UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
DUBLIN DIVISION

UNITED STATES OF AMERICA	)	SUPERSEDING INDICTMENT NO.
	)	3:22-CR-09
v.	)	
	)	18 U.S.C. § 1623
GLADYS HARUN	)	False Declaration
a/k/a "GLADYS CHEGE"	)	
	)	18 U.S.C. § 1343
	)	Wire Fraud
	)	
	)	18 U.S.C. § 1957
	)	Money Laundering Transaction
	)	Over $10,000

THE GRAND JURY CHARGES THAT:

At all times relevant to this Superseding Indictment:

INTRODUCTION

Defendant and Her Business

1. **GLADYS HARUN** was a resident of Georgia. She owned and operated a franchise of Jackson Hewitt Inc., a tax-preparation business headquartered in New Jersey. **HARUN's** tax-preparation business had locations in the Southern District of Georgia and elsewhere and did business as "Jackson Hewitt."

The COVID-19 Pandemic and the CARES Act

2. 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.

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

4. 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.

5. 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.

The Paycheck Protection Program

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

Economic Injury Disaster Loans

11. Another source of relief provided by the CARES Act was the authorization for the SBA to provide EIDLs to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

12. In order to obtain an EIDL, a qualifying business had to submit an online application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the twelve-month period preceding the disaster, and the cost of goods the business sold in the twelve-month period preceding the disaster. In the case of EIDLs, the twelve-month period was that preceding January 31, 2020. The applicant also had to certify that all the information in its application was true and correct to the best of the applicant's knowledge.

13. In addition, the CARES Act authorized the SBA to issue advances of up to $10,000 to small businesses within three days of applying for an EIDL ("EIDL Advance"). The amount of the EIDL Advance was determined the number of employees the applicant certified having.

14. EIDL applications were submitted directly to the SBA online at https://covid19relief.sba.gov/#/ and processed by the agency with support from a government contractor, Rapid Finance. The amount of each loan was determined based, in part, on the information provided by the application about employment, revenue, and cost of goods. Any funds issued under an EIDL were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

COUNT ONE
False Declaration
18 U.S.C. § 1623

15. On or about December 2, 2019, within the Southern District of Georgia, defendant,

GLADYS HARUN
a/k/a "GLADYS CHEGE,"

in a declaration under penalty of perjury in case number 3:18-CV-051 before the United States District Court for the Southern District of Georgia, knowingly did make a false material declaration in an Application to Proceed in District Court Without Prepaying Fees or Costs, to wit:

a. Defendant falsely claimed she had not worked in the past four years;

b. Defendant falsely claimed that neither she nor her spouse had any employment history for the previous two years; and

c. Defendant falsely claimed that her only income source during the previous 12 months was from disability,

when, in truth and in fact, as the Defendant knew, she had worked in 2019 and in years prior, and she and her spouse had derived income in 2019 for which she did not report.

All in violation of Title 18, United States Code, Section 1623.

COUNT TWO
Wire Fraud
18 U.S.C. § 1343

16. The Grand Jury realleges and incorporates by reference paragraphs 1-14 above in their entirety as if fully set forth herein.

The Scheme

17. 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.

18. 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

19. 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.

20. 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.

21. 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.

COUNTS THREE THROUGH SIX
Money Laundering Transaction Over $10,000
18 U.S.C. § 1957

22. The Grand Jury realleges and incorporates by reference paragraphs 1–14 and 16–21 above in their entirety as if fully set forth herein.

23. On or about the dates set forth below, in the Southern District of Georgia, and elsewhere, the defendant,

GLADYS HARUN
a/k/a "GLADYS CHEGE,"

did knowingly engage and attempt to engage in the following monetary transactions by, through, or to a financial institution, affecting interstate or foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, that is, Wire Fraud, in violation of Title 18 U.S.C. § 1343, knowing that the property was criminally derived:

COUNT	DATE	DESCRIPTION OF MONETARY TRANSACTION
3	Feb. 17, 2022	The purchase of a Wells Fargo cashier's check of $150,000 from Defendant's Wells Fargo account ending in 5484 payable to Gladys Harun
4	Feb. 17, 2022	The purchase of a Wells Fargo cashier's check of $150,000 from Defendant's Wells Fargo account ending in 5484 payable to Blue Sky
5	March 4, 2022	The deposit of a cashier's check of $150,000 payable to Gladys Harun into Defendant's Truist account ending in 6416
6	March 4, 2022	The deposit of a cashier's check of $150,000 payable to Blue Sky into a Truist account Defendant controlled ending in 7890

All in violation of Title 18, United States Code, Section 1957.

COUNT SEVEN
Wire Fraud
18 U.S.C. § 1343

24. The Grand Jury realleges and incorporates by reference paragraphs 1–14 above in their entirety as if fully set forth herein.

The Scheme

25. In or about July 2021, through in or about August 2021, defendant **GLADYS HARUN** devised and intended to devise a scheme to defraud the SBA, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises. Defendant **GLADYS HARUN**'s scheme was to use the personal identifying information of an individual with the initials K.E.W. to cause the SBA to pay out EIDL funds based on false and misleading pretenses, including false statements in an EIDL application Defendant caused to be transmitted electronically.

Manner and Means

26. It was part of the scheme that defendant **GLADYS HARUN** submitted, or caused the submission of, false EIDL applications to the SBA. The EIDL applications falsely claimed that an individual with the initials K.E.W. had a business opened on December 1, 2019, and that such business generated $2,114 in gross revenues in 2019, and had $165 in cost of goods sold in 2019.

27. On or about July 27, 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 wire EIDL Application 3322814905 into the Southern District of Georgia and to the SBA's servers outside the State of Georgia.

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

FORFEITURE ALLEGATIONS

The allegations contained in Counts Two through Seven of this Superseding 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)(1), 982(a)(3), and Title 28, United States Code, Section 2461(c).

Upon conviction of one or more of the offenses in violation of Title 18, United States Code, Section 1343 set forth in Counts Two and Seven of this Superseding Indictment, the defendant, **GLADYS HARUN**, shall forfeit to the United States of America, 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 offenses.

Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of an offense in violation of Title 18, United States Code, Section 1957, set forth in Counts Three through Six, the defendant, **GLADYS HARUN**, shall forfeit to the United States of America any property, real or personal, involved in such offense, and any property traceable to such property.

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.

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