UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
FORT MYERS DIVISION

UNITED STATES OF AMERICA

v. CASE NO. 2:23-cr- 13-TPB-NPM

AL CLINT LAROCHE 18 U.S.C. § 1344

INFORMATION

The United States Attorney charges:

COUNTS ONE AND TWO
(Bank Fraud)

A. Introduction

At all times material to this Information:

1. AL CLINT LAROCHE ("LAROCHE") was a resident of the Southern District of Florida ("SDFL"). LAROCHE owned and operated Bornwild, LLC, which was a Florida Limited Liability Company.

2. 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.

13

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP").

4. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was 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. In the PPP loan application (SBA Form 2483), the small business (through its authorized representative) was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing

their payroll expenses. Individuals who operated under a sole proprietorship or as an independent contractor or eligible self-employment individual were also eligible to apply for a PPP loan.

5. PPP loan applications were processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which were 100% guaranteed by the SBA. Data from the application, including information from 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.

6. PPP loan proceeds were required to be used for certain permissible expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan was eligible for forgiveness if the business spent the loan proceeds on these expense items within a designated period of time and used a certain portion of the loan towards payroll expenses.

7. The Economic Aid to Hard-Hit Small Business, Nonprofits and Venues Act ("Economic Aid Act") was a federal law enacted in or around December 2020. The Economic Aid Act authorized the SBA to guarantee Second Draw PPP loans under generally the same terms and conditions available under the original PPP ("First Draw PPP Loans"). Only First Draw

PPP Loan borrowers who had used, or will have used, the full amount of the First Draw PPP Loan on or before the expected date on which the Second Draw PPP Loan was disbursed could receive a Second Draw PPP loan. Further, a borrower would be eligible for a Second Draw PPP loan only if it had 300 or fewer employees and experienced a revenue reduction of 25% or greater in 2020 relative to 2019. Second Draw PPP loan applicants were also required to make the same or similar certifications and representations concerning the use of PPP funds.

PPP Lender and Service Provider

8. The Lender was a federally-insured financial institution based in Luray, Virginia. The Lender participated in the SBA's PPP as a lender and was authorized to lend funds to eligible borrowers under the terms of the PPP.

9. The Service Provider was a financial services and technology company based in Naples, Florida. The Service Provider participated in the SBA's PPP by, among other things, acting as a service provider between small businesses and the Lender. Small businesses seeking PPP loans could apply through the Service Provider for PPP loans. The Service Provider would receive and review the loan application. If a loan application received by the Service Provider was approved for funding, the Lender disbursed the loan funds to the applicant.

B. <u>The Scheme and Artifice</u>

10. Beginning on an unknown date, but no later than in or around April 2020, and continuing through the present, in the Middle District of Florida and elsewhere, the defendant,

AL CLINT LAROCHE,

did knowingly and intentionally execute, and attempt to execute, a scheme and artifice to defraud a financial institution, and to obtain monies, funds, credits, assets, and other property owned by, and under the custody and control of, a financial institution, by means of materially false and fraudulent pretenses, representations and promises.

C. <u>Manner and Means of the Scheme</u>

11. The manner and means by which the defendant sought to accomplish the scheme and artifice to defraud included, among others, the following:

a. It was part of the scheme and artifice to defraud that the defendant would and did engage in a scheme to obtain money from the Lender and SBA by submitting false and fraudulent PPP applications to the Lender, through the Service Provider, in the name of a businesses owned and controlled by the defendant.

b. It was further part of the scheme and artifice to defraud that the defendant would and did make and cause to be made materially false and fraudulent statements to the Lender in PPP loan applications, including false and fraudulent representations regarding the applicant's average monthly payroll and the number of persons employed by the loan applicant.

c. It was further part of the scheme and artifice to defraud that the defendant would and did submit and cause the submission of materially false and fictitious documents to the Lender, through the Service Provider, in support of his fraudulent PPP loan applications, including false and fictitious quarterly federal tax returns, payroll documents, and other corporate financial documents.

d. It was further part of the scheme and artifice to defraud that the defendant would and did falsely and fraudulently certify that the PPP funds acquired from the requested PPP loans would be used to retain workers, maintain payroll, or make mortgage interest payments, lease payments, and utility payments on behalf of the applicant.

e. It was further part of the scheme and artifice to defraud that the defendant's materially false, fraudulent, and misleading representations would and did cause the Lender to approve First and Second Draw PPP loan applications, resulting in the Lender depositing approximately $1,078,652.50 in PPP funds into accounts controlled by the defendant.

f. It was further part of the scheme and artifice to defraud that the defendant would and did open and cause the opening of bank accounts for the purpose of receiving PPP proceeds.

g. It was further part of the scheme and artifice to defraud that the defendant would and did use and cause PPP funds to be used for unauthorized purposes and for his own personal enrichment.

h. It was further part of the scheme and artifice to defraud that the defendant would and did misrepresent, hide, and conceal, and cause to be misrepresented, hidden and concealed, the purpose of the acts performed in furtherance of the scheme to defraud.

D. Execution of the Scheme

12. On or about the dates set forth below, in the Middle District of Florida and elsewhere, the defendant,

AL CLINT LAROCHE,

knowingly and with intent to defraud executed and attempted to execute the scheme and artifice to defraud a financial institution whose deposits were insured by the FDIC, as described above, and knowingly and with intent to defraud executed and attempted to execute the scheme and artifice to obtain moneys, funds, credits, assets, securities and other property owned by and under the custody and control of a financial institution whose deposits were insured by the FDIC, by means of materially false and fraudulent pretenses, representations, and promises, as described above, in that AL CLINT LAROCHE caused, and attempted to cause, the following PPP loans to be made:

COUNT	DATE	EXECUTION
ONE	April 18, 2020	First Draw PPP application in the name of Bornwild, LLC, to the Service Provider for a loan from the Lender in the amount of $449,500.
TWO	April 15, 2021	Second Draw PPP application in the name of Bornwild, LLC, to the Service Provider for a loan from the Lender in the amount of $629,352.

In violation of 18 U.S.C. §§ 1344 and 2.

FORFEITURE

1. The allegations contained in Counts One and Two are incorporated by reference for the purpose of alleging forfeiture pursuant to 18 U.S.C. § 982(a)(2)(A).

2. Upon conviction of a violation of 18 U.S.C. § 1344, the defendant,

AL CLINT LAROCHE,

shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2)(A), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation.

3. The property to be forfeited includes, but is not limited to, an order of forfeiture in the amount of approximately $1,078,652.50, which represents the proceeds obtained from the offenses charged in Counts One and Two.

4. If any of the property described above, 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;

the United States shall be entitled to forfeiture of substitute property under the provisions of 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. §§ 982(b)(1) and 1029(c)(2).

ROGER B. HANDBERG
United States Attorney

By: ______________________
Trenton J. Reichling
Assistant United States Attorney

By: ______________________
Jesus M. Casas
Assistant United States Attorney
Chief, Fort Myers Division