UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 21 CR 60293 WPD

UNITED STATES OF AMERICA

vs.

EDWARD MOISE,

Defendant.

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FACTUAL PROFFER

The United States of America and Edward Moise (the "Defendant") agree that, were this case to proceed to trial, the United States would prove beyond a reasonable doubt the following facts, among others, which occurred, in the Southern District of Florida:

From in or around June 2020, through in or around November 2020, the Defendant participated in a scheme to submit and cause the submission of false and fraudulent applications for loans and grants made available through the Small Business Administration to provide relief for the economic effects caused by the COVID-19 pandemic, including Paycheck Protection Program ("PPP") loans and Economic Injury Disaster Loans ("EIDL"); paid and facilitated the payments of kickbacks in furtherance of the scheme; and received the proceeds from fraudulent PPP loans and EIDLs submitted on behalf of companies under his control.

In or around June 2020, the Defendant agreed with co-conspirator M.M. to provide M.M. with information about companies under the Defendant's control and under the control of individuals recruited by the Defendant to apply for fraudulent PPP loans and EIDLs. In exchange, the loan recipients would pay approximately 20% of the loan proceeds as kickbacks to M.M. and other co-conspirators, including W.D. On or about June 3, 2020, at approximately 4:57 p.m., M.M.

sent a text massage to the Defendant that said: "Ok perfect & I got something for you regarding PPP.. call me." Approximately three hours later, M.M. sent a WhatsApp message to the Defendant that said:

> Here's what I need from you.
> DRIVER LICENSE FRONT AND BACK
> FEBRUARY BANK STATEMENT
> BUSINESS EIN#
> BUSINESS NAME
> INCORPORATED DATE
> SS#
> CONTACT#
> AND AN EMAIL
> and how much do you want me to try and get for you.

On or about June 9, 2020, the Defendant sent a WhatsApp message to M.M. with the requested information about MLG, a company under the Defendant's control, to be submitted for a PPP loan in the amount of $750,000 for six (6) employees. On or about June 18, 2020, through a loan processor based in Redwood City, California that utilized servers in Northern Virginia to process PPP loan applications ("Loan Processor #1"), a PPP loan application was submitted electronically on behalf of MLG using an IP Address ending in .64 that was associated with CMS, a company under the control of co-conspirator W.D.

The MLG PPP loan application submitted electronically through Loan Processor #1 requested a PPP loan in the approximate amount of $175,022 purportedly to pay a monthly payroll of approximately $70,009 for 31 employees. Four quarterly IRS Forms 941 for 2019 with identical figures were attached to the application, which purported to report that MLG had 31 salaried employees and total quarterly wages of $365,100. The Florida Department of Revenue records for MLG in 2019 and 2020, however, showed that MLG reported no employees and had paid $0 in wages in 2019 and 2020.

Although the Defendant did not review the MLG PPP loan application or supporting tax documents, the Defendant knew the MLG PPP loan application contained false information about the payroll obligations of his company MLG in order to obtain PPP loan funds in excess of what MLG would otherwise be entitled.

On or about June 19, 2020, Bank #1, a financial institution insured by the Federal Deposit Insurance Corporation ("FDIC"), deposited approximately $175,022 in PPP funds into MLG's business account ending in -1515, for which the Defendant was an authorized signatory. MLG's business bank account balance before receiving the PPP loan was approximately $188.89.

On the same day, the Defendant caused two transfers of $50,000 each from the MLG business account ending in -1515 to a checking account ending in -6352, for which the Defendant was the signatory. Prior to receiving the transfers of approximately $100,000 of the fraudulent PPP loan proceeds, the Defendant's checking account ending in -6352 had a balance of approximately $1,689.

The Defendant then wired $50,000 from his checking account ending in -6352 to another account ending in -7090, for which the Defendant was a signatory. Prior to receiving the wire of approximately $50,000 of the fraudulent PPP loan proceeds, the Defendant's checking account ending in -7090 had a balance of approximately negative $205.

The note for the $50,000 wire from the Defendant's account ending in -6352 to the Defendant's account ending in -7090 read: "Payroll." The $50,000, however, was not used for payroll. Instead, the $50,000 was spent on payments of approximately $2,000 to Macy's on or about June 22, 2020; approximately $2,428 to Louis Vuitton on or about June 25, 2020; $2,493.35 to Airbnb on or about July 2, 2020; and $37,713.42 to the servicer for the mortgage on the Defendant's residence on or about July 1, 2020, among other personal expenditures.

