UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA	*	**CRIMINAL NO. 23-59**
v.	*	**SECTION: "P"**
DENT HUNTER	*	

* * *

FACTUAL BASIS

The defendant, **DENT HUNTER ("HUNTER")**, has agreed to plead guilty as charged to Count One - False Statements, in violation of Title 18, United States Code, Section 1001, and Count Three - 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 limited purpose of this Factual Basis is to demonstrate that there exists a sufficient legal basis for **HUNTER's** guilty plea. The United States and **HUNTER** 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, **HUNTER** was a resident of Orleans Parish, Louisiana, within the Eastern District of Louisiana.

At all times material herein, NexLevel Construction and Consulting LLC ("NexLevel Construction:), NexLevel NOLA Construction and Consulting LLC ("NexLevel NOLA"), and

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NexLevel ONE Realty LLC ("NexLevel ONE"), were Louisiana corporations that **HUNTER** formed and was the sole beneficial owner.

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

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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.

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. 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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The Economic Injury Disaster Loan Program

The Economic Injury Disaster Loan ("EIDL") program was an SBA program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The CARES Act provided funding for EIDL loans for business affected by the COVID-19 pandemic. In contrast to the PPP, EIDL loan amounts were determined based on the recipient businesses' historical revenue and disbursed directly to the recipient by the SBA. The EIDL targeted advances did not have to be repaid.

NexLevel Construction PPP Loan – Count 1 and Relevant Conduct

On or about 4/6/2020, **HUNTER** applied for a first draw PPP loan for NexLevel Construction with Metairie Bank and Trust ("MB&T") by electronically filling out and filing an SBA Form 2483 loan application. Included in this PPP loan application was a 2019 employee payroll summary that listed 13 employees, including **HUNTER**, for a total 2019 payroll of $635,292. This information was materially false and misleading. A review of financial records for NexLevel Construction from **HUNTER's** account with Fidelity Bank only revealed employee payments to four individuals listed on the payroll. A review of financial records for NexLevel Construction from Fidelity Bank also revealed that **HUNTER** exaggerated payroll costs for several of the listed employees. Contractor labor costs reported to the IRS for tax year 2019 indicated payments of $789,314, which was different from the wages reported to MB&T.

A later interview with one of **HUNTER's** tax preparers revealed that **HUNTER** provided only four of his employees with Forms 1099-MISC of the 13 employees that he listed with MB&T. **HUNTER** also indicated to MB&T in the PPP loan application that NexLevel Construction had a 2019 gross profit of $165,977 and a 2019 net income of $137,374. