, **CUEL** spent thousands of dollars on personal expenditures, including costs for vacation travel, lodging, activities, and food; clothing; event tickets; and a swimming pool.

COUNT 1
18 U.S.C. § 152(3)

8. All allegations set forth in paragraphs 1-7 of this Information are realleged and incorporated by reference as if set forth fully herein.

9. On or about August 7, 2024, **CUEL** filed a petition for bankruptcy under Title 11, Chapter 7 in the U.S. Bankruptcy Court for the Eastern District of Kentucky. On or about August 14, 2024, CUEL filed schedules in support of his bankruptcy petition. In those schedules, **CUEL** listed the $350,000 EIDL as a liability for which he sought discharge.

10. On or about September 12, 2024, **CUEL** participated in a meeting of creditors held under 11 U.S.C. § 341. **CUEL** swore to tell the truth in this meeting and answered questions under the penalty of perjury. In response to questions from a representative of the United States Trustee, **CUEL** represented that he did not use any of the EIDL funds for personal or familial expenses and claimed that he "ke[pt] business money on the business side."

11. **CUEL** knowingly made these material and false statements, the effect of which would have been to fraudulently discharge **CUEL**'s EIDL debt and defraud the SBA.

12. On or about September 12, 2024, in Whitley County, in the Eastern District of Kentucky, and elsewhere,

DANIEL G. CUEL

knowingly and fraudulently made a false declaration, certificate, verification, or statement under penalty of perjury in relation to any case under Title 11.

All in violation of 18 U.S.C. § 152(3).

JASON D. PARMAN
UNITED STATES ATTORNEY

ANDREW T. BOONE
ASSISTANT UNITED STATES ATTORNEY

PENALTIES

Not more than 5 years imprisonment, a $250,000 fine, and 1 year supervised release.

PLUS: Mandatory special assessment of $100.

PLUS: Restitution, if applicable.