UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	**CRIMINAL NO. 22-43**
v.	*	**SECTION: "M"**
JAZMIN J. BOUGERE	*	

* * *

FACTUAL BASIS

The defendant, **JAZMIN J. BOUGERE ("BOUGERE")**, has agreed to plead guilty as charged to Count Two of the Bill of Information, that is, Theft of Government Funds, in violation of Title 18, United States Code, Section 641, currently pending against her. This Factual Basis does not attempt to set forth all of the facts known to the United States at this time. The limited purpose of this Factual Basis is to demonstrate that there exists a sufficient legal basis for **BOUGERE's** guilty plea. The United States and **BOUGERE** do hereby stipulate and agree that the allegations in the Bill of Information and the following facts, which include relevant conduct beyond what is charged, are true and correct and that, should this matter have proceeded to trial, the government would have proven them beyond a reasonable doubt through the introduction of competent testimony and admissible tangible and documentary exhibits.

Parties, Lenders, and Federal Programs

At all times material herein, **BOUGERE** was a resident within the Eastern District of Louisiana.

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

AUSA ___
Defendant ___
Defense Counsel ___

enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters. As part of its efforts, the SBA provided business loans through banks, credit unions, and other lenders. Those loans had government backed guarantees.

The CARES Act

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was a federal law enacted in or about March 2020. The CARES Act provided emergency financial assistance to the millions of Americans suffering the economic effects of 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").

The PPP was overseen by the SBA, which had authority over all PPP loans. Individual PPP loans, however, were issued by approved private lenders, who received and processed PPP loan applications and supporting documentation and, following SBA approval, made loans using the lenders' own funds. To obtain a PPP loan, a qualifying business had to submit a PPP loan application 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 to make affirmative certifications to be eligible for the PPP loan. For example, in the PPP loan application (SBA From 2483), the business, through its authorized representative, had to state its average monthly payroll expenses and number of employees. In addition, businesses had to provide documentation showing their payroll expenses, as part of the PPP loan application process. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP.

AUSA ____
Defendant ____
Defense Counsel ____

Among the type of businesses eligible for a PPP loan were individuals who operated under a "sole proprietorship" business structure. In order to be eligible to receive such a PPP loan, individuals had to report and document their income and expenses from the sole proprietorship, as typically reported to the Internal Revenue Service ("IRS") on Form 1040, Schedule C, for a given year. The lending institution or loan processor used this information and documents to calculate the amount of money the individual was entitled to receive under PPP.

Once a qualifying business completed a PPP application, a participating lender processed the application. If a PPP loan was approved, the participating lender funded the PPP loan using its own monies, which the SBA guaranteed. In the course of processing the PPP loan, the lender transmitted data from the loan application to the SBA, including information about the borrower, the total amount of the loan, and the identified number of employees.

Proceeds from a PPP loan were legally required to be used only for certain permissible business expenses, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan was eligible for forgiveness if the business spent the loan proceeds on permissible items within a designated period of time and used a certain portion of the loan toward payroll expenses.

Prestamos CDFI was a financial technology lender based in Phoenix, Arizona, authorized, to process information for SBA backed PPP loans.

CARES Act Funded Unemployment Insurance Program

Unemployment Insurance (UI) is a state-federal program that provides monetary benefits to eligible lawful workers. Although State Workforce Agencies ("SWAs") administer their respective UI programs, they must do so in accordance with federal laws and regulations. UI payments ("benefits") are intended to provide temporary financial assistance to lawful workers

AUSA
Defendant
Defense Counsel

who are unemployed through no fault of their own. Each state sets its own additional requirements for eligibility, benefit amounts, and length of time benefits can be paid. Generally, UI weekly benefit amounts are based on a percentage of your earnings over a base period.

In the State of Louisiana, the Louisiana Workforce Commission ("LWC") administers the UI program. On March 13, 2020, the President declared the ongoing COVID-19 pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (the "Stafford Act"). On March 18, 2020, the President signed the Families First Coronavirus Response Act ("FFCRA") into law. The FFCRA provides additional flexibility for state UI agencies and additional administrative funding to respond to the COVID-19 pandemic. The CARES Act was signed into law on March 27, 2020. It expanded states' ability to provide UI for many workers impacted by COVID-19, including for workers who are not ordinarily eligible for UI benefits. The CARES Act provided for three new UI programs: Pandemic Unemployment Assistance ("PUA"); Federal Pandemic Unemployment Compensation ("FPUC"); and Pandemic Emergency Unemployment Compensation ("PEUC").

