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Clerk, U. S. District Court
Eastern District of Tennessee
At Chattanooga

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
at CHATTANOOGA

UNITED STATES OF AMERICA	)	
	)	No. 1:22-cr- 54
v.	)	Judge Charles E Atchley
	)	Magistrate Judge Christopher H. Steger
GEORGE THACKER	)	

FELONY INFORMATION

The United States Attorney for the Eastern District of Tennessee charges that, at all times material to this Information, in the Eastern District of Tennessee and elsewhere:

COUNT ONE

Wire Fraud
(18 U.S.C. § 1343)

The Scheme to Defraud

1. Beginning in or about May 2020, continuing through in or about at least April 2021, in the Eastern District of Tennessee and elsewhere, the defendant, GEORGE THACKER, with the intent to defraud, devised and intended to devise a scheme to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

2. It was the purpose and object of the scheme for THACKER to unjustly enrich himself by obtaining fraudulent proceeds via the Economic Injury Disaster Loan program and Paycheck Protection Program under false and misleading pretenses, including by materially misrepresenting the intended use of the loan proceeds.

Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects by the COVID-19 pandemic. 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. The purpose of loans issued under the PPP was to enable small businesses suffering from the economic downturn to continue to pay salaries or wages to their employees.

4. The PPP was administered by the Small Business Administration ("SBA"), which promulgated regulations concerning eligibility for a PPP loan. Eligible businesses seeking a loan under the PPP could apply for such a loan through a federally insured depository institution.

5. To obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires 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) must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must include documentation showing their payroll expenses and other information as part of the application.

6. A PPP loan application must be processed by a participating lender. If a PPP loan application 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 information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

7. 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 on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

8. The proceeds of a PPP loan are not permitted to be used to purchase consumer goods, personal investments, or to fund the borrower's ordinary day-to-day living expenses unrelated to the specified authorized expenses.

Economic Injury Disaster Loans

9. The Economic Injury Disaster Loan ("EIDL") program was an SBA program that provided low-interest loans to small businesses, renters, and homeowners in regions affected by declared disasters.

10. The CARES Act also authorized the SBA to provide EIDLs of up to $2 million to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic. 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.

11. In order to obtain an EIDL and advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenue for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was the period preceding January 31, 2020. For a business to be eligible for an EIDL, the business must have been in operation before February 1, 2020. The applicant was also required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.

12. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor. Approval of a loan application and the amount of a loan was based, in part, on the information provided on the application about the number of employees, gross revenue, and cost of goods, as described above. Upon approval of an application for an EIDL or advance, SBA will disburse the funds. EIDL loan proceeds were permitted to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

Manner and Means of the Scheme

13. The defendant, GEORGE THACKER, owned and operated Thacker Corporation ("Thacker Corp."), which is a corporation incorporated and domiciled in the State of Tennessee. Thacker Corp. is headquartered in Rhea County, Tennessee, and THACKER is its registered agent. Thacker Corp. operates various service and hospitality business in and around Rhea County, which is located in the Eastern District of Tennessee.

14. As a component of the scheme to defraud, on or about May 4, 2020, THACKER submitted a PPP "Borrower Application Form" on behalf of Thacker Corp. to Regions Bank, which is a financial institution headquartered in Alabama. THACKER sought a loan of $257,800. On the application form, THACKER indicated that he was the owner and "sole proprietor" of Thacker Corp.

15. As part of his May 4, 2020 PPP application, THACKER represented that he would use the proceeds from the PPP loan for "payroll" and "utilities." He also initialed next to a paragraph that stated: "The funds [from the PPP loan] will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the [PPP] Rule; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud."

16. On May 5, 2020, $257,800 in PPP loan funds were disbursed to a Regions Bank checking account maintained under the name "Tennessee Thacker Enterprises" (the "Business Account").

17. On May 16, 2020, once again on behalf of Thacker Corp., THACKER applied for a separate $150,000 loan under the EIDL program. As part of that loan application, THACKER certified that he would "use all the proceeds of [the EIDL] Loan solely as working capital to alleviate economic injury caused by disaster occurring in the month of January 2020 and continuing thereafter . . . ."

18. On May 22, THACKER caused $150,000 in EIDL funds to be deposited into his Business Account.

19. Despite his representations to the contrary, THACKER did not use either the PPP or EIDL funds for business purposes. From May 2020 to July 2020, he transferred the funds out

of the Business Account and into his Regions Bank personal checking account maintained under the name "George F. Thacker" (the "Personal Account").

20. After transferring the PPP and EIDL funds to his Personal Account, THACKER used them for his own personal and private gain. For example, in June and July 2020, THACKER transferred over $100,000 in PPP and EIDL funds into an E*trade account he maintained for personal investments.

21. After misusing the proceeds from the initial EIDL and PPP loans, THACKER applied for a second PPP loan on or about February 5, 2021. Once again, he requested and received $257,800 in PPP loan funds. Once again, he falsely represented in his application form that the PPP loan proceeds would be used for Thacker Corp.'s rent, utilities, and payroll costs. And once again, THACKER used the loan funds for his own personal enrichment.

22. On February 8, 2021, $257,800 in PPP loan funds were disbursed to the Business Account. In February and March of 2021, THACKER transferred those funds to his Personal Account. Once the funds were in his personal account, THACKER used them for various private and impermissible purposes.

23. For example, THACKER maintained multiple cryptocurrency "wallets" (i.e., software that allows a user to access his or her digital assets) through Coinbase Inc., an online virtual currency exchange platform. THACKER maintained these wallets (the "Crypto Accounts") for his own personal financial gain.

24. In February 2021 and March 2021 alone, THACKER transferred over $230,000 in PPP and EIDL funds into his personal Crypto Accounts. He used these funds to purchase and trade in Bitcoin, Ether, and other cryptocurrencies.

25. On or about the date set forth below, in the Eastern District of Tennessee, and elsewhere, the defendant, GEORGE THACKER, for the purpose of executing the scheme described above, caused to be transmitted by means of wire communication in interstate commerce, the signals and sounds described below for the following count:

Count	Date	Wire Communication
Count One	On or about May 16, 2020	Wire communication originating from THACKER's electronic device in the Eastern District of Tennessee, to wit, the electronic submission of an EIDL application on behalf of Thacker Corp., to the SBA's computer servers located outside the state of Tennessee.

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

Forfeiture Allegations

The allegations contained in this Information are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), upon conviction of an offense in violation of Title 18, United States Code, Section 1343, the defendant shall forfeit to the United States of America, any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The properties to be forfeited include, but are not limited to, the following:

CRYPTOCURRENCY:

All contents, coins, funds, and wallets associated with the Coinbase account affiliated with User ID: 5a26b56dd82ae300ef44cd0d

MONEY JUDGMENT:

A personal money judgment for at least $665,600 in U.S. currency, which represents the minimum amount of proceeds the defendant personally obtained as a result of an offense in violation of 18 U.S.C. § 1343. If any of the property subject to forfeiture, 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, 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 that 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 18, United States Code, Section 982(b)(1) and by Title 28, United States Code, Section 2461.

Respectfully submitted this 14th day of April, 2022.

FRANCIS M. HAMILTON III
United States Attorney

By: ______________________

Kyle J. Wilson
Assistant United States Attorney