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DISTRICT OF MARYLAND
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U.S. Department of Justice

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September 5, 2023

Tyler Mann, Esq.
Law Offices of Mann & Risch
101 E. Chesapeake Ave.
Suite 403
Towson, MD 21286

Re: *United States v. Reginald Hopkins*, Crim. No:

Dear Counsel:

This letter, together with the Sealed Supplement, confirms the plea agreement (this "Agreement") that has been offered to your client, Reginald Hopkins (hereinafter "Defendant"), by the United States Attorney's Office for the District of Maryland ("this Office"). If the Defendant accepts this offer, please have the Defendant execute it in the spaces provided below. If this offer has not been accepted by September 8, 2023, it will be deemed withdrawn. The terms of the Agreement are as follows:

Offense of Conviction

1. The Defendant agrees to plead guilty to a One Count Information, which will charge the Defendant with Wire Fraud Conspiracy Affecting A Financial Institution, in violation of 18 U.S.C. § 1349. The Defendant admits that the Defendant is, in fact, guilty of the offense and will so advise the Court.

Elements of the Offense (Wire Fraud Conspiracy)

2. The elements of the offense to which the Defendant has agreed to plead guilty, and which this Office would prove if the case went to trial, are as follows: That on or about the dates alleged in the Information, in the District of Maryland,

a. Two or more persons agreed to try to accomplish a common and unlawful plan to commit the crime of Wire Fraud, as charged in the Information—that is:

b. transmitting or causing to be transmitted by means of wire, radio, or television communication in interstate or foreign commerce, any writings, signs, signals, pictures, or sounds for the purpose of executing a scheme or artifice to defraud,

c. having devised or intended to devise the scheme or artifice to defraud or to obtain money or property by means of false or fraudulent pretenses, representations, or promises, and

d. the Defendant knew the unlawful purpose of the plan and willfully joined it.

Penalties

3. The maximum penalties provided by statute for the offense to which the Defendant is pleading guilty are as follows:

Count	Statute	Minimum Prison	Maximum Prison	Supervised Release	Maximum Fine	Special Assessment
1	18 U.S.C. § 1349	N/A	30 years	5 years	$250,000 or twice the gain or loss from the offense	$100

a. Prison: If the Court orders a term of imprisonment, the Bureau of Prisons has sole discretion to designate the institution at which it will be served.

b. Supervised Release: If the Court orders a term of supervised release, and the Defendant violates the conditions of supervised release, the Court may order the Defendant returned to custody to serve a term of imprisonment as permitted by statute, followed by an additional term of supervised release.

c. Restitution: The Court may order the Defendant to pay restitution pursuant to 18 U.S.C. §§ 3663, 3663A, and 3664.

d. Payment: If a fine or restitution is imposed, it shall be payable immediately, unless the Court orders otherwise under 18 U.S.C. § 3572(d). The Defendant may be required to pay interest if the fine is not paid when due.

e. Forfeiture: The Court may enter an order of forfeiture of assets directly traceable to the offense, substitute assets, and/or a money judgment equal to the value of the property subject to forfeiture.

f. Collection of Debts: If the Court imposes a fine or restitution, this Office's Financial Litigation Unit will be responsible for collecting the debt. If the Court establishes a schedule of payments, the Defendant agrees that: (1) the full amount of the fine or restitution is nonetheless due and owing immediately; (2) the schedule of payments is merely a minimum schedule of payments and not the only method, nor a limitation on the methods, available to the United States to enforce the judgment; and (3) the United States may fully employ all powers to collect on the total amount of the debt as provided by law. Until the debt is paid, the Defendant agrees to disclose all assets in which the Defendant has any interest or over which the Defendant exercises direct or indirect control. Until the money judgment is satisfied, the Defendant authorizes this Office to obtain a credit report in order to evaluate the Defendant's ability to pay, and to request and review the Defendant's federal and state income tax returns. The Defendant agrees to complete and sign a copy of IRS Form 8821 (relating to the voluntary disclosure of federal tax return information) and a financial statement in a form provided by this Office.

