UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	Criminal No. 22cr10286
v.	)	Violation:
LOC VO,	)	Count One: Wire Fraud (18 U.S.C. § 1343)
Defendant	)	Forfeiture Allegation: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

INFORMATION

At all times relevant to this Information:

General Allegations

1. Defendant LOC VO ("VO") lived in Massachusetts.

2. VO owned Smart Gourmet LLC ("Smart Gourmet"), a food services business located in Brighton, Massachusetts.

3. VO controlled a business checking account in the name of Smart Gourmet at Bank of America (the "Smart Gourmet Account").

4. VO owned Indy Publish Inc. ("Indy Publish"), a defunct book publishing business.

5. VO controlled a business checking account in the name of Indy Publish at Bank of America (the "Indy Publish Account").

6. VO controlled investment accounts at E-Trade (the "E-Trade Account") and Robinhood (the "Robinhood Account").

The Paycheck Protection Program

7. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to Americans suffering economic harm as a result of the COVID-19 pandemic. The CARES Act authorized the issuance of United States taxpayer funds in forgivable loans to small businesses, for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). The PPP permitted borrowing businesses to use loan proceeds to pay only certain expenses: payroll costs, interest on mortgages, rent, and utilities.

8. In order 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 applicant business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. These certifications required the applicant to affirm that "The [PPP loan] funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments," and that the "loan proceeds will be used only for business-related purposes as specified in the loan application" and consistent with the PPP rules. The authorized representative of the applicant was also required to certify that "the information provided in this application and the information provided in all supporting documents and forms is true and accurate in material respects," and "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."

9. The PPP loan application required the applicant to state, among other things, the business' average monthly payroll expenses and number of employees, which the PPP used to

calculate the amount of money the small business was eligible to receive. The application also required the applicant to provide documentation showing the business' payroll expenses.

10. A participating lender approved by the Small Business Administration ("SBA") received and processed a small business' PPP loan application. If the lender approved the PPP loan application, it would fund the PPP loan using its own monies, which were guaranteed by the SBA.

The Economic Injury Disaster Loan Program

11. 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. The CARES Act authorized the SBA to provide both EIDLs and $10,000 advances that did not need to be repaid to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

12. In order to obtain an EIDL, a qualifying small business had to submit an application to the SBA that provided information about its operations, such as its number of employees, its gross revenues for the 12-month period preceding the disaster, and its 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 ran from January 31, 2019 to January 31, 2020. The applicant also had to certify that all of the information in the application was true and correct to the best of the applicant's knowledge.

13. Applicants submitted EIDL applications directly to the SBA. The SBA determined the amount of the loan, if approved, based in part on the information provided by the applicant about its employment, revenue, and costs of goods, as described above. The SBA issued EIDL funds directly to the borrower. The EIDL funds could be used for payroll expense, sick leave,

production costs, and business obligations, such as debts, rent, and mortgage payments. If the applicant also obtained a PPP loan, the EIDL proceeds could also be used for the same purpose as the PPP funds.

Restaurant Revitalization Fund Program

14. The American Rescue Plan Act established the Restaurant Revitalization Fund ("RRF") to provide funding to help restaurants and other eligible businesses, such as food stands, food trucks, food carts, and others, stay open during the COVID-19 pandemic. The SBA administered and funded the RRF. The RRF provided businesses with funding equal to their pandemic-related revenue loss, up to $10 million per business and more than $5 million per physical location. Recipients were not required to repay funding if the funds were used for eligible uses no later than March 11, 2023.

15. In order to apply for an RRF loan, eligible participants had to provide verification of tax information, such as an IRS Form 4506-T, as well as documentation of gross receipts, such as, among other things, business tax returns or bank statements.

16. Pursuant to the program rules, RRF loan recipients could only use the funds for the following business expenses: payroll costs, payments on any mortgage obligations, rent payments, debt service, utility payments, maintenance expense, construction of outdoor seating, supplies, food and beverage expenses, supplier costs, and operating expenses.

