IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Case No. 23-cr-00442-RMR

UNITED STATES OF AMERICA,

Plaintiff,

v.

NOSA STEPHEN EDOKPAIGBE,

Defendant.

INDICTMENT

The Grand Jury charges that:

COUNT 1
Conspiracy to Commit Wire Fraud, 18 U.S.C. § 1349

INTRODUCTION

Background on the CARES Act Programs

1. The United States Small Business Administration ("SBA") is an executive-branch agency of the United States government that provides support to entrepreneurs and small businesses.

2. On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which provided emergency assistance to small business owners suffering adverse economic effects caused by the Coronavirus ("COVID-19") pandemic. The CARES Act established several new temporary programs and expanded existing programs, including programs

created or administered by the SBA. Two sources of funding for small businesses were the Paycheck Protection Program ("PPP") and the Economic Injury Disaster Loan ("EIDL") program. The CARES Act mandated that only businesses in operation on February 15, 2020, for PPP, or before February 1, 2020, for EIDL, were eligible under the programs.

3. The EIDL program was an SBA program that provided low-interest financing to small businesses in regions affected by declared disasters. The CARES Act authorized the SBA to provide EIDLs to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic.

4. Until April 2021, under the EIDL program, a small business could receive a loan from the SBA in an amount of up to six months of working capital with a maximum of $150,000. In order to obtain an EIDL, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees and the entity's gross business revenues and cost of goods sold in the twelve months prior to January 31, 2020. The amount of the loan, if approved, was determined in part based on the information provided concerning the gross revenue and cost of goods sold. EIDL funds were issued directly by the SBA and were permitted to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rents, and mortgage payments. Before the SBA disbursed EIDL funds, an applicant generally had to digitally sign a contract, referred to as a Loan Authorization and Agreement.

5. The CARES Act further authorized the PPP program, which provided forgivable loans to small businesses. To obtain a PPP loan, a qualifying small business

was required to submit a PPP loan application, signed by an authorized representative of the business, in which the applicant acknowledged the program rules and made certain affirmative certifications. The applicant was also required to state the business's: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the loan amount that the business was eligible to receive under the PPP. Businesses were also required to provide documentation showing their payroll expenses, such as filed federal income tax documents.

6. PPP loan applications were received and processed, in the first instance, by a participating lender. If a PPP loan application was approved, the participating lender funded the loan using its own monies, but the loans were 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. The SBA paid participating lenders a processing fee for each funded PPP loan.

7. The proceeds of a PPP loan could be used for certain specified items, such as payroll costs, mortgage interest payments, and utilities. The proceeds of a PPP loan were not permitted to be used by the borrowers to purchase consumer goods, automobiles, real estate, 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.

8. Small businesses could request forgiveness of up to the full amount of the PPP loan by filing a forgiveness application with the same lender. The forgiveness application required the business to certify, among other things, that the loan was used

for eligible payroll and other business costs, and that the business had verified the eligible payroll and nonpayroll costs for which the business requested forgiveness. The business also was required to submit documentation to the lender verifying payroll costs.

Background on Federal Tax Refunds

9. The Internal Revenue Service ("IRS") is an agency of the U.S. Department of the Treasury responsible for administering and enforcing the tax laws of the United States and collecting taxes owed to the United States.

10. The tax laws of the United States require every citizen or resident of the United States who received gross income in excess of the minimum filing amount established by law for a particular tax year to annually file with the IRS a United States Individual Income Tax Return for that calendar year. If a taxpayer paid more in taxes (for example through employer withholdings or quarterly payments) than was due for a given year, the taxpayer may request a refund. The IRS relies in part on the taxpayer's tax return to determine whether a refund is due.

11. Upon receipt of a filed tax return by the IRS showing that a refund is due to a particular taxpayer, if the refund was not blocked, then the IRS issues a refund to the taxpayer in the form of either a paper United States Treasury check, or electronically, as directed by the particular taxpayer. Electronic refunds are directed to an electronic routing number indicated on the filed tax return.

12. Modernized E-File ("MeF") is an internet-based, electronic filing platform that allows taxpayers and tax return originators to transmit returns electronically to the

IRS through a process known as e-filing. The MeF system tracks taxpayer claims against the government for refunds, which is part of the federal tax return process.