Waiver of Rights

4. The Defendant understands that by entering into this Agreement, the Defendant surrenders certain rights as outlined below:

a. The Defendant has the right to have his case presented to a Grand Jury, which would decide whether there is probable cause to return an indictment against him. By agreeing to proceed by way of Information, he is giving up that right, and understands that the charges will be filed by the United States Attorney without the Grand Jury.

b. If the Defendant had pled not guilty and persisted in that plea, the Defendant would have had the right to a speedy jury trial with the close assistance of competent counsel. That trial could be conducted by a judge, without a jury, if the Defendant, this Office, and the Court all agreed.

c. If the Defendant elected a jury trial, the jury would be composed of twelve individuals selected from the community. Counsel and the Defendant would have the opportunity to challenge prospective jurors who demonstrated bias or who were otherwise unqualified, and would have the opportunity to strike a certain number of jurors peremptorily. All twelve jurors would have to agree unanimously before the Defendant could be found guilty of any count. The jury would be instructed that the Defendant was presumed to be innocent, and that presumption could be overcome only by proof beyond a reasonable doubt.

d. If the Defendant went to trial, the Government would have the burden of proving the Defendant guilty beyond a reasonable doubt. The Defendant would have the right to confront and cross-examine the Government's witnesses. The Defendant would not have to present any defense witnesses or evidence whatsoever. If the Defendant wanted to call witnesses in defense, however, the Defendant would have the subpoena power of the Court to compel the witnesses to attend.

e. The Defendant would have the right to testify in the Defendant's own defense if the Defendant so chose, and the Defendant would have the right to refuse to testify. If the Defendant chose not to testify, the Court could instruct the jury that they could not draw any adverse inference from the Defendant's decision not to testify.

f. If the Defendant were found guilty after a trial, the Defendant would have the right to appeal the verdict and the Court's pretrial and trial decisions on the admissibility of evidence to see if any errors were committed which would require a new trial or dismissal of the charges. By pleading guilty, the Defendant knowingly gives up the right to appeal the verdict and the Court's decisions.

g. By pleading guilty, the Defendant will be giving up all of these rights, except the right, under the limited circumstances set forth in the "Waiver of Appeal" paragraph below, to appeal the sentence. By pleading guilty, the Defendant understands that the Defendant may have to answer the Court's questions both about the rights being given up and about the facts of the case. Any statements that the Defendant makes during such a hearing would not be admissible against the Defendant during a trial except in a criminal proceeding for perjury or false statement.

h. If the Court accepts the Defendant's plea of guilty, the Defendant will be giving up the right to file and have the Court rule on pretrial motions, and there will be no further trial or proceeding of any kind in the above-referenced criminal case, and the Court will find the Defendant guilty.

i. By pleading guilty, the Defendant will also be giving up certain valuable civil rights and may be subject to deportation or other loss of immigration status, including possible denaturalization. The Defendant recognizes that if the Defendant is not a citizen of the United States, or is a naturalized citizen, pleading guilty may have consequences with respect to the Defendant's immigration status. Under federal law, conviction for a broad range of crimes can lead to adverse immigration consequences, including automatic removal from the United States. Removal and other immigration consequences are the subject of a separate proceeding, however, and the Defendant understands that no one, including the Defendant's attorney or the Court, can predict with certainty the effect of a conviction on immigration status. The Defendant is not relying on any promise or belief about the immigration consequences of pleading guilty. The Defendant nevertheless affirms that the Defendant wants to plead guilty regardless of any potential immigration consequences.

Advisory Sentencing Guidelines Apply

5. The Defendant understands that the Court will determine a sentencing guidelines range for this case (henceforth the "advisory guidelines range") pursuant to the Sentencing Reform Act of 1984 at 18 U.S.C. § 3551-3742 (excepting 18 U.S.C. § 3553(b)(1) and 3742(e)) and 28 U.S.C. §§ 991 through 998. The Defendant further understands that the Court will impose a sentence pursuant to the Sentencing Reform Act, as excised, and must take into account the advisory guidelines range in establishing a reasonable sentence.

Factual and Advisory Guidelines Stipulation

6. This Office and the Defendant stipulate and agree to the Statement of Facts set forth in Attachment A, which is incorporated by reference herein.

