UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
DUBLIN DIVISION

FILED
U.S. DISTRICT COURT
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CLERK C Casbell
SO. DIST. OF GA.

UNITED STATES OF AMERICA	)	**INDICTMENT NO.**
	)	
v.	)	**18 U.S.C. § 1343**
	)	**Wire Fraud**
GLADYS HARUN	)	**CR322-009**

THE GRAND JURY CHARGES THAT:

Introduction

1. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 designed to provide emergency financial assistance to the millions who suffered economic effects caused by the COVID-19 pandemic.

2. Among other relief efforts, the United States sought to provide financial support to eligible businesses that could be used to offset certain business expenses.

3. At all times material to this Indictment, the Small Business Administration ("SBA") was an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The SBA was headquartered in Washington, DC and maintained its computer servers outside of the State of Georgia. The SBA's mission 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.

4. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed

guarantees. In addition, the SBA provided loans that came directly from the U.S. Government.

5. One source of relief provided by the CARES Act was the authorization of up to $349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). In or around April 2020, Congress authorized over $300 billion in additional PPP funding.

6. To obtain a PPP loan, a qualifying business had to submit a PPP loan application signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) had to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were then used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, a business applying for a PPP loan had to provide documentation showing its payroll expenses.

7. A PPP loan application must be processed by a participating lender, such as a financial institution. If a PPP loan is approved, the participating lender funds the PPP loan using its own monies, which are 100% guaranteed by the SBA. Data from the application, including the information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the

lender to the SBA in the course of processing the loan.

8. The PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal of the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain percentage of the PPP loan proceeds on payroll expenses.

9. Lendistry SBLC, LLC was a wholly owned subsidiary of B.S.D. Capital, Inc. ("Lendistry") and was based in California. Lendistry was an approved lender authorized to receive and process PPP applications and supporting documentation, and then make loans as part of the PPP.

10. At all times relevant to this Indictment, Defendant, **GLADYS HARUN**, was a resident of Georgia.

COUNT ONE
Wire Fraud
18 U.S.C. § 1343

11. The Grand Jury realleges and incorporates by reference paragraphs 1-10 above in their entirety as if fully set forth herein.

The Scheme

12. From in or about May 2021, through in or about June 2021, defendant **GLADYS HARUN** devised and intended to devise a scheme to defraud Lendistry, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises. Defendant **GLADYS HARUN**'s scheme was to unjustly enrich herself by obtaining PPP proceeds under false and misleading

pretenses, including by making false statements in a PPP application and providing false and altered supporting documentation.

13. In reliance on false representations and records submitted in and with Defendant's PPP application, Lendistry, headquartered in California, approved the requested loan and deposited nearly $300,000 into a bank account in Georgia controlled by Defendant.

Manner and Means

14. It was part of the scheme that defendant **GLADYS HARUN** submitted, or caused the submission of, a PPP loan application to Lendistry. The loan application sought $299,913 and fraudulently represented that Defendant's business averaged $119,965 in monthly payroll.

15. It was further part of the scheme that, to substantiate the amount of average monthly payroll represented in the PPP loan application, defendant submitted, or caused the submission of, altered and false IRS Forms and other records with amounts that were fraudulently inflated.

16. On or about June 18, 2021, in the Southern District of Georgia, and elsewhere, **GLADYS HARUN**, for the purpose of executing the scheme and artifice described above, caused to be transmitted in interstate commerce, by means of a wire communication, certain signs, signals, and sounds: that is, Defendant **GLADYS HARUN**, caused to be transmitted via electronic signature closing documents for the PPP loan from the Southern District of Georgia to Lendistry in California, which caused Lendistry to deposit the requested loan amount into Defendant's bank

account.

All in violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATIONS

The allegations contained in Count One of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(3), and Title 28, United States Code, Section 2461(c).

Upon conviction of the offense set forth in Count One of the defendant, **GLADYS HARUN** shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to a violation. Additionally, upon conviction of the offense set forth in Count One defendant, **GLADYS HARUN** shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(3), any property, real or personal, which represents or is traceable to the gross receipts obtained, directly or indirectly, as a result of the violation.

If any of the property described above, as a result of any act or commission 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 Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

A True Bill.

Foreperson

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United States Attorney

Chris Howard
Assistant United States Attorney
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Patricia G. Rhodes
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