

DCP:JN/CWE
F. #2020R00955

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

CHARLENE WINT,

Defendant.

----- X

THE UNITED STATES CHARGES:

I N F O R M A T I O N

Cr. No. 21-477 (FB)
(T. 18, U.S.C., §§ 982(a)(2), 982(b)(1),
1349 and 3551 et seq.; T. 21, U.S.C.,
§ 853(p))

I N T R O D U C T I O N

At all times relevant to this Information, unless otherwise indicated:

I. The Defendant and Relevant Individuals and Entities

1. The defendant CHARLENE WINT was a resident of the Bronx, New York.
2. Bank 1, an entity the identity of which is known to the United States, was a federally insured financial institution with branches across the United States, including in the Eastern District of New York. The defendant CHARLENE WINT was a supervisor at Bank 1 and worked at a branch of Bank 1, located in New York, New York (the “Bank 1 Branch New York”).
3. Co-Conspirator 1 (“CC-1”), Co-Conspirator 2 (“CC-2”) and Co-Conspirator 3 (“CC-3”), individuals whose identities are known to the United States, were employees of Bank 1 and worked at the Bank 1 Branch New York (the “Bank 1 Co-Conspirators”). The defendant CHARLENE WINT reported to CC-1, and CC-2 and CC-3 reported to WINT.

4. Co-Conspirator 4 (“CC-4”) and Co-Conspirator-5 (“CC-5”), individuals whose identities are known to the United States, were tax preparers who worked with the defendant CHARLENE WINT, CC-1, CC-2 and CC-3.

II. Small Business Administration Loan Programs

A. The Paycheck Protection Program

5. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020, which was 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 about April 2020, Congress authorized over \$300 billion in additional PPP funding.

6. To obtain a PPP loan, a qualifying business was required 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 to make certain affirmative certifications in order 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: (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.

7. The PPP was overseen by the Small Business Administration (“SBA”), which was headquartered in Washington, D.C., and had authority over all PPP loans. Individual

PPP loans, however, were issued by approved private lenders such as participating financial institutions and credit unions (the “Lenders”). The Lenders received and processed PPP applications and supporting documentation and made loans using the Lenders’ own funds.

8. Upon approval of a PPP loan application, the Lenders funded the PPP loan, which was 100 percent 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 Lenders to the SBA in the course of processing the loan.

9. PPP loan proceeds were permitted to be used by a borrower on specified expenses, such as payroll costs, interest on mortgages, rent and utilities. The PPP allowed the interest and principal on a PPP loan to be entirely forgiven if the borrower spent the loan proceeds on the enumerated expenses within a designated period of time and used a certain amount of the PPP loan proceeds on payroll expenses.

B. The Economic Injury Disaster Loan Program

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

11. Another source of relief provided by the CARES Act was the authorization for the SBA to provide EIDLs of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. Under the program, the SBA was authorized to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL (“EIDL Advances”). The amount of an EIDL Advance was determined based on the number of employees working for the applicant. The advance did not have to be repaid.

12. To obtain an EIDL or EIDL 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 revenues 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. The applicant also was required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.

13. EIDL applications were submitted directly to the SBA and processed by the SBA with support from a government contractor, Rapid Finance. The amount of the loan, if the application was approved, was determined based, in part, on the information provided in the application about number of employees, revenue and cost of goods, as described above. 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. If the applicant also obtained a loan under the PPP, the EIDL funds could not be used for the same purpose as the PPP funds.

III. The Fraudulent Scheme

14. Following the enactment of the CARES Act, the defendant CHARLENE WINT, the Bank 1 Co-Conspirators, and CC-4 and CC-5, together with others, orchestrated a scheme to submit fraudulent PPP loan applications on behalf of Bank 1 customers who did not legitimately qualify for loans under the PPP program in exchange for "commissions" taken from the loan proceeds.

15. The defendant CHARLENE WINT and the Bank 1 Co-Conspirators, together with others, submitted and caused to be submitted to Bank 1 dozens of PPP loan

applications on behalf of borrowers recruited to fraudulently apply for PPP loans that contained materially false representations, as well as other borrowers who were unaware that PPP applications were submitted on their behalf. WINT and the Bank 1 Co-Conspirators also worked with at least two tax preparers, including CC-4 and CC-5, to obtain false tax documents, which were provided as support for the fraudulent PPP loan applications. Some of the PPP applicants resided in Brooklyn, New York and withdrew their fraudulent PPP loan proceeds at ATM locations in the Eastern District of New York. In addition, WINT and the Bank 1 Co-Conspirators submitted fraudulent EIDLs on behalf of customers.

16. The defendant CHARLENE WINT and the Bank 1 Co-Conspirators worked with a network of recruiters to identify borrowers to fraudulently apply for PPP loans. The borrowers identified by the recruiters were either existing Bank 1 customers or became Bank 1 customers after they were recruited. In exchange for their assistance, WINT and the Bank 1 Co-Conspirators gave the recruiters “commissions” from the PPP loan proceeds.

