UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	**CRIMINAL NO. 25-165**
v.	*	**SECTION: "A"**
IRVIN C. FRANCOIS, III	*	
	*	

* * *

FACTUAL BASIS

The defendant, **IRVIN C. FRANCOIS, III ("FRANCOIS")**, has agreed to plead guilty as charged to Count One - False Statements, in violation of Title 18, United States Code, Section 1001, and Count Two –Money Laundering, in violation of Title 18, United States Code, Section 1957, of the Indictment. This Factual Basis does not attempt to set forth all of the facts known to the United States at this time. The United States and **FRANCOIS** do hereby stipulate and agree that the allegations in the Indictment 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, **FRANCOIS** was a resident of Orleans Parish, Louisiana, within the Eastern District of Louisiana.

At all times material herein, I & F Construction, LLC d/b/a "I and F Construction" was a Louisiana limited liability company formed in or around July 21, 2009, and **FRANCOIS** was the registered agent and sole beneficiary owner.

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At all times relevant herein, the United States Small Business Administration ("SBA") was an agency within the executive branch of the Government of the United States. Among other things, SBA assists in the economic recovery of communities after disasters by providing SBA backed loans. SBA loans are made through banks, credit unions, and other lenders who partner with SBA.

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.

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Defendant
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These figures were used to calculate the amount of money the small business was eligible to receive under the PPP.

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.

At all times material herein, ReadyCap Lending, LLC was a participating lender in the PPP.

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. If used as per the PPP loan restrictions, an applicant could apply for a "second draw" PPP loan to be used for the same purposes described above. 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.

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False Statements – Count One

Specifically, on or about April 3, 2021, **FRANCOIS** submitted a 1st Draw PPP loan application for I and F Construction, to ReadyCap Lending, LLC with the assistance of a known third party. The application contained attestations that **FRANCOIS** employed 8 people and that his monthly average payroll was $57,916.00. **FRANCOIS** also submitted a 2019 IRS 1040 Form Schedule C that showed annual gross income of $695,000.00, an invoice for "I & F Construction" showing an amount owed for approximately $75,000.00 and a Hancock Whitney Bank statement showing a balance of approximately $30,000.00. However, in truth and fact, **FRANCOIS** did not employ the number of persons in the PPP loan application, he did not have an average monthly salary of $57,916.00, the 2019 Schedule C submitted in support of the loan was a falsely created document with false earnings, the I & F Construction invoice was fake, and the Hancock Whitney Bank statement was a forged document. **FRANCOIS** electronically signed this PPP loan application knowing that his aforementioned material assertions and documents were false and despite being warned in an attestation clause that all statements and attachments in the PPP application needed to be "true and accurate" and were subject to the penalties of Title 18, United States Code, Section 1001.

On or about April 9, 2021, **FRANCOIS** received the 1st Draw PPP loan (SBA loan #2871598705) for I and F Construction from ReadyCap Lending, LLC in the amount of $144,790.00, which was deposited into a Hancock Whitney Bank account # 63343421 in the name of I & F Construction, LLC that **FRANCOIS** controlled.

On or about December 17, 2021, **FRANCOIS** applied with the assistance of a known third party to have the PPP loan forgiven by the SBA and he falsely attested that $120,000.00 of the loan had been used on payroll expenses.

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Money Laundering – Count Two

After receiving the criminally derived proceeds of the fraudulent PPP loan in the amount of $144,790.000 detailed under Count One, **FRANCOIS** initiated an electronic wire transfer on or about April 17, 2021, in the amount of $41,000.00 out of I & F Construction, LLC Hancock Whitney Bank account # 63343421 to a CarMax car dealership in Kenner, Louisiana. This electronic wire transfer, which affected interstate commerce, and was derived from the scheme to defraud using electronic communications as between **FRANCOIS**, ReadyCap Lending, LLC, Hancock Whitney, and the SBA, was used to purchase a 2014 Mercedes Benz sedan vehicle in **FRANCOIS'** name. The parties agree that the wire fraud described herein was a "specified unlawful activity" under Title 18, United States Code, Section 1957.

Limited Nature of Factual Basis and Conclusion

This proffer of evidence is not intended to constitute a complete statement of all facts known by **FRANCOIS**, and/or the government. Rather, it is a minimum statement of facts intended to prove the necessary factual predicate for his guilty plea. The limited purpose of this proffer is to demonstrate that there exists a sufficient legal basis for the plea of guilty to the charged offenses against **FRANCOIS**. The government would further establish the material falsity of **FRANCOIS'** PPP application with testimony from the lenders and the SBA that **FRANCOIS** would not have received the COVID-19 assistance were it not for said false statements and attached documents. The above facts come from an investigation conducted by and would be proven at trial by credible testimony from witnesses and Special Agents from the Office of Veterans Affairs – Office of Inspector General and the Internal Revenue Service – Criminal Investigations, representatives from the banks described above, SBA representatives, and business

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records and documents and tangible exhibits in the custody of the federal agencies described above.

APPROVED AND AGREED TO:

EDWARD J. RIVERA
Assistant United States Attorney

9/23/25
Date

ANDREW DUFFY
Attorney for Defendant

9-20-2025
Date

IRVIN C. FRANCOIS, III
Defendant

9-20-25
Date