UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 23-20060-CR-ALTMAN/REID

18 U.S.C. § 1343
18 U.S.C. § 982(a)(2)

UNITED STATES OF AMERICA

vs.

ALFREDO HUDSON,

Defendant.

______________________________/

INFORMATION

The United States Attorney charges that:

GENERAL ALLEGATIONS

At all times material to this Information:

1. The United States Small Business Administration ("SBA") was an agency of the executive branch of the Government of the United States. 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.

2. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable

loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP").

3. In order to obtain a PPP loan, a qualifying business submitted 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 (SBA Form 2483), the small business (through its authorized representative) was required to provide, among other things, its: (a) average monthly payroll; and (b) 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, the sole proprietor had to report and document the sole proprietorship's income and expenses, as typically reported to the Internal Revenue Service ("IRS") on Form 1040, Schedule C. This application and the supporting documentation submitted were used to calculate the amount of money the applicant was entitled to receive under the PPP.

4. The PPP also allowed a qualifying business that had obtained a PPP loan in 2020 and experienced a required revenue reduction in 2020 to obtain a second PPP loan in 2021. These second PPP loans were also known as "second draw" loans. Starting on or about March 4, 2021, small businesses that filed an IRS Form 1040, Schedule C, could apply for this second draw loan based on their gross income by using a PPP second draw application (SBA Form 2483-SD-C) that provided their gross income from either 2019 or 2020. This second draw application and the supporting documentation submitted were used to calculate the amount of second draw money the applicant was entitled to receive under the PPP.

5. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies.

While it was the participating lender that issued the PPP loan, the loan was 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.

6. PPP loan proceeds were required to be used by the business on certain permissible expenses, specifically, 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 permissible expense items within a designated period of time and used a defined portion of the PPP loan proceeds on payroll expenses. In the PPP loan forgiveness application (SBA Form 3508S), the borrower was required to provide, among other things, the amount of the loan spent on payroll costs, and to certify compliance with all the rules and requirements of the PPP program. Certain PPP borrowers with loans under $150,000 were allowed to use the SBA's Direct Forgiveness Portal to apply for PPP loan forgiveness. Forgiveness requests made through this portal were reviewed and accepted by the lender, and then processed by the SBA. The servers for this portal were located outside the state of Florida.

7. Defendant **ALFREDO HUDSON** was a resident of Miami-Dade County, Florida, who at various times relevant to this Information was employed by the State of Florida as a Corrections Officer.

8. Lender 1 was a financial technology company based in Atlanta, Georgia. Lender 1 was an SBA-approved lender for PPP loans, and processed PPP loan applications from applicants located throughout the United States. Lender 1's servers were located outside the state of Florida.

9. Technology Company 1 was a company based in San Francisco, California, that operated an online platform that received information and documents from PPP loan applicants

throughout the United States. Technology Company 1 was not a PPP lender, but rather was an independent business that served as a referral partner and technology services provider for multiple SBA-approved PPP lenders. Once an applicant submitted their information and documents through the online platform, Technology Company 1 would make certain information and documents available to one of the lenders that retained its services for the lender's review, approval, and funding of the PPP loan. Technology Company 1's servers were located outside the state of Florida.

10. Lender 2 was an SBA-approved lender for PPP loans. Lender 2 contracted with Technology Company 1 to receive PPP applications for funding by Lender 2.

11. Lender 3 was an SBA-approved lender that originated and funded PPP loans, and that also acquired and serviced pre-existing PPP loans issued by other lenders. Lender 3 reviewed PPP loan forgiveness applications submitted directly to the SBA by borrowers of the loans it was servicing, and made recommendations to the SBA on whether those applications satisfied the requirements for PPP loan forgiveness.

12. Bank 1 was a bank that did business throughout the United States, including maintaining branches in the Southern District of Florida.

13. Bank 2 was a bank that did business throughout the United States, including maintaining branches in the Southern District of Florida.

<u>COUNT 1</u>
Wire Fraud
(18 U.S.C. § 1343)

1. Paragraphs 1 through 13 of the General Allegations section of this Information are re-alleged and incorporated by reference as through fully set forth herein.

2. From in or around June 2020, and continuing through in or around September,

2021, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

ALFREDO HUDSON,

did knowingly, and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and, for the purpose of executing the scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures and sounds, in violation of Title 18, United States Code, Section 1343.

PURPOSE OF THE SCHEME AND ARTIFICE

3. The purpose of the scheme and artifice was for **ALFREDO HUDSON** to unlawfully enrich himself by submitting false and fraudulent PPP applications to obtain loan proceeds for his own use and benefit, and by submitting false and fraudulent applications for PPP loan forgiveness to allow him to avoid having to repay the PPP loans he obtained.

THE SCHEME AND ARTIFACE

The manner and means by which **ALFREDO HUDSON** sought to accomplish the purpose of the scheme and artifice included, among others, the following:

4. **ALFREDO HUDSON** submitted to Lender 1, via interstate wire communications, a false and fraudulent PPP 2020 loan application claiming to be a self-employed individual operating a business under the name "Alfredo Enterprise." That PPP loan application falsely and fraudulently represented Alfredo Enterprise's monthly payroll, and as part of the application process, **HUDSON** submitted a false and fraudulent IRS Form 1040, Schedule C for tax year 2019, stating that Alfredo Enterprise was a "Recreation" business.