13. "Where's My Refund" is an online IRS tool that allows taxpayers to check the status of their tax refund for the current tax year and prior two tax years. To access the Where's My Refund tool, taxpayers are required to input their Social Security number or Individual Taxpayer Identification number (ITIN), their filing status (i.e., single, married-filing joint return, married-filing separate return, head of household, or qualifying widow(er) / surviving spouse), and the amount of their expected refund from the original tax return for whichever tax year they are checking. Once their refund is approved, the Where's My Refund tool provides taxpayers with a projected refund issuance date.

Individuals and Entities

At all times relevant to the Indictment,

14. Defendant NOSA STEPHEN EDOKPAGIBE is a Nigerian citizen residing in the United States. EDOKPAIGBE maintains residence in the State and Northern District of Georgia.

15. Victim N.C., whose identity is known to the Grand Jury, is a United States citizen residing in the United States. N.C. maintains residence in the State and District of Colorado.

16. Victim R.L., whose identity is known to the Grand Jury, is a United States citizen residing in the United States. R.L. maintains residence in the State of Georgia and Northern District of Georgia.

THE CONSPIRACY AND SCHEME TO DEFRAUD

17. Beginning at a time unknown but no later than July 2020 and continuing through at least March 2023, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE knowingly combined, conspired, and agreed with others known and unknown to the Grand Jury (together, the "Fraud Ring"), to commit the offense of wire fraud in violation of Title 18, United States Code, Section 1343. That is, NOSA STEPHEN EDOKPAIGBE, together with others known and unknown to the grand jury, with the intent to defraud, agreed to knowingly devise a scheme to defraud and obtain money and property from the United States and lenders by means of materially false and fraudulent pretenses, representations, and promises (hereinafter, the "Scheme"). To execute and attempt to execute the Scheme and artifice to defraud, NOSA STEPHEN EDOKPAIGBE, together with others known and unknown to the grand jury, knowingly transmitted, and caused to be transmitted by wire communications in interstate and foreign commerce, writings, signs, signals, picture, and sounds.

Overview of the Fraud Ring's Scheme

18. The conspiracy involved EDOKPAIGBE and other Fraud Ring participants using names and identifying information belonging to other real people to submit fraudulent EIDL, PPP, and tax returns to the United States and participating lenders.

19. Between at a time unknown but no later than July 2020 and through at least January 2021, Fraud Ring participants, including EDOKPAIGBE and others known

and unknown to the grand jury, submitted more than 650 fraudulent EIDL applications to the SBA and fraudulently obtained EIDL proceeds totaling more than $900,000.

20. Between at a time unknown but no later than April 2021 and through at least May 2021, Fraud Ring participants, including EDOKPAIGBE and others known and unknown to the grand jury, submitted more than 100 fraudulent PPP applications to participating lenders and fraudulently obtained PPP proceeds totaling more than $400,000.

21. Between at a time unknown but no later than February 2022 and through at least March 2023, Fraud Ring participants, including EDOKPAIGBE and others known and unknown to the grand jury, submitted fraudulent tax returns to the IRS.

MANNER AND MEANS OF THE CONSPIRACY

22. Acting interdependently, EDOKPAIGBE and other Fraud Ring participants used the following manner and means, among others:

EIDL Loans

23. Beginning at a time unknown but no later than July 2020 and continuing through at least January 2021, Fraud Ring participants, including EDOKPAIGBE, knowingly used personal identifying information ("PII") belonging to other real individuals, including names, dates of birth, and Social Security numbers, as well as a combination of real and fake, fraudulent, and fictitious business entities, to apply for fraudulent EIDLs.

24. The purpose of using said PII was to hide the identities of the Fraud Ring Participants and to frustrate the efforts of law enforcement to identify and investigate the conspiracy and scheme to defraud.

25. In the fraudulent EIDL applications, the Fraud Ring participants made material false statements regarding, *inter alia*, the purported business entities' existence, gross revenues, costs of goods sold, and number of employees, as well as false information about who had completed the application.

26. Fraud Ring participants, including EDOKPAIGBE, unlawfully and knowingly possessed and shared with one another lists of PII belonging to real individuals, including those real individuals' names, dates of birth, and Social Security numbers. They submitted EIDL applications to the SBA using the PII contained in these lists.

