UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT GREENEVILLE

UNITED STATES OF AMERICA	)	
	)	No. 2:22-cr-53
v.	)	
	)	JUDGE Greer / Wyrick
CHAD BRANDON THOMAS	)	

INDICTMENT

The Grand Jury charges:

COUNTS ONE TO THREE
(Wire Fraud: 18 U.S.C. § 1343)

A. Background

1. At all times material to this indictment, the defendant, CHAD BRANDON THOMAS, was a resident of Blountville, Tennessee, in the Eastern District of Tennessee.

2. At all times material to this indictment, CHAD BRANDON THOMAS was the primary owner, or claimed to be the primary owner, of three small businesses, two of which were purportedly incorporated in Tennessee and all of which were headquartered in the Eastern District of Tennessee.

3. At all times material to this indictment, Chad Thomas Enterprises ("CTE") was incorporated in the State of Tennessee and listed its principal address in the Eastern District of Tennessee. At all times relevant to this indictment, CHAD BRANDON THOMAS was the owner and person with primary decision-making authority for CTE.

4. At all times material to this indictment, Kingdom of God, Inc. ("KOG") was incorporated in the State of Tennessee and listed its principal address in the Eastern District of Tennessee. At all times relevant to this indictment, CHAD BRANDON THOMAS was the owner and person with primary decision-making authority for KOG.

5. At all times material to this indictment, CHAD BRANDON THOMAS operated a purported sole proprietorship and did business under the name The Triangle Group ("TG") in the Eastern District of Tennessee.

Paycheck Protection Program

6. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") is 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 of 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.

7. 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.

8. 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 to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) was required to state, among other things, its average monthly payroll expenses and its 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 include documentation, such as tax forms or payroll listings, showing their payroll expenses and other information as part of the application.

9. A PPP loan application was required to be 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 PPP loan application, including 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.

10. PPP loan recipients were required to use PPP loan proceeds on certain permissible expenses: 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 expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

11. The proceeds of a PPP loan were not permitted to be used to purchase consumer goods, automobiles, personal residences, clothing, jewelry, to pay the borrower's personal federal income taxes, or to fund the borrower's ordinary day-to-day living expenses unrelated to the specified authorized expenses.

B. The Scheme

Beginning in or about May 2020 and continuing through in or about July 2020, the defendant, CHAD BRANDON THOMAS, knowingly and willfully devised and intended 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.

C. Purpose and Object of the Scheme

It was the purpose and object of the scheme for CHAD BRANDON THOMAS to unjustly enrich himself and others by obtaining PPP loan proceeds under false and misleading pretenses, including by making false statements about the number of employees and historical payroll expenses of CTE, TG, and KOG.

D. Manner and Means

1. It was part of the scheme that defendant, CHAD BRANDON THOMAS, submitted electronic PPP loan applications, or caused to be submitted electronic PPP loan applications, for small businesses that purportedly employed persons and purportedly made monthly payroll expenditures, all for the purpose of obtaining loans that were intended for distressed small businesses as a result of the COVID-19 pandemic.

2. It was further part of the scheme that CHAD BRANDON THOMAS created fraudulent Internal Revenue Service ("IRS") documents, including Forms 941, as well as monthly payroll listings, all containing false representations about the number of employees working for CTE, TG, and KOG, as the case may be.

3. It was further part of the scheme that CHAD BRANDON THOMAS concealed and attempted to conceal the scheme by transferring loan proceeds among various bank accounts that he controlled.

E. Execution of the Scheme

On or about each of the dates set forth in the table below, in the Eastern District of Tennessee and elsewhere, CHAD BRANDON THOMAS, for the purpose of executing the scheme described above, and attempting to do so, caused to be transmitted by means of wire communication in interstate commerce the writings, signs, signals, pictures and sounds described below for each count, each transmission constituting a separate count:

COUNT	DATE	DESCRIPTION OF WIRE COMMUNICATION
1	May 3, 2020	PPP loan application on behalf of CTE to the computer servers of CDC Small Business Finance located outside the state of Tennessee
2	May 18, 2020	PPP loan application on behalf of TG to the computer servers of CDC Small Business Finance located outside the state of Tennessee
3	July 6, 2020	PPP loan application on behalf of KOG to the computer servers of CDC Small Business Finance located outside the state of Tennessee

All in violation of 18 U.S.C. § 1343.