Count One

a. This Office and the Defendant further agree that the applicable base offense level is **7 (seven)** pursuant to United States Sentencing Guidelines ("U.S.S.G.") §§ 2B1.1(a)(1), and 2X1.1.

b. This Office and the Defendant further agree that there is a **16 (sixteen)** level increase, pursuant to U.S.S.G. § 2B1.1(b)(1)(I), because the loss amount was more than $1,500,000 but less than $3,500,000 (subtotal: **23**).

c. This Office and the Defendant further agree that there is a **2 (two)** level increase pursuant to U.S.S.G. § 2B1.1(b)(12) because the offense involved conduct described in 18 U.S.C. § 1040 (subtotal: **25**).

d. This Office and the Defendant further agree that there is a **2 (two)** level increase pursuant to U.S.S.G. § 2B1.1(b)(17) because the Defendant derived more than $1,000,000 in gross receipts from one or more financial institutions (subtotal: **27**).

e. This Office does not oppose a **2 (two)** level reduction in the Defendant's adjusted offense level pursuant to U.S.S.G. § 3E1.1(a), based upon the Defendant's apparent prompt recognition and affirmative acceptance of personal responsibility for the Defendant's criminal conduct. This Office agrees to make a motion pursuant to U.S.S.G. § 3E1.1(b) for an additional **1 (one)** level decrease in recognition of the Defendant's timely notification of the Defendant's intention to enter a plea of guilty. This Office may oppose any adjustment for acceptance of responsibility under U.S.S.G. § 3E1.1(a) and may decline to make a motion pursuant to U.S.S.G. § 3E1.1(b), if the Defendant: (i) fails to admit each and every item in the factual stipulation; (ii) denies involvement in the offense; (iii) gives conflicting statements about the Defendant's involvement in the offense; (iv) is untruthful with the Court, this Office, or the United States Probation Office; (v) obstructs or attempts to obstruct justice prior to sentencing; (vi) engages in any criminal conduct between the date of this Agreement and the date of sentencing; (vii) attempts to withdraw the plea of guilty; or (viii) violates this Agreement in any way.

f. Thus, the final anticipated adjusted offense level is **24**.

7. There is no agreement as to the Defendant's criminal history and the Defendant understands that the Defendant's criminal history could alter the Defendant's offense level. Specifically, the Defendant understands that the Defendant's criminal history could alter the final offense level if the Defendant is determined to be a career offender or if the instant offense was a part of a pattern of criminal conduct from which the Defendant derived a substantial portion of the Defendant's income.

8. Other than as set forth above, no other offense characteristics, sentencing guidelines factors, potential departures or adjustments set forth in the United States Sentencing Guidelines are in dispute or will be raised in calculating the advisory guidelines range.

Rule 11(c)(1)(C) Plea

9. The parties stipulate and agree pursuant to Federal Rule of Criminal Procedure 11(c)(1)(C) that a **sentence between 18 months and 41 months of imprisonment** in the custody of the Bureau of Prisons is the appropriate disposition of this case taking into consideration the nature and circumstances of the offense, the Defendant's criminal history, and all of the other factors set forth in 18 U.S.C. § 3553(a). This Agreement does not affect the Court's discretion to impose any lawful term of supervised release or fine or to set any lawful conditions of probation or supervised release. And the parties each reserve the right to argue for any reasonable term of supervised release and fine. In the event that the Court rejects this Agreement, except under the circumstances noted below, either party may elect to declare the Agreement null and void. Should the Defendant so elect, the Defendant will be afforded the opportunity to withdraw his plea pursuant to the provisions of Federal Rule of Criminal Procedure 11(c)(5). The parties agree that if the Court finds that the Defendant engaged in obstructive or unlawful behavior and/or failed to acknowledge personal responsibility as set forth herein, neither the Court nor the Government will be bound by the specific sentence contained in this Agreement, and the Defendant will not be able to withdraw his plea.

Obligations of the Parties

10. At the time of sentencing, this Office and the Defendant reserve the right to advocate for a reasonable sentence, period of supervised release, and/or fine considering any appropriate factors under 18 U.S.C. § 3553(a). This Office and the Defendant reserve the right to bring to the Court's attention all information with respect to the Defendant's background, character, and conduct that this Office or the Defendant deem relevant to sentencing, including the conduct that is the subject of any counts of the Information. At the time of sentencing, this Office will move to dismiss any open counts against the Defendant.