The Defendant also recruited other individuals to cause fraudulent PPP loan and EIDL applications to be submitted on behalf of companies under their control, including AC, BFO, BH4U, BSC, CSS, and RNCD. Each applicant whose loan was funded was required to pay a kickback of approximately 20% of the amount of the loan proceeds to M.M. and W.D. The Defendant facilitated the payments of the kickbacks on behalf of those he recruited as a credit to the kickback he owed for the fraudulent PPP loan he received on behalf of MLG.

For instance, in or around June 2020, the Defendant recruited R.G., who controlled a company called BSC, into the scheme. On or about June 14, 2020, the Defendant sent a WhatsApp message to M.M. with the requested information for BSC seeking a PPP loan for $400,000 for 12 employees.

On or about June 18, 2020, a PPP loan application was submitted electronically through Loan Processor #1 on behalf of BSC from the IP address associated with W.D.'s company, CMS. The BSC PPP loan application submitted electronically through Loan Processor #1 requested a PPP loan in the amount of $249,990 purportedly to pay a monthly payroll of approximately $99,996 for 12 employees. An IRS Form 941-SS (titled, "Employer's Quarterly Federal Tax Return") for the first quarter (January, February, and March) of 2020 was attached to the application, which purported to report that BSC had 12 employees and quarterly wages of $375,400. Florida Department of Revenue records for BSC show payroll expenses did not exceed $12,770 for no more than two salaried employees during the first quarter (January, February, and March) of 2020.

A subsequent search of CMS's office revealed photographs of the front and back of R.G.'s Florida driver's license and an electronic version of the same IRS Form 941-SS for BSC on the CMS server. In addition, law enforcement found paper records related to BSC's fraudulent PPP loan, including corporate records for BSC, and an approval letter regarding BSC's PPP loan application. The corporate records contained handwritten notes with R.G.'s social security number, telephone number, birthdate, and address.

On or about June 18, 2020, based on the representations made in the loan application paperwork and supporting documents, BSC's PPP loan application was approved by Bank Processor #1. On or about June 19, 2020, Bank #2, a financial institution insured by the FDIC, wired approximately $249,990 in PPP loan proceeds into a BSC bank account ending in -1104 for which R.G. was an authorized signatory. Prior to the receiving the approximately $249,990 in fraudulent PPP loan proceeds, BSC's bank account had a balance of approximately $732.

After R.G., through BSC, received the fraudulent PPP loan proceeds, the Defendant facilitated R.G.'s payment of a kickback to M.M. and W.D. in the approximate amount of $63,497.50, which was approximately 25% of the $249,990 loan amount. On or about June 19, 2020, a check in the approximate amount of $63,497.50, made payable to the Defendant, was drawn from BSC's bank account ending in -1104 and subsequently deposited into MLG's bank account ending in -1515. On the same day, the Defendant obtained two cashier's checks from MLG's bank account ending in -1515: one payable to W.D.'s company, CMS, for approximately $42,501.50 and another payable to M.M.'s spouse for approximately $16,000. A copy of the $42,501.50 cashier's check from MLG to CMS was seized during the search of CMS's office.

Thereafter, the Defendant agreed with R.G. that R.G. would recruit additional loan applicants who would pay kickbacks equal to 25% of loan proceeds, with the Defendant and R.G. to split 5% and the remaining 20% to be paid as kickbacks to M.M. and W.D. Approximately 15 individuals recruited by R.G. provided information for loan applications either directly or through

R.G. to the Defendant. The Defendant forwarded the applicant information to M.M., but none of the loan applications for R.G.'s recruits were approved.

The Defendant, on behalf of companies under his control and others recruited by him, including MLG, AC, BFO, BH4U, BSC, CSS, and RNCD, caused the submission of fraudulent PPP loan applications in the approximate amount of $2,841,080. For those PPP loans that were funded, the Defendant, through the MLG business bank account, paid or facilitated the payment of approximately $90,000 in kickbacks to M.M. and W.D. through checks made out to associates of or companies controlled by M.M. and W.D. The Defendant also provided approximately $50,000 in cash to M.M. as kickback payments.

These are not the only facts known to the United States of America in this matter, nor are they all of the facts that the United States of America would present, had this case gone to trial.

ARIANA FAJARDO ORSHAN
UNITED STATES ATTORNEY

DATE: 3/22/2021 BY: ____________________
STEPHANIE HAUSER
ASSISTANT U.S. ATTORNEY

DATE: 3/22/21 BY: ____________________ 12/3/21
MICHAEL GOTTLIEB
ATTORNEY FOR DEFENDANT

DATE: 3/22/21 BY: ____________________ 12/3/21
EDWARD MOISE
DEFENDANT