UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA v. WALLACE FORD, ADIANA PIERRE, and GARDY ALEXANDRE, Defendants	Criminal No. 24cr10007 Violations: Count One: Conspiracy to Commit Wire Fraud (18 U.S.C. § 1349) Count Two: Conspiracy to Engage in Unlawful Monetary Transactions (18 U.S.C. § 1956(h)) Wire Fraud Forfeiture Allegation: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)) Money Laundering Forfeiture Allegation: (18 U.S.C. § 982(a)(1))

INFORMATION

At all times relevant to this Information:

General Allegations

1. Defendant WALLACE FORD ("FORD") lived in Palm Beach County, Florida. FORD and his spouse purported to operate two Florida companies, Text Savvy, LLC ("Text Savvy") and Our Virtual Services Inc. ("OVS").

2. Defendant ADIANA PIERRE ("PIERRE") lived in Palm Beach County, Florida.

3. Defendant GARDY ALEXANDRE ("ALEXANDRE") lived in Palm Beach County, Florida. ALEXANDRE purported to operate Palm Beach Community House Inc. ("PBCH"), a Florida not-for-profit corporation.

4. Kabbage Inc. ("Kabbage") was a company based in California that facilitated small-business lending.

5. BlueVine was a company based in California. BlueVine and several lenders, including Celtic Bank and Cross River Bank (together, "BlueVine"), partnered to originate and disburse loans.

6. The United States Small Business Administration ("SBA") was an agency of the executive branch of the United States government. 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. As part of this effort, the SBA enabled and provided for loans, guaranteed by the government, through banks, credit unions, and other lenders.

<u>The Paycheck Protection Program</u>

7. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. Among other things, the CARES Act provided funding for forgivable loans to small businesses for job retention and certain other expenses through the Paycheck Protection Program ("PPP").

8. PPP loan proceeds were required to be used by the business on certain permissible expenses, namely, payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expenses within a designated period of time and used at least a minimum amount of the PPP loan proceeds toward payroll expenses.

9. To obtain a PPP loan, a qualifying business was required 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 in order to be eligible to obtain the PPP loan. One such certification required the applicant to affirm that "[t]he [PPP loan] funds w[ould] be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments." The applicant (through its authorized representative) was also required to acknowledge that "I understand that if the funds are used for unauthorized purposes, the federal government may pursue criminal fraud charges." In the PPP loan application, the applicant was also required to state, among other things, its (a) average monthly payroll expenses and (b) number of employees. Lenders used these figures to calculate the amount of money the small business was eligible to receive under the PPP. The applicant was also required to provide documentation showing its payroll expenses.

10. Participating financial institutions, including Kabbage and BlueVine, received and processed PPP loan applications. If a PPP loan application was approved, the participating financial institution funded the PPP loan using its own monies, which were guaranteed by the SBA.

Overview of the Wire Fraud Conspiracy

11. Between in or about May 2020 and in or about August 2020, in the District of Massachusetts, the Southern District of Florida, and elsewhere, FORD, PIERRE, and ALEXANDRE conspired with each other and others to obtain PPP loans for dozens of borrowers

by submitting fraudulent PPP applications. The applications falsely inflated the borrowers' employee counts and payroll expenses in order to obtain larger PPP loans.

Object and Purposes of the Wire Fraud Conspiracy

12. The object of the conspiracy was to commit wire fraud by submitting fraudulent applications on behalf of PPP borrowers. The purposes of the conspiracy were to make money and to conceal the submission of fraudulent PPP applications from PPP lenders, the SBA, and law enforcement authorities.

Manner and Means of the Wire Fraud Conspiracy

13. Among the manner and means by which FORD, PIERRE, ALEXANDRE, and others carried out the wire fraud conspiracy were the following:

a. Recruiting individuals to apply for PPP loans on behalf of their businesses, non-profits, or sole proprietorships;

b. Collecting articles of incorporation, bank statements, tax returns, copies of checks and utilities bills, and other documents from the borrowers;

c. Electronically preparing PPP applications on behalf of borrowers with Kabbage, BlueVine, and other PPP lenders;

d. Making false representations on PPP applications regarding the borrowers' employee counts and average monthly payroll expenses, for the purpose of securing loan amounts to which the borrowers were not entitled;

e. Creating false tax documents, including IRS Forms W-3 and 1040, that supported the false payroll expenses claimed in the PPP applications;

f. Causing borrowers to sign and certify the fraudulent PPP applications electronically with Kabbage, BlueVine, and other PPP lenders;

g. Causing Kabbage, BlueVine, and other PPP lenders to fund the fraudulent PPP loans by interstate wire; and

h. Communicating regarding the status of fraudulent applications.