COUNTS FOUR TO EIGHT
(Money Laundering: 18 U.S.C. § 1956(a))

On or about the dates set forth in the table below, at the financial institution in the Eastern District of Tennessee set forth in the table below, the defendant, CHAD BRANDON THOMAS, did knowingly conduct and attempt to conduct a financial transaction as described in the table below affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, wire fraud in violation of 18 U.S.C. § 1343 as alleged in count three, above, with the intent to promote the carrying on of specified unlawful activity, to wit: wire fraud in violation of 18 U.S.C. § 1343, and knowing that the transaction was designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of said specified unlawful activity and that while conducting and attempting to conduct such financial transaction knew that the property involved in the financial transaction represented the proceeds of some form of unlawful activity:

COUNT	DATE	FINANCIAL INSTITUTION	FINANCIAL TRANSACTION
4	July 28, 2020	Regions Bank in Kingsport, Tennessee	Card purchase at Pal S 19 in the amount of $31.09
5	July 30, 2020	Regions Bank in Kingsport, Tennessee	Card purchase at Subway in the amount of $33.52
6	July 31, 2020	Regions Bank in Kingsport, Tennessee	Online bank payment to Bb&tolbbankcard in the amount of $1,081.71
7	July 31, 2020	Regions Bank in Kingsport, Tennessee	Harland Clarke check order in the amount of $60.00
8	August 5, 2020	Regions Bank in Kingsport, Tennessee	Wire transfer in the amount of $6,400 to CHAD BRANDON THOMAS

All in violation of 18 U.S.C. § 1956(a).

COUNTS NINE TO TEN
(Aggravated Identity Theft, 18 U.S.C. §§ 1028A(a)(1))

On or about the dates and at the locations in the Eastern District of Tennessee corresponding to the felony offense listed in the table below, the defendant, CHAD BRANDON THOMAS, during and in relation to the felony violation enumerated in the table below did knowingly transfer, possess, and use, without lawful authority, the means of identification of another person, that is, the actual person identified in the table below:

COUNT	DATE	FELONY OFFENSE	MEANS OF IDENTIFICATION AND PERSON
9	July 6, 2020	Wire fraud as alleged in count three, above	The name of the real person whose initials are C.S.
10	July 6, 2020	Wire fraud as alleged in count three, above	The name of the real person whose initials are A.S.

All in violation of 18 U.S.C. § 1028A(a)(1).

FORFEITURE ALLEGATIONS

The allegations contained in this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 982(a)(1) and 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 violations of Title 18, United States Code, Section 1343 as alleged in Counts One through Three of this Indictment, the defendant, CHAD BRANDON THOMAS, shall forfeit to the United States, any property constituting, or derived from, proceeds defendant obtained directly or indirectly, as the result of such violation.

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

a. $161,938.01 of United States currency seized from Regions Bank on or about March 2, 2022, which represents proceeds the defendant personally derived from violations of Title 18, United States Code, Section 1343.

b. A personal money judgment in the amount of $145,761.99 in favor of the United States and against the defendant, CHAD BRANDON THOMAS, which represents proceeds the defendant personally derived from the offense of Title 18, United States Code, Section 1343.

Pursuant to Title 18, United States Code, Section 982(a)(1), upon conviction of violations of Title 18, United States Code, Section 1956, as alleged in Counts Four through Eight of this Indictment, the defendant, CHAD BRANDON THOMAS, shall forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property. The property to be forfeited includes, but is not limited to, the following:

a. $161,938.01 of United States currency seized from Regions Bank on or about March 2, 2022, which represents proceeds the defendant personally derived from violations of Title 18, United States Code, Section 1343.

b. A personal money judgment in the amount of $145,761.99 in favor of the United States and against the defendant, CHAD BRANDON THOMAS, which represents proceeds the defendant personally derived from the offense of Title 18, United States Code, Section 1343.

If any of the property subject to forfeiture, as a result of any act or omission of 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).

A TRUE BILL:

[redacted]

GRAND JURY FOREPERSON

FRANCIS M. HAMILTON III
United States Attorney

By: ______________________________
Mac D. Heavener, III
Assistant United States Attorney