The Scheme and Artifice to Defraud

17. Beginning in or about April 2020 and continuing through in or about July 2021, in the District of Massachusetts and elsewhere, VO knowingly and with intent to defraud, devised, participated in, executed, and attempted to execute a scheme to defraud the SBA, Bank of America,

and others as to material matters, and to obtain money and property owned by and in the custody of and control of the SBA, Bank of America and others by means of material false and fraudulent pretenses, representations, and promises, and the concealment of material facts.

18. The scheme and artifice to defraud worked as follows:

a. VO submitted COVID-19-related loan applications to the SBA and Bank of America and certified that, among other things, he would use the funds for business purposes.

b. After receiving the funds, VO immediately transferred the money to either his E-Trade Account or his Robinhood Account and used the funds to invest in the stock market.

c. In this fashion, VO obtained more than $1.5 million in loan proceeds that he did not use for business purposes.

EIDL Application – Smart Gourmet

19. On or about April 2, 2020, VO applied to the SBA for an EIDL on behalf of Smart Gourmet.

20. VO represented that Smart Gourmet's gross revenues and costs of goods sold for the twelve months prior to January 31, 2020 totaled $1,568,188 and $479,775, respectively.

21. On or about June 29, 2020, VO signed an EIDL funding agreement with the SBA. Among other things, VO agreed to "use all proceeds of this Loan solely as working capital to alleviate economic injury caused by the disaster occurring in the month of January 31, 2020."

22. On or about July 1, 2020, in reliance on VO's material, false, and fraudulent statements, SBA wired $149,900 in EIDL funds to the Smart Gourmet Account, which before the wire had a balance of only $4,000.

23. On or about July 3, 2020, VO wired $100,000 from the Smart Gourmet Account to his E-Trade Account.

24. On or about July 6, 2020, VO wired $43,000 from the Smart Gourmet Account to his E-Trade Account.

25. On or about July 6, 2020, VO used more than $115,000 from the E-Trade Account to purchases shares in a biotechnology company.

PPP Applications—Smart Gourmet and Indy Publish

The First Smart Gourmet PPP Application

26. On or about April 4, 2020, VO submitted a PPP application on behalf of Smart Gourmet to Bank of America (the "Smart Gourmet PPP Application"). VO requested a $144,502 PPP loan, listing 22 employees and average monthly payroll of $57,801.

27. VO represented that the purpose of the loan was "payroll," "rent/mortgage interest," and "utilities." He certified that he would use the loan proceeds "only for business-related purposes".

28. On or about May 1, 2020, in reliance on VO's material, false and fraudulent statements, Bank of America approved and funded the Smart Gourmet PPP Application. Bank of America deposited $144,502 into the Smart Gourmet Account, which before the transaction had a balance of only $7,531.86.

29. On or about May 5, 2020, VO wired $100,000 from the Smart Gourmet Account to his E-Trade Account.

30. On or about May 5, 2020, VO used more than $150,000 from the E-Trade Account to purchase shares in an internet marketplace company.

31. On or about May 6, 2020, VO wired $28,000 from the Smart Gourmet Account to his E-Trade Account.

The Second Smart Gourmet PPP Application

32. On or about February 3, 2021, VO submitted a second PPP application on behalf of Smart Gourmet to Bank of America (the "Second Smart Gourmet PPP Application"). VO requested a $148,000 loan, listing 22 total employees and a monthly payroll of $54,602.

33. VO again represented that the purpose of the loan was to make payments pursuant to the PPP regulations, such as "payroll," "rent/mortgage interest," and "utilities."

34. On or about February 5, 2021, in reliance on VO's material, false, and fraudulent statements, Bank of America approved the Second Smart Gourmet PPP Application. That day, Bank of America deposited $148,000 into the Smart Gourmet Account, which before the transaction had a balance of only approximately $7,500.

35. On or about February 9, 2021, VO wired $100,000 from the Smart Gourmet Account to his E-Trade Account.

36. On or about February 11, 2021, VO wired $30,000 from the Smart Gourmet Account to his E-Trade Account.

37. Between on or about February 11, 2021 and February 12, 2021, VO used more than $70,000 from the E-Trade Account to purchase shares in an electric car manufacturer.