Waiver of Appeal

11. In exchange for the concessions made by this Office and the Defendant in this Agreement, this Office and the Defendant waive their rights to appeal as follows:

a. The Defendant knowingly waives all right, pursuant to 28 U.S.C. § 1291 or any other statute or constitutional provision, to appeal the Defendant's conviction on any ground whatsoever. This includes a waiver of all right to appeal the Defendant's conviction on the ground that the statute(s) to which the Defendant is pleading guilty is unconstitutional, or on the ground that the admitted conduct does not fall within the scope of the statute(s), to the extent that such challenges legally can be waived.

b. The Defendant and this Office knowingly and expressly waive all rights conferred by 18 U.S.C. § 3742 to appeal whatever sentence is imposed (including any term of imprisonment, fine, term of supervised release, or order of restitution) for any reason (including the establishment of the advisory sentencing guidelines range, the determination of the Defendant's criminal history, the weighing of the sentencing factors, and any constitutional challenges to the calculation and imposition of any term of imprisonment, fine, order of forfeiture, order of restitution, and term or condition of supervised release), except as follows:

i. The Defendant reserves the right to appeal any sentence that exceeds the statutory maximum; and

ii. This Office reserves the right to appeal any sentence below a statutory minimum.

c. The Defendant waives any and all rights under the Freedom of Information Act relating to the investigation and prosecution of the above-captioned matter and agrees not to file any request for documents from this Office or any investigating agency.

Forfeiture

12. The Defendant understands that the Court may enter an Order of Forfeiture as part of the Defendant's sentence, and that the Order of Forfeiture may include assets directly traceable to the offense(s), substitute assets, and/or a money judgment equal to the value of the property derived from, or otherwise involved in, the offenses.

13. Specifically, but without limitation on the Government's right to forfeit all property subject to forfeiture as permitted by law, the Defendant agrees to forfeit to the United States all of the Defendant's right, title, and interest in the following items that the Defendant agrees constitute money, property, and/or assets derived from or obtained by the Defendant as a result of, or used to facilitate the commission of, the Defendant's illegal activities: a money judgment in the amount of at least $1,016,224.

14. If specific direct or substitute assets are forfeited and liquidated, any net proceeds of the asset shall be applied to the money judgment. The Defendant acknowledges that, due to his acts or omissions, the total proceeds he obtained as a result of the scheme to defraud are not available to the government for forfeiture, and the government is entitled to the forfeiture of substitute assets because at least one of the conditions in 21 U.S.C. § 853(p) has been met.

15. The Defendant agrees to consent to the entry of orders of forfeiture for the property described herein and waives the requirements of Federal Rules of Criminal Procedure 11(b)(1)(J), 32.2, and 43(a) regarding notice of the forfeiture in the charging instrument, advice regarding forfeiture during the change of plea hearing, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment.

16. The Defendant agrees to assist fully in the forfeiture of the above property. The Defendant agrees to disclose all assets and sources of income, to consent to all requests for access to information related to assets and income, and to take all steps necessary to pass clear title to the forfeited assets to the United States, including executing all documents necessary to transfer such title, assisting in bringing any assets located outside of the United States within the jurisdiction of the United States, and taking whatever steps are necessary to ensure that assets subject to forfeiture are made available for forfeiture.

17. The Defendant waives all challenges to any forfeiture carried out in accordance with this Agreement on any grounds, including any and all constitutional, legal, equitable, statutory, or administrative grounds brought by any means, including through direct appeal, habeas corpus petition, or civil complaint. The Defendant will not challenge or seek review of any civil or administrative forfeiture of any property subject to forfeiture under this Agreement, and will not assist any third party with any challenge or review or any petition for remission of forfeiture.

Collection of Financial Obligations

18. The Defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report in order to evaluate the Defendant's ability to satisfy any financial obligation imposed by the Court. If restitution is not paid by the date of sentencing, in order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the Defendant agrees to disclose fully all assets in which the Defendant has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party. If restitution is not paid by the date of sentencing, the Defendant will promptly submit a completed financial statement to the United States Attorney's Office, in a form this Office prescribes and as it directs. The Defendant promises that any financial statement and disclosures the Defendant submits will be complete, accurate and truthful, and understands that any willful falsehood on the financial statement will be a separate crime and may be punished under 18 U.S.C.§ 1001 by an additional five years' incarceration and fine.

