DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ COMPLAINT ☒ INFORMATION ☐ INDICTMENT
☐ SUPERSEDING

OFFENSE CHARGED

Counts 1-2: 18 U.S.C. 1344 - Bank Fraud

Counts 3-4: 18 U.S.C. 1957 - Money Laundering

☐ Petty
☐ Minor
☐ Misde-meanor
☒ Felony

PENALTY: 18 U.S.C. 1344: 30 years imprisonment; $1,000,000 fine; 3 years supervised release; forfeiture; $100 special assessment per count. 18 U.S.C. 1957: 10 years imprisonment; $250,000 fine; 3 years supervised release; forfeiture; $100 special assessment per count.

PROCEEDING

Name of Complaintant Agency, or Person (& Title, if any)

IRS and FBI

☐ person is awaiting trial in another Federal or State Court, give name of court

☐ this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

☐ this is a reprosecution of charges previously dismissed which were dismissed on motion of:
☐ U.S. ATTORNEY ☐ DEFENSE
} SHOW DOCKET NO.

☐ this prosecution relates to a pending case involving this same defendant

☒ prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under
} MAGISTRATE CASE NO. 21-mj-70194

Name and Office of Person Furnishing Information on this form: Stephanie M. Hinds

☒ U.S. Attorney ☐ Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned): Abraham Fine

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

DEFENDANT - U.S

Christina Burden

DISTRICT COURT NUMBER

4:21-cr-00362-YGR

FILED
Sep 14 2021
SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

DEFENDANT

IS *NOT* IN CUSTODY

1) ☐ Has not been arrested, pending outcome this proceeding. If not detained give date any prior summons was served on above charges

2) ☐ Is a Fugitive

3) ☒ Is on Bail or Release from (show District)

N.D.C.A.

IS IN CUSTODY

4) ☐ On this charge

5) ☐ On another conviction } ☐ Federal ☐ State

6) ☐ Awaiting trial on other charges

If answer to (6) is "Yes", show name of institution

Has detainer been filed? ☐ Yes ☐ No } If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

☐ This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

☐ SUMMONS ☒ NO PROCESS* ☐ WARRANT

Bail Amount:

If Summons, complete following:
☐ Arraignment ☐ Initial Appearance

** Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment*

Defendant Address:

Date/Time: Before Judge:

Comments:

STEPHANIE M. HINDS (CABN 154284)
Acting United States Attorney

FILED
Sep 14 2021
SUSAN Y. SOONG
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

OAKLAND DIVISION

UNITED STATES OF AMERICA, Plaintiff, v. CHRISTINA BURDEN, Defendant.	CASE NO. 4:21-cr-00362-YGR VIOLATIONS: 18 U.S.C. § 1344(2) – Bank Fraud; 18 U.S.C. § 1957 – Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity 18 U.S.C. § 981(a)(1)(C), (b)(1) and 28 U.S.C. § 2461(c) – Forfeiture Allegation OAKLAND VENUE

INFORMATION

The United States Attorney charges:

Introductory Allegations

At all times relevant to this Information:

1. Defendant CHRISTINA BURDEN resided in the Northern District of California, among other places.

2. Burden Consulting Group LLC was an entity organized with the California Secretary of State on or about January 13, 2020.

3. Blessing Box Co LLC was an entity organized with the California Secretary of State on or about April 24, 2020.

4. Defendant CHRISTINA BURDEN served as the authorized representative and either

owner or founder of Burden Consulting Group LLC and Blessing Box Co LLC (together the "Burden Entities").

The Small Business Administration and the CARES Act

5. The United States Small Business Administration ("SBA") was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation's economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

6. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders that had government-backed guarantees. The SBA also provided direct loans.

7. In or around March 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted to provide emergency financial assistance to the millions of Americans suffering adverse economic effects caused by the COVID-19 pandemic. The CARES Act established several new temporary programs and provided for expansion of others, including programs created and/or administered by the SBA.

The Paycheck Protection Program

8. 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 CARES Act required a business to be have been in operation before February 15, 2020, to be eligible for PPP loans.

9. In order 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 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: (i) average monthly payroll expenses; and (ii) 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.

10. A PPP loan application was required to be processed by a participating financial institution ("lender"). If a PPP loan application was approved, the lender funded the PPP loan using its own moneys, which were 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, was transmitted by the lender to the SBA in the course of processing the loan.

11. PPP loan proceeds were required to be used by the business 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.

The Economic Injury Disaster Loan Program

12. 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.

13. The CARES Act authorized the SBA to provide EIDLs 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. The amount of the advance was determined by the number of employees the applicant certified having. The advances did not have to be repaid.

14. 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 that preceding January 31, 2020. The applicant was also required to certify that all of the information in the application was true and correct to the best of the applicant's knowledge.

15. EIDL applications were submitted directly to the SBA and processed by the agency 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 concerning the number of employees, gross revenue, and cost of goods, as described above. Any funds issued under an EIDL or advance were issued directly by the SBA. EIDL funds were permitted to 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 were not permitted to be used for the same purpose as the PPP funds.

