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DISTRICT OF ARIZONA
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IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ARIZONA

United States of America, Plaintiff, vs. Austin VanScoyk, Sam Fiedler, Defendants.	20-20-02736 (JCH)(BGM) ~~4:20-mj-~~ 20-WI-1350-JCH-(BGM) 20-WI-1351-JCH-(BGM) **INFORMATION** Violation: 18 U.S.C. § 371 Conspiracy to Commit Wire Fraud (Felony)

THE UNITED STATES CHARGES:

Background

At times relevant to this Information:

The Defendants and Co-Conspirators

1. **AUSTIN VANSCOYK** ("**VANSCOYK**") was an individual residing in Arizona who claimed ownership of Bright Edge LLC ("Bright Edge") and Aston Homes LLC ("Aston Homes"), Arizona limited liability corporations. **VANSCOYK** submitted Paycheck Protection Program ("PPP") loan applications on behalf of Bright Edge and Aston Homes.

2. **SAM FIEDLER** ("**FIEDLER**") was an individual residing in Arizona who was an accountant for Bright Edge. **FIEDLER** submitted PPP loan applications on behalf of Yellow Turtle Shell LLC ("Yellow Turtle") and Aston Homes.

3. Individual 1 was an individual residing in Arizona who claimed ownership of Aston Homes. Person 1 was married to **VANSCOYK**.

4. Individual 2 was an individual residing in Arizona who claimed ownership of Grand American Homes ("Grand American"), Bright Edge, and Aston Homes, Arizona limited liability corporations. Individual 2 was the applicant for the Grand American PPP loan application.

The Small Business Administration

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

6. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans have government-backed guarantees.

The Paycheck Protection Program

7. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

8. One source of relief that the CARES Act provided for was the authorization of up to $349 billion in forgivable loans to small businesses for payroll, mortgage interest, rent/lease, and utilities, through a program referred to as the PPP. In April 2020, Congress authorized up to $310 billion in additional PPP funding.

9. The PPP allows qualifying small businesses and other organizations to receive PPP loans. Businesses must use PPP loan proceeds on payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time and used a certain percentage of the PPP loan proceeds on payroll expenses.

10. The amount of a PPP loan that a small business may be entitled to receive is determined by the number of employees employed by the business and the business's average monthly payroll costs.

11. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) had

to state, among other things, its: (a) average monthly payroll expenses; 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, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

12. The SBA oversees the PPP. However, individual PPP loans are issued by private, approved lenders who receive and process PPP applications and supporting documentation, and then make loans using the lenders' own funds, which are 100% guaranteed by 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.

13. Financial Institution 1 was a Federal Deposit Insurance Corporation ("FDIC") insured financial institution headquartered in St. Petersburg, Florida. Financial Institution 1 participated in the SBA's PPP as a lender, and as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

14. Financial Institution 2 was a FDIC insured financial institution headquartered in Festus, Missouri. Financial Institution 2 participated in the SBA's PPP as a lender, and as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

15. Financial Institution 3 was a FDIC insured financial institution headquartered in Oklahoma City, Oklahoma. Financial Institution 3 participated in the SBA's PPP as a lender, and as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

16. Financial Institution 4 was a FDIC insured financial institution headquartered in Salt Lake City, Utah. Financial Institution 4 participated in the SBA's PPP as a lender, and as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

Overt Acts

The Fraudulent PPP Loan Applications

17. **VANSCOYK, FIEDLER,** and Individual 2 submitted, caused, or aided and abetted in the submission of the following PPP loan applications:

Business	Application Date	Applicant	Bank	Claimed Employees	Amount Requested
Bright Edge	04/03/20	**VANSCOYK**	Financial Institution 1	171	$638,355
Yellow Turtle	04/20/20	**FIEDLER**	Financial Institution 2	40	$715,520
Aston Homes	04/20/20	**FIEDLER**	Financial Institution 2	49	$844,500
Aston Homes	04/20/20	**FIEDLER**	Financial Institution 3	49	$844,500
Grand American	04/27/20	Individual 2	Financial Institution 4	36	$594,830
Aston Homes	04/27/20	Individual 1	Financial Institution 4	49	$844,510
Aston Homes	04/27/20	Individual 1	Financial Institution 4	49	$844,510

18. **FIEDLER** submitted a falsified IRS Form 941s for 2020 for Yellow Turtle, Aston Homes, and Grand American. IRS records show that Yellow Turtle, Aston Homes, and Grand American did not submit forms 941 in 2020. **FIEDLER** submitted a 2018 Federal Partnership Income Tax return for Bright Edge. Attached to the back of the return was a list with the title "Bright Edge, LLC" purporting to report wages of $3,064,105.15, and an average monthly payroll expense of $255,342.10 for 171 employees. According to IRS records, Bright Edge filed an IRS Form 941 for the fourth quarter of 2018 reporting total wages of $98,000 for seven employees. **VANSCOYK** and Individual 1 were aware that false documents were submitted in support of the PPP application.

19. **VANSCOYK** and **FIEDLER** submitted, caused, or aided and abetted in the submission of fraudulent documentation that materially overstated the number of employees and the applicable salaries of the employees at Bright Edge, Yellow Turtle, and Aston Homes.

20. **VANSCOYK, FIEDLER,** and Individual 2 submitted, caused, or aided and abetted in the submission of fraudulent documentation that materially overstated the number of employees and the applicable salaries of the employees at Grand American.

21. Each loan applications contained the following certifications:

a. The Applicant business was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC;

b. The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments; and

c. The information provided in the application and the information provided in all supporting documents and forms is true and accurate in all material respects.

22. **VANSCOYK** and Individual 2 attempted to conceal their fraudulent scheme through a variety of means, including attempting to convince independent contractors to fraudulently claim to be employees of Bright Edge and Grand American.

PPP Loan Funding and Transfers of Money

23. Based on the fraudulent and false representations and submissions made by **VANSCOYK** and **FIEDLER**, on or about April 26, 2020, Financial Institution 1 distributed approximately $638,300 of PPP loan funds to Bright Edge.

24. Based on the fraudulent and false representations and submissions made by Individual 2 and **FIEDLER**, on or about April 30, 2020, Financial Institution 4 distributed approximately $594,830 of PPP loan funds to Grand American.

Conspiracy to Commit Wire Fraud – 18 U.S.C. § 371
(Defendants **VANSCOYK** and **FIEDLER**)

25. The United States re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 24 of this Information as if fully set forth herein.

26. From on or about March 18, 2020 through on or about August 7, 2020, the exact dates unknown, in the District of Arizona and elsewhere, **VANSCOYK**, **FIEDLER**, and Individual 2 did knowingly and willfully combine, conspire, confederate, agree, and have a tacit understanding with each other and with others known and unknown to the United States to 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, and by the omission of material facts, well knowing and having reason to know that said pretenses were and would be false and fraudulent when made and caused to be made and that said omissions were and would be material, and, in so doing, caused interstate and/or foreign wire communications to be made, in furtherance of the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 371.

Forfeiture

Upon conviction of the single count Information, **VANSCOYK** and **FIEDLER** shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting, or derived from, proceeds the person obtained directly or indirectly as the result of such violation, including but not limited to a money judgment equal to the amount of proceeds the Defendant obtained as a result of the offense for which the Defendant is convicted.

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