27. Fraud Ring participants, including EDOKPAIGBE, created and maintained email accounts for the purpose of submitting fraudulent EIDL applications to the SBA while obscuring their identities.

28. The Fraud Ring participants, including EDOKPAIGBE, submitted numerous EIDL applications to the SBA using iterations of the same email addresses with dots placed in different locations of the email addresses in order to deceive the SBA system from recognizing that the same email addresses were used to apply for multiple EIDL applications. For example, Fraud Ring participants submitted EIDL applications using the variants "huns.che.rda.l.e@gmail.com," "huns.ch.er.d.a.le@gmail.com," and "huns.che.r.d.al.e@gmail.com." In routing emails to a gmail.com account, Google disregards periods within an email address (e.g., email sent to "huns.che.rda.l.e@gmail.com" is routed to the same account as hunscherdale@gmail.com.) As a result, Google delivered mail to all of these email addresses (and any similar "dot variants" of the same address) to the same

hunscherdale@gmail.com account. However, because the SBA's online portal for EIDL applications recognized dots as unique characters in an email address, Fraud Ring Participants, including EDOKPAIGBE, were able to file hundreds of EIDL application using the same email accounts, without the SBA detecting that they were doing so.

29. At times, the SBA reached out to the purported EIDL applicants via the email addresses listed in the EIDL applications to request supporting documentation, including proof of the purported business's existence. Fraud Ring participants created fabricated documentation, which they then provided to the SBA.

30. Fraud Ring participants, including EDOKPAIGBE, signed EIDL Loan Authorization and Agreements and falsely certified, *inter alia*, that they intended to use the EIDL funds for working capital, that they had disclosed to the SBA all other COVID-19-related compensation, and that they were authorized to apply for an EIDL on behalf of the companies listed in the EIDL applications.

31. As a result of the fraudulent EIDL applications submitted by Fraud Ring participants, the SBA funded at least 80 EIDL applications for a total of at least $900,000 and denied hundreds of other loan applications. The Fraud Ring participants, including EDOKPAIGBE, directed the SBA to deposit fraudulently obtained EIDL proceeds into bank accounts that were opened using PII belonging to other real individuals, thereby hiding the identities of the Fraud Ring Participants and frustrating the efforts of law enforcement to identify and investigate the conspiracy and scheme to defraud.

32. It was part of the conspiracy and scheme to defraud that, for each funded EIDL, Fraud Ring participants caused interstate wire communications from the SBA's Denver Finance Center in Colorado to other states.

PPP Loans

33. Beginning at a time unknown but no later than April 2021 and continuing through at least May 2021, Fraud Ring participants, including EDOKPAIGBE, knowingly used PII belonging to other real individuals to submit fraudulent PPP loans, thereby hiding the identities of the Fraud Ring Participants and frustrating the efforts of law enforcement to identify and investigate the conspiracy and scheme to defraud.

34. In the fraudulent PPP applications, the Fraud Ring participants made material false statements regarding, *inter alia*, the purported business entities' average monthly payroll and number of employees, as well as false information about who had completed the PPP borrower application.

35. Fraud Ring participants, including EDOKPAIGBE, unlawfully and knowingly possessed and shared with one another lists of PII belonging to real individuals, including those individuals' names, dates of birth, and Social Security numbers. They then submitted PPP applications to participating lenders using the PII contained in these lists.

36. One or more participating lenders required PPP loan applicants to submit identification documentation to verify their identities. Fraud Ring participants, including EDOKPAIGBE, knowingly presented fabricated identity documentation to one or more PPP lenders, including fabricated images of passports and verification "selfies."[1]

[1] A "selfie" is a photograph that an individual takes of themself and is typically taken with a phone, digital camera, or webcam.

37. Fraud Ring participants, including EDOKPAIGBE, created and maintained email accounts for the purpose of participating in fraudulent transactions while obscuring their identities. The Fraud Ring participants, including EDOKPAIGBE, submitted multiple PPP applications using iterations of the same email addresses with dots placed in different locations of the email address in order to deceive PPP lenders from recognizing that the same email address was listed on multiple PPP applications.

38. As a result of the fraudulent PPP applications submitted by Fraud Ring participants, lenders funded at least 20 PPP applications for a total of at least $400,000 being paid out to bank accounts controlled by the Fraud Ring participants, which were opened using PII belonging to other real individuals.

39. It was part of the conspiracy and scheme to defraud that, for each funded PPP loan, Fraud Ring participants caused interstate wire communications from the SBA's Denver Finance Center in Colorado to other states.

Tax Refunds

40. Beginning at a time unknown but no later than February 2022 and continuing through at least in or around March 2023, Fraud Ring participants, including EDOKPAIGBE, submitted hundreds of fraudulent federal income tax returns to the IRS which used, without authorization, the PII belonging to other real individuals for the purpose of fraudulently obtaining tax refunds.

41. Fraud Ring participants, including EDOKPAIGBE, unlawfully and knowingly possessed and shared with one another lists of PII belonging to real individuals, including names, dates of birth, and Social Security numbers for which the Fraud Ring participants submitted fraudulent tax returns.

42. Fraud Ring participants, including EDOKPAIGBE, checked the status of refund payments using the "Where's My Refund" tool available on the IRS's website by inputting information associated with their fraudulent tax returns, including the Social Security numbers for the purported tax filers. By checking the status of refund payments using the "Where's My Refund" tool to determine whether the tax refund was accepted and, if approved, the anticipated payment date of the tax return, the Fraud Ring participants, including EDOKPAIGBE, caused interstate wire transmissions to a Colorado server.

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

COUNTS 2–5

Wire Fraud and Aiding and Abetting Wire Fraud, 18 U.S.C. §§ 1343, and 2

The Scheme to Defraud

43. The Grand Jury re-alleges and incorporates by reference paragraphs 1–4, 14, 17, 19, and 23–32 of this Indictment.

44. From in or around July 2020 through in or around January 2021, within the State and District of Colorado and elsewhere, defendant EDOKPAIGBE devised, intended to device, participated in a scheme and artifice to defraud the United States and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

Manner and Means of the Scheme to Defraud

The fraudulent scheme was operated and carried out as follows:

45. Beginning in or around July 2020 through in or around January 2021, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE knowingly devised and intended to devise the aforementioned scheme

and artifice to defraud, and to obtain money and property from the United States as described in Count 1, by means of materially false and fraudulent pretenses, representations, and promises.

46. On the dates set forth below, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE, for the purpose of executing the scheme and artifice to defraud described above, did knowingly and willfully transmit and cause to be transmitted, and aided and abetted another to transmit and cause to be transmitted, in interstate commerce by means of a wire communication, certain signals, signs, and sounds, as set forth below.

Count	Date	Description of Wire
2	August 7, 2020	Payment file for $9,900 EIDL designated for N.C. as payee was created and certified at the SBA finance center in Colorado and transmitted via interstate wire to the U.S. Treasury disbursing office outside of Colorado.
3	August 7, 2020	Payment file for $9,900 EIDL designated for P.H.I. as payee was created and certified at the SBA finance center in Colorado and transmitted via interstate wire to the U.S. Treasury disbursing office outside of Colorado.
4	August 7, 2020	Payment file for $9,900 EIDL designated for M.M. as payee was created and certified at the SBA finance center in Colorado and transmitted via interstate wire to the U.S. Treasury disbursing office outside of Colorado.
5	September 10, 2020	Payment file for $26,900 EIDL designated for T.H.R. as payee was created and certified at the SBA finance center in Colorado and transmitted via interstate wire to the U.S. Treasury disbursing office outside of Colorado.

All in violation of Title 18 U.S.C. § 1343, and § 2.

COUNTS 6–7

Wire Fraud and Aiding and Abetting Wire Fraud, 18 U.S.C. §§ 1343, and 2

The Scheme to Defraud

47. The Grand Jury re-alleges and incorporates by reference paragraphs 9–17, 21, and 40–42 of this Indictment.

48. From in or around February 2022 through in or around March 2023, within the State and District of Colorado and elsewhere, defendant EDOKPAIGBE devised, intended to device, participated in a scheme and artifice to defraud the United States and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

Manner and Means of the Scheme to Defraud

The fraudulent scheme was operated and carried out as follows:

49. Beginning in or around February 2022 through in or around March 2023, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE knowingly devised and intended to devise the aforementioned scheme and artifice to defraud, and to obtain money and property from the United States as described in Count 1, by means of materially false and fraudulent pretenses, representations, and promises.