Relevant Financial Institutions and Related Entities

16. FINANCIAL TECHNOLOGY COMPANY A is a financial technology company that partnered with FINANCIAL INSTITUTION A to process PPP loan applications. FINANCIAL INSTITUTION A is a financial institution, as that term is defined in Title 18, United States Code, Section 20, the deposits of which were insured by the Federal Deposit Insurance Corporation ("FDIC"), and is located in Salt Lake City, Utah. FINANCIAL INSTITUTION A participated in the PPP as a lender and, as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

17. FINANCIAL TECHNOLOGY COMPANY B is a financial technology company that partnered with FINANCIAL INSTITUTION B to process PPP loan applications. FINANCIAL INSTITUTION B is a financial institution, as that term is defined in Title 18, United States Code, Section 20, the deposits of which were insured by the FDIC, and is located in Fort Lee, New Jersey. FINANCIAL INSTITUTION B participated in the SBA's PPP as a lender and, as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

18. FINANCIAL INSTITUTION C is a financial institution, as that term is defined in Title 18, United States Code, Section 20, the deposits of which were insured by the FDIC, and is located in Vienna, Virginia. At all times relevant to this Information, BURDEN maintained an account at FINANCIAL INSTITUTION C in which she received the loan proceeds described in this Information.

The Scheme to Defraud

19. Beginning at a date unknown, but no later than April 2020, and continuing through approximately October 2020, BURDEN devised a scheme and artifice to defraud by submitting and causing to be submitted false and fraudulent loan applications to FINANCIAL TECHNOLOGY

COMPANY B and FINANCIAL TECHNOLOGY COMPANY A in order to obtain funds through the PPP from FINANCIAL INSTITUTION B and FINANCIAL INSTITUTION A, and by submitting false and fraudulent loan applications to the SBA to obtain funds through the EIDL program, as described further below.

Manner and Means

20. The objective of BURDEN's scheme was to obtain funds for personal use by submitting fraudulent loan applications for PPP and EIDL funds.

21. As part of the scheme to defraud, BURDEN sought more than $4.6 million in PPP and EIDL loans for the Burden Entities and actually obtained more than $1.1 million in loan proceeds on behalf of those entities. BURDEN submitted these loan applications to FINANCIAL TECHNOLOGY COMPANY A, FINANCIAL TECHNOLOGY COMPANY B, and the SBA, and obtained loans from FINANCIAL INSTITUTION A, FINANCIAL INSTITUTION B, and the SBA.

EIDL Application to the SBA

22. On or about April 7, 2020, BURDEN submitted an EIDL application for $150,900 to the SBA, on behalf of Burden Consulting Group. On the application, BURDEN falsely listed Burden Consulting Group's gross revenues for the twelve-month period prior to January 31, 2020, as $856,000 and its cost of goods sold for the same period as $121,000.

23. The loan was approved, and $150,900 was disbursed to BURDEN's personal Bank Account on or about June 16, 2020.

PPP Loan Application to FINANCIAL TECHNOLOGY COMPANY A and FINANCIAL INSTITUTION A

24. On or about May 16, 2020, BURDEN signed a PPP loan application for $307,916 that was submitted on behalf of Burden Consulting Group to FINANCIAL TECHNOLOGY COMPANY A. BURDEN listed her title as "Owner" with 100% ownership. On Form 2483 of the application, BURDEN falsely certified that she is not an owner of any other business, nor does she have common management with any other business.

25. On the application, through the placement of her initials, BURDEN falsely certified that Burden Consulting Group had employees for whom it paid salaries and payroll taxes or paid

independent contractors.

26. On the application, Burden Consulting Group falsely listed an average monthly payroll of $123,166.60 with 15 employees.

27. To support the loan application, BURDEN submitted a fraudulent document purporting to be Burden Consulting Group's 2019 IRS Form 941. Form 941 is an Employer's Quarterly Federal Tax Return. Burden Consulting Group has never filed an IRS Form 941.

28. To support the loan application, BURDEN submitted a fraudulent document purporting to be a FINANCIAL INSTITUTION C bank statement for a Burden Consulting Group business account.

29. The loan was approved and $307,916 was disbursed from FINANCIAL INSTITUTION A to BURDEN's personal FINANCIAL INSTITUTION C Account on or about May 28, 2020.

PPP Loan Application to FINANCIAL TECHNOLOGY COMPANY B and FINANCIAL INSTITUTION B

30. On or about June 20, 2020, BURDEN signed a PPP loan application for $684,375 that was submitted on behalf of Blessing Box to FINANCIAL TECHNOLOGY COMPANY B. On the application, BURDEN is listed as the owner (with 90% of the equity) and the business's address is listed as BURDEN's apartment in Oakland, California. On the application, BURDEN falsely stated that she is not an owner of any other business, nor does she have common management with any other business.

31. On the application, through the placement of her initials, BURDEN falsely certified that Blessing Box had employees for whom it paid salaries and payroll taxes or paid independent contractors.

32. BURDEN falsely listed Blessing Box's average monthly payroll as $273,750 with 89 employees on the application.

33. To support the application, BURDEN submitted a fraudulent document purporting to be a FINANCIAL INSTITUTION C bank statement for Blessing Box's business FINANCIAL INSTITUTION Account for a statement period of February 1, 2020 to February 31, 2020.