Defendant's Conduct Prior to Sentencing and Breach

19. Between now and the date of the sentencing, the Defendant will not engage in conduct that constitutes obstruction of justice under U.S.S.G. § 3C1.1; will not violate any federal, state, or local law; will acknowledge guilt to the probation officer and the Court; will be truthful in any statement to the Court, this Office, law enforcement agents, and probation officers; will cooperate in the preparation of the presentence report; and will not move to withdraw from the plea of guilty or from this Agreement.

20. If the Defendant engages in conduct prior to sentencing that violates the above paragraph of this Agreement, and the Court finds a violation by a preponderance of the evidence, then: (i) this Office will be free from its obligations under this Agreement; (ii) this Office may make sentencing arguments and recommendations different from those set out in this Agreement, even if the Agreement was reached pursuant to Rule 11(c)(1)(C); and (iii) in any criminal or civil proceeding, this Office will be free to use against the Defendant all statements made by the Defendant and any of the information or materials provided by the Defendant, including statements, information, and materials provided pursuant to this Agreement, and statements made during proceedings before the Court pursuant to Rule 11 of the Federal Rules of Criminal Procedure. A determination that this Office is released from its obligations under this Agreement will not permit the Defendant to withdraw the guilty plea. The Defendant acknowledges that the Defendant may not withdraw the Defendant's guilty plea—even if made pursuant to Rule 11(c)(1)(C)—if the Court finds that the Defendant breached the Agreement. In that event, neither the Court nor the Government will be bound by the specific sentence or sentencing range agreed and stipulated to herein pursuant to Rule 11(c)(1)(C).

Restitution

21. The Defendant agrees to the entry of a restitution order for the full amount of the victims' losses. The Defendant agrees that, pursuant to 18 U.S.C. §§ 3663 and 3663A and 3563(b)(2) and 3583(d), the Court may order restitution of the full amount of the actual, total loss caused by the offense conduct set forth in the factual stipulation, which the parties stipulate is at least $1,016,224. The total amount of restitution shall be due immediately and shall be ordered to be paid forthwith. Any payment schedule imposed by the Court establishes only a minimum obligation. Defendant will make a good faith effort to pay any restitution. Regardless of Defendant's compliance, any payment schedule does not limit the United States' ability to collect additional amounts from Defendant through all available collection remedies at any time. The Defendant further agrees that the Defendant will fully disclose to this Office, the probation officer, and to the Court, subject to the penalty of perjury, all information (including but not limited to copies of all relevant bank and financial records) regarding the current location and prior disposition of all funds obtained as a result of the criminal conduct set forth in the factual stipulation. The Defendant further agrees to take all reasonable steps to retrieve or repatriate any such funds and to make them available for restitution. If the Defendant does not fulfill this provision, it will be considered a material breach of this Agreement, and this Office may seek to be relieved of its obligations under this Agreement.

Court Not a Party

22. Subject to paragraph 9 above, the Court is not a party to this Agreement. The sentence to be imposed is within the sole discretion of the Court. The Court is not bound by the Sentencing Guidelines stipulation in this Agreement. The Court will determine the facts relevant to sentencing. The Court is not required to accept any recommendation or stipulation of the parties. The Court has the power to impose a sentence up to the maximum penalty allowed by law. If the Court makes sentencing findings different from those stipulated in this Agreement, or if the Court imposes any sentence up to the maximum allowed by statute, the Defendant will remain bound to fulfill all of the obligations under this Agreement. Neither the prosecutor, defense counsel, nor the Court can make a binding prediction, promise, or representation as to what guidelines range or sentence the Defendant will receive. The Defendant agrees that no one has made such a binding prediction or promise.

Entire Agreement

23. This letter, together with the Sealed Supplement, constitutes the complete plea agreement in this case. This letter, together with the Sealed Supplement, supersedes any prior understandings, promises, or conditions between this Office and the Defendant. There are no other agreements, promises, undertakings, or understandings between the Defendant and this Office other than those set forth in this letter and the Sealed Supplement. No changes to this Agreement will be effective unless in writing, signed by all parties and approved by the Court.

If the Defendant fully accepts each and every term and condition of this Agreement, please sign and have the Defendant sign the original and return it to me promptly.

