UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA	:	
	:	No.3:22-CR-
v.	:	
	:	(Judge)
ROBERT BROWNSTEIN,	:	
Defendant	:	

INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

COUNT 1
18 U.S.C. § 1349
(Wire Fraud Conspiracy)

I. Introduction

At times material to the Information:

A. Relevant Individual & Entities

1. Defendant ROBERT BROWNSTEIN was a resident of Lackawanna County, within the Middle District of Pennsylvania.

2. Company #1 was a retail company with operations in the Middle District of Pennsylvania and elsewhere.

3. Lender #1 was a third-party participating lender in the Paycheck Protection Program (PPP).

4. Lender #2 was a third-party participating lender in the PPP.

B. The Paycheck Protection Program

5. The PPP was a COVID-19 pandemic relief program administered by the Small Business Administration (SBA) that provided forgivable loans to small businesses for job retention and certain other expenses. The PPP permitted participating third-party lenders to approve and disburse SBA-backed PPP loans to cover payroll, fixed debts, utilities, rent/mortgage, accounts payable and other bills incurred by qualifying businesses during, and resulting from, the COVID-19 pandemic. PPP loans were fully guaranteed by the SBA.

6. To obtain a PPP loan, a qualifying business had 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, including that the business was in operation and either had employees for whom it paid salaries and payroll taxes or paid independent contractors. A business applying for a PPP loan was

required to provide documentation showing its payroll expenses, such as filed federal income tax documents.

7. PPP loan applications were electronically submitted or caused to be submitted by the borrower and received through SBA servers located in Oregon. Once approved, the business received the PPP loan proceeds via an electronic funds transfer from the third-party lender to a financial account under the control of the business.

8. The proceeds of a PPP loan could be used for certain specified items, such as payroll costs, costs related to the continuation of group health care benefits, or mortgage interest payments. The proceeds of a PPP loan were not permitted to be used by the borrowers 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.

II. Statutory Allegations

9. From on or about March 1, 2021, through on or about February 8, 2022, in Luzerne County, within the Middle District of Pennsylvania, and elsewhere, the defendant,

ROBERT BROWNSTEIN,

knowingly, intentionally and unlawfully combined, conspired, confederated and agreed with other persons known and unknown to the United States Attorney, to knowingly devise, and intend to devise, a scheme and artifice to defraud Company #1, Lender #1, Lender #2, and the SBA, and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing the scheme and artifice to defraud, transmitted and caused to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

III. Manner and Means

The conspiracy was accomplished, in part, by the following manner and means:

10. From on or about March 1, 2021, through on or about February 8, 2022, ROBERT BROWNSTEIN and his coconspirators obtained stolen identities and personal information of third-party victims, using the internet and interstate wires.

11. From on or about March 1, 2021, through on or about February 8, 2022, ROBERT BROWNSTEIN and his coconspirators manufactured and caused to be manufactured, credit cards, debit cards, and identification documents in the names of third party identity theft victims.

12. From on or about March 1, 2021, through on or about February 8, 2022, ROBERT BROWNSTEIN and his coconspirators opened and caused to be opened accounts at financial institutions in the names of third-party identity theft victims, through use of the internet and interstate wires.

13. On or about April 9, 2021, ROBERT BROWNSTEIN and his coconspirators submitted and caused to be submitted to Lender #1 a PPP loan application on behalf of identity theft victim J.E., through use of the internet and interstate wires. The application requested

$20,833 and contained material misrepresentations, including that J.E. operated a sole proprietorship with $148,905 in gross income for tax year 2020, and that the PPP loan proceeds would be used for payroll, lease, mortgage interest, and utilities expenses. The application certified that the information provided was true, under penalty of law. Included with the PPP loan application were false documents, including an Internal Revenue Service (IRS) Schedule C that represented falsely that J.E.'s sole proprietorship had $148,905 in gross income and various operational expenses for tax year 2020, when in fact the Schedule C was never filed with the IRS.

14. On or about April 17, 2021, ROBERT BROWNSTEIN and his coconspirators submitted and caused to be submitted to Lender #1 a second PPP loan application on behalf of identity theft victim J.E., through use of the internet and interstate wires. The application requested $20,833 and contained material misrepresentations, including that J.E. operated a sole proprietorship with $148,905 in gross income for tax year 2020, and that the PPP loan proceeds would be used for payroll, lease, mortgage interest, and utilities expenses.

The application certified that the information provided was true, under penalty of law. Included with the PPP loan application were false documents, including an IRS Schedule C that represented falsely that J.E.'s sole proprietorship had $148,905 in gross income and various operational expenses for tax year 2020, when in fact the Schedule C was never filed with the IRS.

15. On or about April 22, 2021, ROBERT BROWNSTEIN and his coconspirators submitted and caused to be submitted to Lender #2 a PPP loan application on behalf of identity theft victim J.T., through use of the internet and interstate wires. The application requested $20,833 and contained material misrepresentations, including that J.T. operated a sole proprietorship with $148,905 in gross income for tax year 2020, and that the PPP loan proceeds would be used for payroll, lease, mortgage interest, and utilities expenses. The application certified that the information provided was true, under penalty of law. Included with the PPP loan application were false documents, including an IRS Schedule C that represented falsely that J.T.'s sole proprietorship had $148,905 in gross income and various operational

expenses for tax year 2020, when in fact the Schedule C was never filed with the IRS. Also included were photographs of ROBERT BROWNSTEIN, in the name of J.T., and a forged identification document bearing ROBERT BROWNSTEIN's photograph but the name of J.T.

16. Between on or about April 2021 and May 2021, ROBERT BROWNSTEIN and his coconspirators, by means of material misrepresentations to Lender #1 and Lender #2, obtained and caused to be obtained PPP loans that were deposited and transferred into bank accounts under the conspirators' control, through use of the internet and interstate wires.

17. In or about January 2022, ROBERT BROWNSTEIN and his coconspirators submitted and caused to be submitted to Company #1 credit applications in the names of third-party identity theft victims, through use of the internet and interstate wires.

18. In or about January 2022, ROBERT BROWNSTEIN and his coconspirators obtained merchandise from Company #1, using credit

cards, debit cards, and identification documents in the names of third-party identity theft victims.

All in violation of Title 18, United States Code, Section 1349.

THE UNITED STATES ATTORNEY FURTHER CHARGES:

COUNT 2
18 U.S.C. § 1028A
(Aggravated Identify Theft)

19. On or about April 22, 2021, in Luzerne County, within the Middle District of Pennsylvania, and elsewhere, the defendant,

ROBERT BROWNSTEIN,

aiding and abetting others, knowingly transferred, possessed, and used, without lawful authority, a means of identification of another person during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), namely wire fraud conspiracy, in violation of Title 18, United States Code, Section 1349, knowing that the means of identification belonged to another actual person.

In violation of Title 18, United States Code, Sections 2 and 1028A(a)(1).

GERARD M. KARAM
United States Attorney

Date: 9/23/22

By: _____
PHILLIP J. CARABALLO
Assistant United States Attorney