The Indy Publish PPP Application

38. On or about April 22, 2021, VO submitted a PPP application for Indy Publish to Bank of America (the "Indy Publish PPP Application"). VO requested a $106,673 loan, listing 14 employees and $42,669 in monthly payroll.

39. VO represented that the purpose of the loan was to make payments pursuant to the PPP regulations, such as "payroll," "rent/mortgage interest," and "utilities."

40. VO also represented on the PPP application that he did not own any other business. He did not disclose his ownership of Smart Gourmet.

41. On or about May 12, 2021, in reliance on VO's material, false, and fraudulent statements, Bank of America approved the Indy Publish PPP Application. That day, Bank of America deposited $106,673 into the Indy Publish Account, which before the transaction had a balance of only approximately $5,760.

42. On or about May 13, 2021, the day after receiving the Indy Publish PPP funds, VO wired $90,000 from the Indy Publish Account to his E-Trade Account.

43. On or about May 19, 2021, VO transferred $19,000 from the Indy Publish Account to the Smart Gourmet Account.

44. On or about May 20, 2021, VO used more than $2,400 from the E-Trade Account to purchase shares in a gaming company.

RRF Application

The Smart Gourmet RRF Application

45. On or about May 3, 2021, VO submitted an RRF application on behalf of Smart Gourmet (the "Smart Gourmet RRF Application"). In support of his application for a $967,531 RRF loan, VO represented that Smart Gourmet had gross receipts of $1,555,671 in 2019.

46. VO certified that he "would use all funds only on eligible uses."

47. On or about May 24, 2021, in reliance on VO's material, false, and fraudulent statements, SBA approved the application. That day, SBA wired $967,531 into the Smart Gourmet Account, which before the transaction had a balance of only approximately $8,486.97.

48. Between May 24, 2021, and July 2, 2021, VO made the following wire transfers from the Smart Gourmet Account:

Approximate Date	Amount	Recipient
May 25, 2021	$100,000	E-Trade Account
May 25, 2021	$49,000	Robinhood Account
May 28, 2021	$85,000	E-Trade Account
June 1, 2021	$90,000	E-Trade Account
June 4, 2021	$98,000	E-Trade Account
June 7, 2021	$97,000	E-Trade Account
June 9, 2021	$95,000	E-Trade Account
June 10, 2021	$99,000	E-Trade Account
June 14, 2021	$89,000	E-Trade Account
June 23, 2021	$30,000	E-Trade Account
June 23, 2021	$25,000	Robinhood Account
July 2, 2021	$55,000	E-Trade Account
TOTAL	**$912,000**	

49. Between on or about June 1, 2021 and July 2, 2021, VO used the funds in his E-Trade Account to purchase shares of several different companies. For example, between on or about June 1, 2021 and June 16, 2021, VO purchased more than $480,000 worth of shares in a financial services and digital payments company.

COUNT ONE
Wire Fraud
(18 U.S.C. § 1343)

The United States Attorney charges:

50. The United States re-alleges and incorporates by reference paragraphs 1 to 49 of this Information.

51. Between on or about April 2020 and July 2021, in the District of Massachusetts and elsewhere, the defendant,

LOC VO,

having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, did transmit and cause to be transmitted by means of wire communications in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing the scheme to defraud, as set forth below:

Count	Approximate Date	Description
1	April 2, 2020	Submission of EIDL Application for Smart Gourmet from Massachusetts to an SBA server in Iowa

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

FORFEITURE ALLEGATION
(18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c))

The United States Attorney further alleges:

52. Upon conviction of the offense in violation of Title 18, United States Code, Section 1343, set forth in Count One, the defendant,

LOC VO,

shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes, but is not limited to, the following asset:

a. $1,526,606, to be entered in the form of a forfeiture money judgment.

53. If any of the property described in Paragraph 52, above, as being forfeitable pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), 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 intention of the United States, pursuant to Title 28, United States Code, Section 2461(c), incorporating Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the property described in Paragraph 52 above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

RACHAEL S. ROLLINS
UNITED STATES ATTORNEY

By: */s/ Benjamin A. Saltzman*
BENJAMIN A. SALTZMAN
ASSISTANT UNITED STATES ATTORNEY
DISTRICT OF MASSACHUSETTS

DATE: November 17, 2022