Very truly yours,

Erek L. Barron
United States Attorney

Paul A. Riley
Assistant United States Attorney

I have read this Agreement, including the Sealed Supplement, and carefully reviewed every part of it with my attorney. I understand it and I voluntarily agree to it. Specifically, I have reviewed the Factual and Advisory Guidelines Stipulation with my attorney and I do not wish to change any part of it. I am completely satisfied with the representation of my attorney.

9-13-2023
Date

Reginald A. Hopkins
Reginald Hopkins
Defendant

I am the Defendant's attorney. I have carefully reviewed every part of this Agreement, including the Sealed Supplement with the Defendant. The Defendant advises me that the Defendant understands and accepts its terms. To my knowledge, the Defendant's decision to enter into this Agreement is an informed and voluntary one.

9/13/23
Date

Tyler Mann, Esq.
Counsel to Defendant

ATTACHMENT A

STIPULATION OF FACTS

The undersigned parties stipulate and agree that if this case had proceeded to trial, this Office would have proven the following facts beyond a reasonable doubt. The undersigned parties also stipulate and agree that the following facts do not encompass all of the evidence that would have been presented had this matter proceeded to trial.

Defendant Reginald A. Hopkins, born March 1971, is a resident of Prince George's County, Maryland. Beginning in June 2020 and continuing through March 2021 in the District of Maryland, Defendant and co-conspirator #1 engaged in a scheme to defraud financial institutions, including Cross River Bank, Bluevine, Celtic Bank, and the United States Small Business Administration (SBA), to obtain fraudulent loans for various purported businesses under the Paycheck Protection Program (PPP), which was part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and the Economic Injury Disaster Loan (EIDL) program.

For the purpose of executing and attempting to execute this scheme to defraud, Defendant and his co-conspirator knowingly and willfully transmitted and caused to be transmitted by means of wire communications, in interstate and foreign commerce, writings, signs, signals, pictures, and sounds, in violation of 18 U.S.C. § 1349.

Ultimately, Defendant fraudulently obtained $1,007,224 in fraudulent PPP funds and $9,000 EIDL funds as part of this scheme. He attempted to obtain more than $3,132,224 in PPP and EIDL funds. Defendant's criminal acts are described in further detail below.

PPP Loan Applications and Kickback Payments

PPP Loan #1 ($291,090) – Prestige Executive Transportation

On June 11, 2020, co-conspirator # 1, with the assistance of Defendant, submitted a fraudulent PPP loan application to Bluevine (a loan processor) and Celtic Bank for Prestige Executive Transportation, a business owned by the Defendant.

The PPP loan application contained multiple material misrepresentations, including that Prestige Executive Transportation in 2019 had 15 employees and an average monthly payroll of $116,436. In support of the loan application, a fabricated 2019 Internal Revenue Service (IRS) Form 944—Employer's Annual Federal Tax Return—was submitted, which falsely indicated that the entity's "[t]otal payments to all employees" in 2019 was $1,397,237.78.

The IRS Form 944 was not legitimate, and the information within it was false. In fact, Prestige Executive Transportation did not report paying any wages to or withholding federal income tax from any employees during the 2019 tax year—as confirmed by IRS records.

Additionally, Defendant provided co-conspirator # 1 copies of various documents to be submitted in in connection with the PPP loan application, including photographs of his driver's license, and a voided check from Prestige Executive Transportation's bank account, which Defendant had previously opened and controlled.

Based on the false representations and fraudulent submissions made on behalf of Defendant as the owner of Prestige Executive Transportation on June 14, 2020, the PPP loan was funded, and approximately $291,090 was distributed by Celtic Bank to Prestige Executive Transportation's bank account controlled by Defendant.

Defendant agreed to pay co-conspirator # 1 a kickback payment for his work in submitting the false application and obtaining the fraudulent PPP loan. After the PPP loan funds were received by Defendant, he provided co-conspirator # 1 a check dated June 16, 2020 in the amount $58,000—or approximately 20 percent of the PPP loan amount. The memo line on the check noted "loan program."

PPP Loan #2 ($294,771) – Prestige 24/7

On March 14, 2021, co-conspirator # 1, with the assistance of Defendant, submitted a fraudulent PPP loan application to Cross River Bank for Prestige 24/7 Auto Sales & Services LLC ("Prestige 24/7"), another business owned by Defendant.