50. On the dates set forth below, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE, for the purpose of executing the scheme and artifice to defraud described above, did knowingly and willfully transmit and cause to be transmitted, and aided and abetted another to transmit and cause to be transmitted, in interstate commerce by means of a wire communication, certain signals,

signs, and sounds, as set forth below.

6	March 19, 2022	Logged on to IRS server located in Colorado to inquire about the status of 2021 tax refund submitted on behalf of R.L. from a location outside of Colorado.
7	March 19, 2022	Logged on to IRS server located in Colorado to inquire about the status of 2021 tax refund submitted on behalf of N.C. from a location outside of Colorado.

All in violation of Title 18 U.S.C. § 1343, and § 2.

COUNT 8
Wire Fraud, 18 U.S.C. § 1343

The Scheme to Defraud

51. From in or around August 2020 through in or around September 2020, within the State and District of Colorado and elsewhere, defendant EDOKPAIGBE devised, intended to device, and participated in a scheme and artifice to defraud the United States and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

Manner and Means of the Scheme to Defraud

The fraudulent scheme operated, and was carried out, in substance, as follows:

52. The Grand Jury re-alleges and incorporates by reference paragraphs 1–4, and 14 of this Indictment.

53. On or about August 1, 2020, defendant NOSA STEPHEN EDOKPAIGBE submitted a fraudulent EIDL application on behalf of Stephen N Trucking LLC using his own name. In this EIDL application, EDOKPAIGBE made materially false statements regarding the entity's number of employees, gross revenues, and cost of goods sold.

He further falsely certified that the information provided in the EIDL application was true and accurate and that the funds would be used to pay payroll and other permissible expenses when, in fact, he always intended to use the proceeds for his personal benefit.

54. The SBA funded this EIDL in the amount of $12,500 on or about September 1, 2020.

55. On the dates set forth below, in the State and District of Colorado and elsewhere, defendant NOSA STEPHEN EDOKPAIGBE, for the purpose of executing the scheme and artifice to defraud described in Paragraphs 51 through 54, did knowingly and willfully transmit and cause to be transmitted in interstate commerce by means of a wire communication, certain signals, signs, and sounds, as set forth below.

Count	Date	Description of Wire
8	September 1, 2020	Payment file for $12,500 EIDL designated for Stephen N Trucking LLC as payee was created and certified at the SBA finance center in Colorado and transmitted via interstate wire to the U.S. Treasury disbursing office outside of Colorado.

All in violation of Title 18 U.S.C. § 1343.

COUNTS 9–10

Aggravated Identity Theft, 18 U.S.C. § 1028A

56. On or about the dates listed below, in the District of Colorado and elsewhere, the defendant NOSA STEPHEN EDOKPAIGBE knowingly transferred, possessed, and used, without lawful authority, a means of identification, to wit, a Social Security number, of the below persons during and in relation to a felony violation enumerated in 18 U.S.C. § 1028A(c), to wit, conspiracy to commit wire fraud in violation

of 18 U.S.C. § 1349, knowing that the means of identification belonged to another actual person:

Count	Date	Means of Identification Used
9	March 23, 2022	Use of Social Security number to check the refund status of a tax return submitted for an individual with the initials N.C., a Colorado resident
10	March 26, 2022	Use of Social Security number to check the refund status of a tax return submitted for an individual with the initials R.L., a Georgia resident

All in violation of Title 18, United States Code, Section 1028A(a)(1).

FORFEITURE ALLEGATION

57. The allegations contained in Counts 1 through 8 of this Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

58. Upon conviction of the violation alleged in Counts 1 through 8 of the Indictment involving violations of Title 18, United States Code, Sections 1343 and 1349, defendant NOSA STEPHEN EDOKPAIGBE 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 and all of the defendant's right, title and interest in all property constituting and derived from any proceeds the defendant obtained directly and indirectly as a result of such offense, including, but not limited to the entry of a money judgment in the amount of proceeds obtained by the scheme and by the defendant.

59. If any of the property described above, 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 subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

A TRUE BILL:

Ink signature on file in Clerk's Office
FOREPERSON

COLE FINEGAN
UNITED STATES ATTORNEY

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