In Louisiana, a UI claim can be filed online on the LWC website. When an individual files a UI claim, the LWC automatically maintains certain information regarding the filing of the claim. This information includes the date and time the claim was submitted, the name of the person for whom the claim was filed, and the IP address of the computer, or ISP account, that was used to file the claim. UI claimants must answer various questions to establish their eligibility for UI benefits. Claimants must provide their name, Social Security Number, and mailing address. The claimants must also identify a qualifying occupational status and/or COVID-19 related reason for

AUSA ~~an~~
Defendant JP
Defense Counsel AM

being out of work. After LWC accepts a UI claim, LWC typically deposits UI funds every two weeks in one of three ways selected by the claimant, e.g., Electronic Bill Payment ("EBP") debit card, direct deposit to the claimant checking or saving account, or physical check to be mailed via U.S. Mail.

When receiving regular UI benefits, claimants must complete a rectification every two weeks, under penalty of perjury, that they remain unemployed or otherwise eligible to receive UI benefits. In addition, any wages earned by the claimant must be reported during this recertification process.

Count Two - Theft of Government Funds and Relevant Funds

United States Department of Labor – Office of Inspector General (DOL-OIG) initially opened up an investigation into Raceland, Louisiana resident **BOUGERE** based upon a complaint. During the course of the investigation, DOL-OIG learned that **BOUGERE**, while working as a subcontractor for LWC to handle UI claims, improperly applied for UI benefits from 26 different states, helped others apply for improper UI claims, and she also received two PPP sole proprietorship loans based upon false information.

Specifically, on or about May 11, 2020, DOL-OIG, Houston, Texas field office received a complaint from the LWC concerning a former contract employee, **BOUGERE**. The complaint explained **BOUGERE** worked directly for the Plexos Group LLC ("Plexos"), which had a contract with LWC. **BOUGERE's** job title was "Call Center Representative", and **BOUGERE's** work duties included processing UI claims for LWC during the pandemic. The position was remote, and her job duties were conducted on a laptop and internet supplied by/ belonging to **BOUGERE**. The complaint alleged that **BOUGERE** was questioned by both LWC and Plexos management about the following issues identified by LWC Information technology ("IT") department:

AUSA *gr*
Defendant *JB*
Defense Counsel *Am*

- Processing UI claims outside of normal work schedule.
- Possible use of PII not belonging to **BOUGERE.**
- Bi-weekly Certification for UI claim belonging to R.U.
- Activities on Facebook group related to COVID UI claims and LWC.

BOUGERE resigned without notice from Plexos before a second meeting with LWC and Plexos management could be set up.

Thereafter, DOL-OIG identified 26 UI applications submitted to 26 different U.S. states using the same DOB, SSN, First and Last name, email address, and mailing address associated with **BOUGERE** during the pandemic. In addition, the search provided a date, time, and IP address which the UI applications were submitted. Also, a phone number associated with **BOUGERE** (225-400-2816) was used for 23 UI applications, and separately, a First National Bank (FNB) bank account associated with **BOUGERE** and ending with account number 2126958 was used to receive direct deposits from 8 of the 26 UI applications, including Arizona in the amount of $2,100.

DOL-OIG also confirmed through records that the **BOUGERE** IP address (208.97.32.142) was used for a total of fifty-four UI applications (26 in **BOUGERE's** name and 28 in the names of other individuals but with **BOUGERE's** identifiers). The fifty-four UI applications went to: Alabama; Arizona; California; Colorado; Hawaii; Idaho; Indiana; Kansas; Kentucky; Massachusetts; Maryland; Minnesota; Missouri; North Carolina; Nebraska; New Hampshire; New Jersey; New Mexico; Nevada; Oklahoma; Pennsylvania; South Carolina; Utah; Virginia; Washington; and West Virginia. DOL-OIG determined that at no time did **BOUGERE** reside or work in the 26 states to which she applied for UI benefits and thus each UI application was false. Additionally, each state unemployment application asks the UI claimant to certify he/she is not

AUSA
Defendant
Defense Counsel

eligible for UI in any other state, which was a false statement. Louisiana was the only state reporting wages for **BOUGERE** during the applicable time period.