17. After borrowers were recruited to join the scheme, the defendant CHARLENE WINT and the Bank 1 Co-Conspirators helped the borrowers complete PPP applications that contained fraudulent information. WINT personally helped borrowers fill out fraudulent PPP loan application documents, including the SBA Form 2483 PPP Borrower Application (the “2483 Forms”). The 2483 Forms required borrowers to state, among other things, their businesses’ average monthly payroll and number of employees, and to certify that the PPP loan funds would be “used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.” WINT knowingly helped borrowers make false representations on the 2483 Forms.

18. Under PPP loan program rules, borrowers generally were eligible to receive loans of up to 2.5 times their businesses' average monthly payroll. The defendant CHARLENE WINT worked with CC-1 to maximize the loan amount for each borrower's business, including by providing false documents in support of the PPP application. WINT often included false tax documents prepared by CC-4 and CC-5 in borrowers' PPP applications to help borrowers obtain fraudulent PPP loans when WINT knew they did not qualify.

19. The defendant CHARLENE WINT and the Bank 1 Co-Conspirators profited from the scheme in two ways. First, once a borrower obtained a fraudulent PPP loan, CC-1 determined a "commission" amount each borrower owed the Bank 1 Co-Conspirators. Second, as part of the PPP application process, WINT and the Bank 1 Co-Conspirators often required borrowers to sign "starter" checks, legally negotiable instruments often issued by banks to customers who opened new checking accounts. Once the PPP loans were funded, the Bank 1 Co-Conspirators would use the signed starter checks to make withdrawals from borrowers' accounts. In some instances, the Bank 1 Co-Conspirators used the starter checks to purchase cashiers' checks, which the Bank 1 Co-Conspirators used to pay themselves the "commissions" described above.

20. The defendant CHARLENE WINT obtained thousands of dollars in "commissions" from the PPP loan proceeds.

21. The defendant CHARLENE WINT also submitted a number of fraudulent EIDL applications on behalf of borrowers and was, at times, paid "commissions" with respect to the EIDLs.

22. The defendant CHARLENE WINT, CC-1, CC-2, CC-3, CC-4 and CC-5 were ineligible to receive any PPP loan or EIDL proceeds per the terms of the programs.

CONSPIRACY TO COMMIT WIRE FRAUD AND BANK FRAUD

23. The allegations contained in paragraphs one through 22 are realleged and incorporated as if fully set forth in this paragraph.

24. In or about and between March 2020 and August 2020, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant CHARLENE WINT, together with others, did knowingly and intentionally conspire to execute a scheme and artifice, to wit:

(a) to defraud and to obtain money and property from Bank 1 and the SBA by means of one or more materially false and fraudulent pretenses, representations and promises, and to transmit and cause to be transmitted by means of wire communications in interstate commerce, writings, signs, signals, pictures and sounds, for the purpose of executing the scheme to defraud, contrary to Title 18, United States Code, Section 1343; and

(b) to defraud Bank 1, a financial institution, and to obtain money, funds, credits and other property owned by and under the custody and control of Bank 1, by means of one or more materially false and fraudulent pretenses, representations and promises, contrary to Title 18, United States Code, Section 1344.

(Title 18, United States Code, Sections 1349 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION

25. The United States hereby gives notice to the defendant that, upon her conviction of the offense charged herein, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2), which requires any person convicted of such offense to forfeit any property constituting, or derived from, proceeds obtained directly or indirectly as a result of such offense.

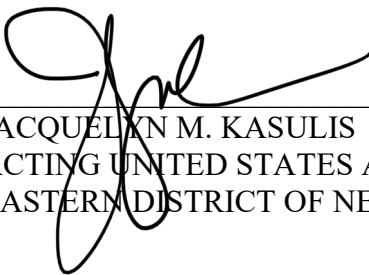
26. If any of the above-described forfeitable property, as a result of any act or omission of the defendant:

- (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

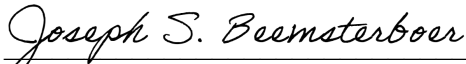
without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(2) and 982(b)(1); Title 21, United States Code, Section 853(p))



JACQUELYN M. KASULIS
ACTING UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK



JOSEPH S. BEEMSTERBOER
ACTING CHIEF
CRIMINAL DIVISION, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

F.#: 2020R00955
FORM DBD-34
JUN. 85

No.

UNITED STATES DISTRICT COURT

EASTERN *District of* NEW YORK

CRIMINAL DIVISION

THE UNITED STATES OF AMERICA

vs.

CHARLENE WINT,

Defendant.

INFORMATION

(T. 18, U.S.C., §§ 982(a)(2), 982(b)(1), 1349 and 3551 et seq.; T. 21,
U.S.C., § 853(p))

A true bill.

Foreperson

Filed in open court this ----- *day,*

of ----- *A.D. 20* -----

Clerk

Bail, \$ -----

Julia Nestor and Chand W. Edwards-Balfour, Assistant U.S. Attorneys
(718) 254-6297/6238
Michael McCarthy, Trial Attorney (202) 305-3995