14. In this fashion, FORD, PIERRE, ALEXANDRE, and others obtained at least 27 fraudulent PPP loans totaling approximately $7 million for themselves and other borrowers.

Acts in Furtherance of the Wire Fraud Conspiracy

15. On various dates between in or about May 2020 and in or about August 2020, FORD, PIERRE, ALEXANDRE, and others committed and caused to be committed the following acts, among others, in furtherance of the wire fraud conspiracy.

Dessaps Loan

a. On or before June 2, 2020, ALEXANDRE sent PIERRE a photograph of the driver's license of a Massachusetts resident, Bill Dessaps ("Dessaps"), the Employer Identification Number (EIN) for Dessaps's used car dealership, and a copy of Dessaps's license to operate a used articles business.

b. PIERRE emailed these materials to FORD and told FORD, "Push for 900k His net worth is 2 million per year!"

c. On or about June 3, 2020, ALEXANDRE exchanged phone calls and text messages with Dessaps.

d. On or about June 4, 2020, FORD electronically submitted a PPP application to Kabbage on behalf of Dessaps. FORD sought $836,800 in PPP funds for Dessaps's business.

In the application, FORD falsely claimed that Dessaps's business had 40 employees and an average monthly payroll of $334,720.

e. In support of Dessaps's application, FORD created a purported copy of a 2019 Form W-3 (Transmittal of Wage and Tax Statements) for Dessaps's business, which falsely indicated that the business's gross payroll expenses in 2019 were $3,840,000.

Mathurin Loan

f. On or about June 9, 2020, FORD electronically submitted a PPP application to Kabbage on behalf of a Massachusetts resident and purported owner of a warehouse and cargo delivery business, Wens Mathurin ("Mathurin"). FORD sought $313,852 in PPP funds for Mathurin's business. In the application, FORD falsely claimed that Mathurin's business had 25 employees and an average monthly payroll of $125,541.

g. In support of Mathurin's application, FORD created a purported copy of a 2019 Form W-3 for Mathurin's business, which falsely indicated that the business's gross payroll expenses in 2019 were $1,440,000.

h. Between June 13, 2020 and June 17, 2020, ALEXANDRE exchanged several phone calls and text messages with Mathurin.

i. On or about June 23, 2020, FORD sent PIERRE a spreadsheet listing various PPP borrowers and their application statuses, including Dessaps and Mathurin.

Borrower 3 Loan

j. On or about June 9, 2020, FORD electronically submitted a PPP application to Kabbage on behalf of a Florida resident and purported owner of a private transportation business ("Borrower 3"). FORD sought $600,000 in PPP funds for Borrower 3's business. In the application, FORD falsely claimed that Borrower 3's business had 25 employees and an average monthly payroll of $240,000.

Object and Purposes of the Unlawful Monetary Transactions Conspiracy

16. The object of the conspiracy was to engage in unlawful monetary transactions with the proceeds of the wire fraud conspiracy. The purposes of the conspiracy were to make money and to conceal the proceeds of the wire fraud conspiracy from PPP lenders, the SBA, and law enforcement authorities.

Manner and Means of the Unlawful Monetary Transactions Conspiracy

17. Among the manner and means by which FORD, PIERRE, ALEXANDRE, and others carried out the unlawful monetary transactions conspiracy were the following:

a. Collecting as kickbacks between 10 and 20 percent of the amount of the PPP loans the defendants secured for the borrowers;

b. Using shell companies or dormant entities, including Text Savvy, OVS, and PBCH, to receive borrowers' kickback payments; and

c. Communicating regarding the status of fraudulent kickbacks owed.

In this fashion, FORD, PIERRE, and ALEXANDER received more than $1 million in borrowers' kickback payments as detailed below.

Defendant	Kickbacks Received
FORD	$528,122
PIERRE	$406,772
ALEXANDER	$143,760
Total	$1,078,654

Acts in Furtherance of the Unlawful Monetary Transactions Conspiracy

18. On various dates between in or about May 2020 and in or about August 2020, FORD, PIERRE, ALEXANDRE, and others committed and caused to be committed the acts below, among others, in furtherance of the unlawful monetary transactions conspiracy.

Dessaps Kickbacks

a. On or about June 9 and June 12, 2020, respectively, after Kabbage had disbursed $836,800 in fraudulent loan proceeds to Dessaps, Dessaps sent ALEXANDRE (through PBCH) two checks totaling $28,000 as kickbacks for obtaining the fraudulent loan.

b. On or about June 15 and June 18, 2020, ALEXANDRE issued checks totaling $21,000 to FORD's company, Text Savvy, as kickbacks for obtaining the fraudulent loan for Dessaps.