A Yahoo email account was used to apply for the majority of the UI claims. Records from the Oath Holding, Inc. d/b/a (Yahoo) identified **BOUGERE** as the subscriber for the Yahoo email account used to submit the numerous UI claims.

Records would also show that **BOUGERE** also worked as a contract worker for the Colorado Department of Labor and Employment ("CDLE") during the pandemic. CDLE alerted law enforcement authorities that **BOUGERE** was suspected of processing UI claims that were not assigned to her, and separately, logging into UI claims and changing the banking account information. In one instance, CDLE provided a screen recorded video to DOL-OIG of **BOUGERE** making changes to a CDLE UI claim for A.M. This claim was not assigned to **BOUGERE**, and the video depicts **BOUGERE's** Virtual Private Network ("VPN") account assigned to **BOUGERE** changing the account number and certifying payments to be paid via direct deposit. DOL-OIG and CDLE confirmed the account belonged to **BOUGERE** and showed a deposit of $11,101.05 from CDLE. Once identified, the account was closed due to fraudulent activity and the funds frozen.

In sum, **BOUGERE** received/facilitated $2,100.00 from Arizona, $119,936.00 from California, $105,133.00 from Colorado/CDLE, $2,000.00 from Kentucky, $2,484.00 from Maryland, $5,067.00 from Minnesota and $7,872.00 from Texas in improperly paid UI claims during the pandemic.[1] For LA/LWC, **BOUGERE** improperly assisted with the payment of

[1] **BOUGERE** also claimed that the credit card sent by the Bank of America for UI benefits was lost or stolen a number of times, which resulted in the issuing bank, Bank of America (BoA), resending a total of $124,420.00 to **BOUGERE** for UI claims submitted in CA, AZ, MD and KY. BoA has submitted a claim for reimbursement to each state so the losses to BoA are included in the individual state's losses.

AUSA
Defendant
Defense Counsel

approximately $144,003.00 in UI benefits to others (but the government concedes that the payments may have been owed, if filed for without **BOUGERE's** improper assistance). **BOUGERE** did attempt to collect UI benefits from Louisiana in the name of her minor son, but the claims were denied. The total losses connected to fraudulent UI claims equals approximately $244,592.00.

False Statements and Relevant Conduct

DOL-OIG also investigated two PPP loans that **BOUGERE** applied for and received. Records from financial technology company Blue Acorn LLC, lender Capital Plus, and lender Prestamos CDFI show that **BOUGERE** applied for two sole proprietorship PPP loans in the name of Bougere Designz, which were funded in the approximate amounts of $12,08200 and $16,645.00. **BOUGERE** alleged in both loan applications that she earned income for her own businesses and attested that the funds were needed to keep the businesses open. In truth, **BOUGERE** made false statements in the applications and submitted fraudulent IRS documents to show that she had income for the businesses. Specifically, **BOUGERE** did not earn $70,897.00 for the 2020 tax year and the 2020 IRS Form Schedule C that she submitted to Prestamos CDFI for a PPP loan on or about May 12, 2021, in the name of Bougere Designz was a false document. After getting the two PPP loans, **BOUGERE** also falsely applied for PPP loan forgiveness, which was granted by the SBA. The total loss to the SBA, which backed the forgiven loans, is approximately $33,827.61, which includes a $2,500 processing fee per lender and interest of $49.93 (Prestamos CDFI) and $50.68 (Capital Plus).

AUSA ___
Defendant ___
Defense Counsel ___

In addition, **BOUGERE** also attempted to file for nine (9) Economic Injury Disaster Loans ("EIDL") from the SBA during the pandemic, but each application was denied.

Evidence, including fraudulent SBA PPP submissions, bank records, records from lenders, the Louisiana Secretary of State, the LWC, and the IRS, would be introduced at trial to prove the facts as set forth above. Moreover, the testimony of employees and agents of the DOL-OIG, the LWC, and other competent witnesses would be introduced at trial to prove the facts set forth above.

APPROVED AND AGREED TO:

EDWARD J. RIVERA
Assistant United States Attorney

3/14/2024
Date

ANNALISA MIRON
Attorney for Defendant

3/14/24
Date

JAZMIN J. BOUGERE
Defendant

3-14-24
Date