5. As a result of this false and fraudulent application, **ALFREDO HUDSON** obtained approximately $10,104 in PPP loan proceeds from Lender 1 that were electronically deposited by Lender 1 into one of **HUDSON's** accounts at Bank 1. This electronic deposit was made via interstate wire communications.

6. **ALFREDO HUDSON** submitted to Technology Company 1, via interstate wire communications, a false and fraudulent 2021 PPP second draw loan application claiming to be a sole proprietor operating a business under the tradename of "Alfredo Enterprise." This second draw PPP loan application falsely and fraudulently represented Alfredo Enterprise's 2019 gross income, and as part of this second draw application process, **HUDSON** submitted a different false and fraudulent IRS Form 1040, Schedule C, for tax year 2019, stating that Alfredo Enterprise was a "Barbershop."

7. As a result of this false and fraudulent application, **ALFREDO HUDSON** obtained approximately $11,251 in second draw PPP loan proceeds from Lender 2 that were electronically deposited by Lender 2 into one of **HUDSON's** accounts at Bank 2. This electronic deposit was made via interstate wire communications. Lender 2 later transferred this loan to Lender 3 for servicing.

8. **ALFREDO HUDSON** submitted to the SBA, via interstate wire communications, a false and fraudulent SBA PPP loan forgiveness application seeking forgiveness from repayment of the PPP second draw loan he received from Lender 2. As a result of this false and fraudulent forgiveness application, **HUDSON** was excused from any repayment obligation on the $11,251 second draw PPP loan he received, and the SBA reimbursed Lender 3, which has acquired this loan from Lender 2, for the full amount of this loan and its accrued interest.

USE OF WIRES

9. On or about the date specified below, in the Southern District of Florida, and elsewhere, **ALFREDO HUDSON**, for the purpose of executing and in furtherance of the aforesaid scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, did knowingly transmit and cause to be transmitted in interstate and foreign commerce, by means of wire communication, certain writings, signs, signals, pictures, and sounds, as described below:

COUNT	APPROXIMATE DATE	DESCRIPTION OF WIRE
1	April 25, 2021	Electronic transmission of a PPP second draw loan application containing false information about the 2019 gross income of Alfredo Hudson using the tradename Alfredo Enterprise, including a false 2019 IRS Form 1040 Schedule C, causing a wire transmission from the Southern District of Florida to outside of the State of Florida

In violation of Title 18, United States Code, Sections 1343 and 2.

FORFEITURE ALLEGATIONS

1. The allegations of this Information are hereby re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant, **ALFREDO HUDSON**, has an interest.

2. Upon conviction of a violation of Title 18, United States Code, Section 1343, as alleged in this Information, the defendant, **ALFREDO HUDSON**, shall forfeit to the United States any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violation, pursuant to Title 18, United States Code, Section 982(a)(2)(A).

All pursuant to Title 18, United States Code, Section 982(a)(2)(A), and the procedures set forth in Title 21, United States Code, Section 853, as incorporated by Title 18, United States Code, Section 982(b)(1).

MARKENZY LAPOINTE
UNITED STATES ATTORNEY

EDWARD N. STAMM
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA **CASE NO.:** ____________________

v.

Alfredo Hudson

______________________/

Defendant.

CERTIFICATE OF TRIAL ATTORNEY*

Court Division (select one)
☑ Miami ☐ Key West ☐ FTP
☐ FTL ☐ WPB

Superseding Case Information:

New Defendant(s) (Yes or No) ______
Number of New Defendants ____
Total number of New Counts ____

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. §3161.
3. Interpreter: (Yes or No) **No**
   List language and/or dialect: ____________________
4. This case will take **0** days for the parties to try.
5. Please check appropriate category and type of offense listed below:

(Check only one)		(Check only one)
I	☑ 0 to 5 days	☐ Petty
II	☐ 6 to 10 days	☐ Minor
III	☐ 11 to 20 days	☐ Misdemeanor
IV	☐ 21 to 60 days	☑ Felony
V	☐ 61 days and over	

6. Has this case been previously filed in this District Court? (Yes or No) **No**
   If yes, Judge ____________________ Case No. ____________________
7. Has a complaint been filed in this matter? (Yes or No) **Yes**
   If yes, Magistrate Case No. **23-mj-02177-AOR**
8. Does this case relate to a previously filed matter in this District Court? (Yes or No) **No**
   If yes, Judge ____________________ Case No. ____________________
9. Defendant(s) in federal custody as of ____________________
10. Defendant(s) in state custody as of ____________________
11. Rule 20 from the __________ District of __________
12. Is this a potential death penalty case? (Yes or No) **No**
13. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard? (Yes or No) **No**
14. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss? (Yes or No) **No**

By: ____________________
Edward N. Stamm
Assistant United States Attorney
FL Bar No. 373826

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: Alfredo Hudson

Case No: ______________________

Count #: 1

Wire Fraud

18 U.S.C. § 1343

*** Max. Term of Imprisonment: 20 years**
*** Mandatory Min. Term of Imprisonment (if applicable): N/A**
*** Max. Supervised Release: 5 years**
*** Max. Fine: $250,000**
*** Special Assessment: $100**

***Refers only to possible term of incarceration, supervised release and fines. It does not include restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT

for the

Southern District of Florida

United States of America
v.
Alfredo Hudson
Defendant

Case No.

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: ________________

Defendant's signature

Signature of defendant's attorney

Daniel Ecarius, Esq.
Printed name of defendant's attorney

Judge's signature

Judge's printed name and title