The PPP loan application contained multiple material misrepresentations, including that Prestige 24/7 in 2019 had 15 employees and an average monthly payroll of $120,409. In support of the loan application, a fabricated 2019 IRS Form 940 was submitted; it falsely indicated that the entity's "[t]otal payments to all employees" in 2019 was $1,444,902.60 in wages to all employees in 2019.

The IRS Form 940 was not legitimate, and the information within it was false. In fact, Prestige 24/7 did not report paying any wages to or withholding federal income tax from any employees during the 2019 tax year—as confirmed by IRS records.

Defendant again provided co-conspirator # 1 copies of various documents to be submitted in in connection with the PPP loan application, including photographs of his driver's license, and a voided check from Prestige 24/7's bank account, which Defendant had previously opened and controlled.

Based on the false representations and fraudulent submissions made on behalf of Defendant as the owner of Prestige 24/7 on March 23, 2021, the PPP loan was funded, and approximately $294,771 was distributed by Cross River Bank to Prestige 24/7's bank account controlled by Defendant.

After learning of the approval of the loan, Defendant wrote to co-conspirator #1 on Whatsapp, "Now thank you Sir!!! I need to come see you ASAP!!!!! I need to take care of the man who has watched over me since I met him then[.]" Defendant again paid co-conspirator # 1 a kickback payment for his work in submitting the false application and obtaining the fraudulent PPP loan. After the PPP loan funds were received by Defendant, he provided co-conspirator # 1 with eight checks each dated between March 23, 2021 and March 25, 2021, totaling $75,000.00—approximately 25% of the PPP loan amount—which were ultimately drawn on Prestige 24/7's bank account controlled by Defendant.

The checks were signed by Hopkins and in the amounts of $12,000, $7,500, $8,000, $15,000, $6,000, $10,000, $7,000 and $9,500. On each of those checks, Defendant left the payee name blank. Thereafter, co-conspirator # 1—to launder the proceeds and attempt to conceal their nature and purpose—wrote a different payee name on each of those checks and deposited them in accounts he controlled.

PPP Loan #3 ($423,363) – Prestige Assisted Living

On March 23, 2021, co-conspirator # 1, with the assistance of Defendant, submitted a fraudulent PPP loan application to Cross River Bank for Prestige Assisted Living Inc. ("Prestige Assisted Living"), another business owned by Defendant.

Prior to the submission of the application Defendant on March 4, 2021 reached out to co-conspirator # 1 over Whatsapp, writing "Hey Sir I want to apply for the PPP with my asst living

company" and later sent co-conspirator # 1 a photograph of the front and back of Defendant's license for inclusion with the PPP application.

The PPP loan application contained multiple material misrepresentations, including that Prestige Assisted Living in 2019 had 24 employees and an average monthly payroll of $168,545. In support of the loan application, a fabricated 2019 IRS Form 940 was submitted; it falsely indicated that the entity in 2019 paid $2,022,544.12 in wages to all employees in 2019.

The IRS Form 940 was not legitimate, and the information within it was false. In fact, Prestige Assisted Living did not report paying any wages to or withholding federal income tax from any employees during the 2019 tax year—as confirmed by IRS records.

Prestige Assisted Living did not even obtain a license to operate as an assisted living facility until December 18, 2020. It was authorized to have four beds. Moreover, even after it obtained its license, Prestige Assisted Living never paid wages to any employee.

The PPP loan application also included a fabricated February 2020 Wells Fargo Bank statement for Prestige Assisted Living's Wells Fargo bank account. The actual beginning balance on the Wells Fargo Bank statement was negative $3.50, not $123,538.50 as shown on the purported February 2020 statement submitted to Cross River Bank. Likewise, the actual ending balance on the Wells Fargo Bank statement was negative $17.50, not $123,475.77 as shown on the purported February 2020 statement submitted to Cross River Bank.

Based on the false representations and fraudulent submissions made on behalf of Defendant as the owner of Prestige Assisted Living on March 25, 2021, the PPP loan was funded, and approximately $421,363 was distributed by Cross River Bank to Prestige Assisted Living's bank account controlled by Defendant.

Defendant again paid co-conspirator # 1 a kickback payment for his work in submitting the false application and obtaining the fraudulent PPP loan. After the PPP loan funds were received by Defendant, he provided co-conspirator # 1 with five checks each with a different date in March 2021 totaling $44,000—approximately 10.5% of the PPP loan amount—which were ultimately drawn on Prestige Assisted Living's bank account controlled by Defendant.

