UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 22-cr-80094-DIMITROULEAS

UNITED STATES OF AMERICA

vs.

JASON SCOTT CARTER,

Defendant.
_______________________________________/

FACTUAL PROFFER

The United States of America, Jason Scott Carter ("Carter"), and his undersigned counsel agree that, had this case proceeded to trial, the United States would have proven the following facts, among others, beyond a reasonable doubt:

The Economic Injury Disaster Loan ("EIDL") program was a Small Business Administration ("SBA") program created in March 2020 by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act that provided low-interest financing and cash advances that did not have to be repaid to small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. To obtain a loan and advance under the EIDL program, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, defined as occurring on January 31, 2020. The applicant was further required to certify that all of the information in the application was true and correct to the best of the applicant's knowledge.

EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor, Rapid Finance, through servers existing outside the state of Florida. The amount of the loan, if the application was approved, was determined based on the information provided by the applicant about employment, revenue, and cost of goods, as described above. Any funds issued under an EIDL or advance were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

On March 31, 2020, Carter submitted an application to the SBA seeking a loan and advance under the EIDL program for his company, Jason S. Carter, Inc. (the "Company"). In that application, Carter certified that his gross revenues for the year preceding the pandemic were $100,000 and his cost of goods sold was $40,000. Carter certified that those representations were true and correct on the application and provided his correct personal identifying information and the corporate bank account for the Company where SBA was to direct the funds. On April 21, 2020, the SBA directly deposited a $1,000 cash advance in the Company bank account. On May 26, 2020, Carter executed a loan agreement with SBA for a loan amount of $29,000. On that loan application, Carter recertified that his prior representation that the company had $100,000 in revenue for the year preceding the disaster was true and correct, certified that he would use any funds received from the SBA only for "working capital to alleviate economic injury" caused by the COVID-19 pandemic, and again certified that his representations on the loan agreement and supporting documents, including the intake application, were true and correct under penalty of perjury. On May 29, 2020, the SBA directly deposited $28,900, the loan amount less a $100 processing fee, into the Company bank account.

These representations were knowingly false in two respects. First, the Company did not have revenues of $100,000 for the relevant time period. As reflected in his business bank account records and the revenues listed on his corporate tax return for 2019, the Company had revenues far lower than $100,000. Carter intentionally inflated that loan amount to get additional EIDL funds. Second, Carter falsely stated that he would use the funds only on alleviating economic injury to his company. In fact, he intended, and did, spend $21,788 of the EIDL funds on high-end and other repairs to a personal vintage car of his, a 1969 Ford Mustang, from June 15 through October 23, 2022. Carter made these false representations for the purpose of inducing SBA to transfer the cash advance and loan proceeds to the Company.

As of the date of this factual proffer, the current uncollected balance on Carter's EIDL loan from the SBA is $28,616.00.

The facts described above are not intended to be a complete recitation of the facts of this case and are merely intended to form a basis for the undersigned defendant's knowing, willful, and intentional plea of guilty.

JUAN ANTONIO GONZALEZ
UNITED STATES ATTORNEY

Date: 10/12/22 By: Will Rosenzweig
WILL J. ROSENZWEIG
JULIA M. MALONEY
ASSISTANT UNITED STATES ATTORNEYS

Date: 10/11/22 By:
J. DAVID BOGENSCHUTZ
ATTORNEY FOR DEFENDANT

Date: 10/11/22 By:
JASON SCOTT CARTER
DEFENDANT