UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

EUGENE DIVISION

UNITED STATES OF AMERICA	**6:21-cr-00198-MC**
v.	**INFORMATION**
ANDREW LLOYD,	**18 U.S.C. § 1344** **18 U.S.C. § 1957**
Defendant.	**18 U.S.C. § 1028A**
	Forfeiture Allegations

THE UNITED STATES ATTORNEY CHARGES:

INTRODUCTORY ALLEGATIONS

At all relevant times:

1. At all relevant times, Bank of Hawaii, Cross River Bank, JPMorgan Chase Bank, NA, Celtic Bank, Umpqua Bank, and U.S. Bank (hereinafter, collectively, "Victim Financial Institutions") were financial institutions within the meaning of Title 18, United States Code, Section 20(1), as their deposits were insured by the Federal Deposit Insurance Corporation.

2. On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. That statute, along with the Coronavirus Preparedness and Response Supplemental Appropriations Act, authorized the Small Business Administration (SBA) to provide Economic Injury Disaster Loans ("EIDLs") of up to $2 million to eligible small businesses experiencing substantial financial disruption 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 within three days of applying for an EIDL. The amount of the advance is determined by the number of employees the applicant certifies having. The advances do not have to be repaid.

3. The CARES Act also created the Paycheck Protection Program, which authorized the SBA to guarantee loans of up to $10,000,000 to qualifying employers without collateral or personal guarantees from the borrowers. In order to obtain a PPP loan, the Act required borrowers to certify, among other things, that the borrowed funds would be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments.

COUNT 1
(Bank Fraud)
(18 U.S.C. § 1344)

4. Paragraphs 1-3 of the Introductory Allegations are incorporated here.

5. From in or about April 2020 through in or about December 2020, in the District of Oregon, defendant **ANDREW LLOYD** knowingly and willfully executed a scheme and artifice to defraud the Victim Financial Institutions and to obtain money, funds, assets and other property owned by, and under the custody and control of the Victim Financial Institutions, by means of materially false and fraudulent pretenses, representations, and promises.

SCHEME AND ARTIFICE TO DEFRAUD

6. As part of the scheme and artifice to defraud, defendant committed or participated in the following acts:

7. Near the beginning of April 2020, Defendant applied for a PPP Loan through JP Morgan Chase Bank, using a business named Albany Home Care Services. Defendant included an IRS form 944 listing 2019 wages in the amount of $3,084,046 with the loan application package. Form 944 is the Employer's Annual Federal Tax Return that lists the amount of wages paid and taxes withheld from employee paychecks. The loan package also included the names of fifty-six Albany Home Care Services employees and the amount paid to each employee.

8. Based on the information provided by the defendant, JP Morgan Chase Bank approved a PPP loan in the amount of $642,507. The loan was disbursed to Defendant on April 7, 2020.

9. On April 3, 2020, Defendant applied for another PPP loan through Umpqua Bank, this time using the business name Keystone Pacific Management, Inc. Defendant included an IRS Form 944 with the loan application package, listing 2019 wages in the amount of $4,701,168. The loan package included the names of sixty-four Keystone Pacific Management employees. The list included the same fifty-six employees in the same order that were listed in the Albany Home Care Services PPP loan application, plus eight additional names added to the bottom of the list.

10. Based on the information provided by the defendant, Umpqua Bank approved a PPP loan in the amount of $979,100. The loan was disbursed on April 14, 2020.

11. On May 8, 2020, Defendant and his co-schemer applied for the PPP loan through U.S. Bank in the name of Schort Lee Construction. Defendant included with the loan application

package an IRS form 944 listing 2019 wages in the amount of $3,084,046. The application included a list of fifty-six employees and the amount paid to each employee. The total amount of earnings, the employee names, and the amount of wages paid to each employee was the same as the list defendant submitted for Albany Home Care Services' PPP loan application.

12. Based on the information provided by the Defendant and his co-schemer, U.S. Bank approved the PPP loan application in the amount of $601,552.

13. On May 11, 2020, three days after receiving the PPP loan proceeds, Defendant's co-schemer transferred via wire $307,000 from his bank account to Defendant's credit union account. After receiving the $307,000, Defendant transferred funds to an online brokerage account in his name and purchased securities.

14. In addition to using his own information, Defendant used, without authority, the personal identifying information of unknowing third parties, including relatives, in completing PPP loan applications.

15. In total, defendant submitted nine PPP loan applications, six of which were accepted. Defendant received $3,489,352.34 in PPP loan funds from these applications.

16. Defendant also applied for numerous EIDLs, one of which SBA accepted, resulting in payments to Lloyd from SBA of $160,000.

17. Lloyd transferred over $1.8 million of the above-described PPP loan funds to a brokerage account and purchased securities.

18. In addition to securities, Lloyd purchased numerous residential rental properties with the proceeds of the fraud. In total, Lloyd purchased 25 properties in Oregon and California.

All in violation of Title 18, United States Code, Section 1344.

COUNT 2
(Money Laundering)
(18 U.S.C. § 1957)

19. Paragraphs 1 through 18 are incorporated herein.

20. On or about May 11, 2020, in the District of Oregon and elsewhere, Defendant **ANDREW LLOYD** knowingly engaged in and attempted to engage in a monetary transaction, by, through, and to a financial institution, in and affecting interstate commerce, in criminally derived property that was of a value greater than $10,000, to wit: a $307,000 wire transfer received from a co-schemer, such property having been derived from a specified unlawful activity, that is, bank fraud,

In violation of Title 18, United States Code, Section 1957.

COUNT 3
(Aggravated Identity Theft)
(18 U.S.C. § 1028A)

21. On or about April 5, 2020, in the District of Oregon, defendant **ANDREW LLOYD** did knowingly possess, transfer, and use, without lawful authority, a means of identification of another person, to wit: the name and personal identifying information of Adult Victim 1 on a PPP Loan Application, during and in relation to a felony violation enumerated in Title 18, United States Code, Section 1028A(c), to wit: Bank Fraud, in violation of Title 18, United States Code, Section 1344, knowing that the means of identification belonged to another actual person,

In violation of Title 18, United States Code, Section 1028A.

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FIRST FORFEITURE ALLEGATION

Upon conviction of the offense alleged in Count 1 of this Information, defendant **ANDREW LLOYD** shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2) any property constituting or derived from proceeds defendant obtained directly or indirectly as a result of the said violation.

SECOND FORFEITURE ALLEGATION

Upon conviction of the offense alleged in Count 2 of this Information, defendant **ANDREW LLOYD** shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), any property, real and personal, involved in the offense and all property traceable to such property.

SUBSTITUTE ASSETS

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;

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It is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property described above.

Dated: June 2, 2021

Respectfully submitted,

SCOTT ERIK ASPHAUG
Acting United States Attorney

/s/ Gavin W. Bruce
GAVIN W. BRUCE, OSB #113384
Assistant United States Attorney