34. To further support the loan application, BURDEN submitted documents purporting to be Blessing Box's IRS Forms 940 and W-3 for 2019. Form 940 is an employer's annual federal unemployment tax return. Form W-3 is a summary for the Social Security Administration of all the

business' employee wages and contributions for the previous year. Both documents falsely reported the total compensation paid in 2019 was $8,900,000 to 89 employees. In fact, Blessing Box never filed a Form 940 with the IRS and never submitted a Form W-3.

35. The loan was approved and $684,375 was disbursed from FINANCIAL INSTITUTION B to BURDEN's personal FINANCIAL INSTITUTION C FINANCIAL INSTITUTION Account on or about July 7, 2020.

COUNTS ONE AND TWO: (18 U.S.C. § 1344 (2) – Bank Fraud)

36. The factual allegations in paragraphs 1 through 35 are re-alleged and incorporated herein as if set forth in full.

37. On or about the dates set forth in the separate counts below, in the Northern District of California and elsewhere, the defendant,

CHRISTINA BURDEN,

having knowingly and with the intent to defraud devised and executed, and attempted to execute, a scheme and artifice to defraud a financial institution and to obtain moneys, funds, credits, assets, and other property that were then under the custody and control of financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, did knowingly engage in the following transactions:

	Approximate Date of Application	Company Name	Program	Financial Institution	Amount Sought
1	05/16/2020	BURDEN CONSULTING GROUP LLC	PPP	FINANCIAL INSTITUTION A	$307,916
2	06/20/2020	BLESSING BOX CO LLC	PPP	FINANCIAL INSTITUTION B	$684,375

Each in violation of Title 18, United States Code, Section 1344(2).

COUNTS THREE AND FOUR: (18 U.S.C. § 1957 – Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity)

38. The factual allegations in paragraphs 1 through 37 of this Information are re-alleged and incorporated as if fully set forth here.

39. Among other transactions, on or about July 17, 2020 and August 5, 2020, in the Northern District of California and elsewhere in the United States, the defendant,

CHRISTINA BURDEN,

did knowingly engage in a monetary transaction by, through, and to a financial institution, in and affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, specifically, the transactions shown in the chart below, such funds having been derived from the specified unlawful activity of bank fraud.

Date	Description	Amount	Financial Institution
07/17/2020	Private Jet Travel	$61,992.36	FINANCIAL INSTITUTION C
08/05/2020	Private Jet Travel	$14,401.00	FINANCIAL INSTITUTION C

All in violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) & 28 U.S.C. § 2461(c) – Criminal Forfeiture)

40. All of the allegations contained in this Information are re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture pursuant to the provisions of Title 18, United States Code, Section 981(a)(1)(C) and (b)(1) and Title 28, United States Code, Section 2461(c).

41. Upon a conviction for the offenses alleged in Counts One and Two of this Information, the defendant,

CHRISTINA BURDEN,

shall forfeit to the United States pursuant to 18 U.S.C. § 981(a)(1)(C) and (b)(1) and 28 U.S.C. § 2461(c) all property constituting, and derived from, proceeds the defendant obtained directly and indirectly, as the result of those violations, including, but not limited to, the following specific property:

a. $4,670.12 seized from a FINANCIAL INSTITUTION C Account bearing an account number ending in 7565;

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b. $8,372.60, seized from FINANCIAL INSTITUTION C Account bearing an account number ending in 0717;

c. $2.05 seized from a FINANCIAL INSTITUTION C Account bearing an account number ending in 8423;

d. $452.77 seized from a University Federal Credit Union Account bearing an account number ending in 1391;

e. $2.86 seized from a BBVA Compass Account bearing an account number ending in 9795;

f. $37,915.30 seized from a Bank of America Account bearing an account number ending in 7378;

g. A $35,000.00 BBVA Compass Cashier's check bearing check number 0505032935, payable to "Merritt on 3rd," held by the FPI Property Management firm;

h. A 2020 Mercedes Benz, VIN XXXXXXXXXXXXX 7154;

i. A 2020 Nissan Altima, VIN XXXXXXXXXXXXX 8337;

j. $78,069.83 in U.S. Currency, as substitution for a 2020 Land Rover Range Rover Sport, VIN XXXXXXXXXXXXX5629; and

k. Any and all apparel seized from BURDEN's Chicago residence, located on East Wacker Drive.

42. If any of the aforementioned property, as a result of any act or omission of defendant –

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third person;

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;

any and all interest the defendant has in other property shall be vested in the United States and

forfeited to the United States pursuant to 21 U.S.C. § 853p, as incorporated by 18 U.S.C. § 982(b)(1).

All in violation of Title 18, United States Code, Section 981(a)(1)(C) and (b)(1), Title 28, United States Code, Section 2461(c), and Rule 32.2 of the Federal Rules of Criminal Procedure.

DATED: September 14, 2021

STEPHANIE M. HINDS
Acting United States Attorney

/s/ Abraham Fine
ABRAHAM FINE
Assistant United States Attorney