IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF MISSOURI WESTERN DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. JEFFERY CHILLIS II, Defendant.	Case No. 24-00029-07-CR-W-BP

<u>GOVERNMENT'S SENTENCING MEMORANDUM</u>

The United States of America, by and through its undersigned counsel, files its sentencing memorandum in this case. On February 27, 2025, the defendant was arrested based upon his use of controlled substances in violation of his bond conditions. (Doc. 205 & 248.) The defendant has remained in custody since his arrest. The government recommends a sentence of time served with three years' supervised release. The presentence report calculated the sentencing range from 4 to 10 months and restitution of $20,833. (PSR¶¶ 64 & 77.)

<u>PROCEDURAL AND FACTUAL BACKGROUND</u>

On November 21, 2024, Defendant Jeffery Chillis II pled guilty to Count One of the indictment, conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1349. (PSR ¶ 1.) The maximum possible penalty for conspiracy to commit wire fraud is 20 years' imprisonment. The defendant's offense conduct is outlined in paragraphs 5 - 10, and 17 of the PSR.

The defendant was part of a group of individuals organized by Daisha Sanders to submit fraudulent Paycheck Protection Program (PPP) loans. Mr. Chillis, aided by Ms. Sanders, submitted an application which claimed he was the sole proprietor of a business that had gross revenues of $144,080 and net income of $99,982 in 2019. In fact, the defendant did not have such a business, and it did not have any revenue in the year prior to the pandemic. On April 8, 2021, the defendant received a $20,832.50 PPP loan. On the same date, Mr. Nichols transferred $5,000 to Joel Wright, Daisha Sanders' husband.

DISCUSSION

I. Sentencing Analysis

The defendant has objected to the denial of a reduction for acceptance of responsibility. The defendant stated that he "has a written plea (sic) with the Government and has accepted responsibility by pleading guilty." The plea agreement stated that the Government will recommend a two-level reduction for acceptance of responsibility "unless the defendant (1) fails to abide by all of the terms and conditions of this plea agreement and his pretrial release". The defendant violated the conditions of his pretrial release after assuring the Court at the plea hearing that he would not use drugs. The defendant's actions after the guilty plea support the denial of the reduction for acceptance of responsibility. Therefore, the offense level would be 9, Criminal History Category I, resulting in a guideline range of 4 to 10 months.

As this Court is aware, 18 U.S.C. § 3553(a) sets forth the factors to be considered in determining an appropriate sentence. In evaluating the appropriate sentence for this defendant, the United States notes the following:

Nature of the offense:

The defendant falsely applied for and received a $20,833 pandemic relief loan. These funds were intended to assist businesses that were impacted by the pandemic. While this amount is small compared to other pandemic relief fraud, the defendant should have been aware that this scheme was unlawful.

<u>The history and characteristics of the defendant</u>:

The defendant has no criminal record and appears to have been self-employed at the time of his arrest. (PSR ¶ 56.)

<u>Seriousness of the Offense, Deterrence, Protection, and Rehabilitation</u>:

This was a serious offense and there is a need to deter the defendant and others from fraudulently taking advantage of emergency relief funds.

The issue presented to the Court is what sentence is reasonable given the need to deter others who would engage in such illegal misappropriation of government emergency monies and adequately punish the defendant considering his criminal record.

A sentence of time served, approximately 2 months, with three years' supervised release, would deter the defendant and send a message to others that such fraud schemes are unlawful and will be dealt with seriously by the United States District Court.

Respectfully submitted,

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By: */s/ Paul S. Becker*

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was delivered on April 4, 2025, to the Electronic Case Filing (CM-ECF) system of the United States District Court for the Western District of Missouri for electronic delivery to all counsel of record.

/s/ Paul S. Becker

Paul S. Becker
Assistant United States Attorney