Mathurin Kickbacks

c. On or about June 17, 2020, after Kabbage disbursed $313,852 in fraudulent loan proceeds to Mathurin's business, Mathurin sent ALEXANDRE (through PBCH) four checks totaling $62,760 as kickbacks for obtaining the fraudulent loan.

d. Upon receiving these payments from Mathurin, ALEXANDRE purchased a cashier's check for $30,000 payable to Text Savvy.

Borrower 3 Kickbacks

e. On or about June 17, 2020, after Kabbage disbursed $600,000 in fraudulent loan proceeds to Borrower 3's business, Borrower 3 sent both PIERRE and FORD (through Text Savvy) cashier's checks for $60,000 as kickbacks for obtaining the fraudulent loan.

COUNT ONE
Conspiracy to Commit Wire Fraud
(18 U.S.C. § 1349)

The United States Attorney charges:

19. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 18(e) of this Information.

20. From at least as early as May 2020 through in or about August 2020, in the District of Massachusetts, the Southern District of Florida, and elsewhere, the defendants,

WALLACE FORD,
ADIANA PIERRE, and
GARDY ALEXANDRE,

conspired with each other and others known and unknown to the United States Attorney to commit wire fraud, that is, having devised and intending to devise a scheme and artifice to defraud and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, to transmit and cause to be transmitted, by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures and sounds, to wit, fraudulent applications for PPP loans, for the purpose of executing the scheme to defraud, in violation of Title 18, United States Code, Section 1343.

All in violation of Title 18, United State Code, Section 1349.

COUNT TWO
Conspiracy to Engage in Unlawful Monetary Transactions
(18 U.S.C. § 1956(h))

The United States Attorney further charges:

21. The United States Attorney re-alleges and incorporates by reference paragraphs 1 through 18(e) of this Information.

22. From at least as early as May 2020 through in or about August 2020, in the District of Massachusetts, the Southern District of Florida, and elsewhere, the defendants,

WALLACE FORD,
ADIANA PIERRE, and
GARDY ALEXANDRE,

conspired with each other and others known and unknown to the United States Attorney to knowingly engage in monetary transactions in criminally derived property of a value greater than $10,000, where such property was derived from specified unlawful activity, that is, conspiracy to commit wire fraud, in violation of Title 18, United States Code, Section 1343, as charged in Count One of this Information, in violation of Title 18, United States Code, Section 1957.

All in violation of Title 18, United States Code, Section 1956(h).

WIRE FRAUD FORFEITURE ALLEGATION
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

The United States Attorney further alleges:

23. Upon conviction of the offense in violation Title 18, United States Code, Section 1349, set forth in Count One, each of the defendants,

WALLACE FORD,
ADIANA PIERRE, and
GARDY ALEXANDRE,

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 the offense. The property to be forfeited includes, but is not limited to, the following assets:

a. A Porsche Macan with VIN WP1AA2A52JLB08044, registered to ADIANA PIERRE and seized on January 25, 2023 from Lookout Mountain, TN;

b. $696,243 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against WALLACE FORD;

c. $427,605 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against ADIANA PIERRE; and

d. $443,760 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against GARDY ALEXANDRE.

24. If any of the property described in Paragraph 23, above, as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), as a result of any act or omission of a 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;

it is the intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of that defendant up to the value of the property described in Paragraph 23 above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

MONEY LAUNDERING FORFEITURE ALLEGATION
(18 U.S.C. § 982(a)(1))

The United States Attorney further alleges:

25. Upon conviction of the offense in violation of Title 18, United States Code, Section 1956(h), set forth in Count Two, each of the defendants,

WALLACE FORD,
ADIANA PIERRE, and
GARDY ALEXANDRE,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, and any property traceable to such property. The property to be forfeited includes, but is not limited to, the following assets:

a. A Porsche Macan with VIN WP1AA2A52JLB08044, registered to ADIANA PIERRE and seized on January 25, 2023 from Lookout Mountain, TN;

b. $696,243 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against WALLACE FORD;

c. $427,605 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against ADIANA PIERRE; and

d. $443,760 in United States currency, to be entered in the form of an Order of Forfeiture (Money Judgment) against GARDY ALEXANDRE.

26. If any of the property described in Paragraph 25, above, as being forfeitable pursuant to Title 18, United States Code, Section 982(a)(1), as a result of any act or omission 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;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of that defendant up to the value of the property described in Paragraph 25 above.

All pursuant to Title 18, United States Code, Section 982(a)(1).

JOSHUA S. LEVY
Acting United States Attorney

By: *<u>/s/ David M. Holcomb</u>*
DAVID M. HOLCOMB
Assistant U.S. Attorney

Date: January 16, 2024