The checks were signed by Hopkins and in the amounts of $8,000, $9,000, $7,000, $5,000, and $15,000. On each of those checks, Defendant again left the payee name blank. Thereafter, co-conspirator # 1—to launder the proceeds and attempt to conceal their nature and purpose—wrote a different payee name on each of those checks and deposited them in accounts he controlled.

Spending of PPP Funds

Defendant spent the fraudulently obtained loan proceeds in various ways that were impermissible under the PPP program, including by paying $177,000 in kickbacks to co-conspirator #1, providing PPP funds to various friends, family members and associates for purposes unrelated to employment, making large cash withdrawals for himself, and paying off various personal debts.

On or about March 31, 2021, Defendant also used $30,000 of the PPP funds to purchase an auto body repair shop called B&G Auto Repair LLC. Defendant planned to seek and obtain a fraudulent PPP loan for this entity as well. He likewise used the fraudulently obtained loan proceeds in connection with another business venture "flipping" houses.

Attempts To Obtain PPP Loans For Other Purported Businesses

On March 19, 2021, co-conspirator # 1, with the assistance of Defendant, submitted a fraudulent PPP loan application to Cross River Bank for Prestige Executive Protection Services, LLC, another business owned by Defendant seeking a loan in the amount of $250,723. This application falsely claimed, among other things, that the business had $100,289 in average monthly payroll. It also included a fabricated 2019 IRS Form 940, which stated that total payments to all employees in 2019 were $1,203,471.52. In fact, this business did not report paying any wages to or withholding federal income tax from any employees during the 2019 tax year—as confirmed by IRS records. The loan was ultimately declined.

In addition to obtaining the PPP loans discussed above, Defendant also conspired with co-conspirator #1 to obtain PPP loans for various other purported businesses, including Prestige Paradise Promotions, LLC, Prestige Executed Protection Services II, LLC, Prestige Real Estate & Development, LLC, and B&G Auto Repair LLC, as noted above. Defendant repeatedly sought co-conspirator #1's assistance in obtaining PPP loans for these entities but the loans never closed.

Defendant likewise referred various friends and associates to co-conspirator #1 so that they could attempt to obtain PPP loans with his assistance too.

Attempts to Obtain EIDL Funds

Defendant also caused to be submitted numerous fraudulent EIDL applications.

For example, on or about April 1, 2020, an EIDL application was submitted for Prestige Executive Transportation. The application falsely claimed that the business had five employees, 2019 gross revenue of $250 million, and cost of goods sold of $100 million. This equated to a requested loan amount of $2 million according to SBA's formula for calculating eligible EIDL amounts (gross revenues minus cost of goods sold, divided by two, with a maximum allowable loan amount of $2 million). This loan was ultimately declined; however, Defendant received a EIDL Advance of $5,000, which was deposited into an account Defendant controlled.

Likewise, on or about April 2, 2020, an EIDL application for Prestige Executive Protection Services II was submitted to the SBA. Financial information supplied on the application stated that Prestige Executive Protection had gross revenues of $200,000 and a monthly revenue of $16,666.66, which equated to a requested loan amount of $100,000 according to SBA's formula for calculating eligible EIDL amounts (gross revenues minus cost of goods sold, divided by two). This loan was ultimately declined; however, Defendant received an EIDL Advance of $4,000, which was deposited into an account Defendant controlled.

On or about July 1, 2020, an EIDL application was submitted for Prestige 24/7. It falsely claimed that the business had gross revenues of $700,000 and cost of goods sold of $650,000. The loan was ultimately declined.

Defendant has to date made no payments to Celtic Bank or Cross River Bank in connection with the fraudulently-obtained PPP loan funds, and the entire loan balance for both loans is outstanding.

Defendant and co-conspirator #1 executed the fraud scheme discussed herein, in part, through the use of mobile phones, the internet, multiple email accounts, and bank deposits and transfers, all of which involved interstate wires, and Defendant and co-conspirator #1 were in Maryland when each transmitted wires in furtherance of the conspiracy and the scheme to defraud.

SO STIPULATED:

Paul A. Riley
Assistant United States Attorney

9-13-2023
Date

Reginald Hopkins
Defendant

Date

Tyler Mann, Esq.
Counsel to Defendant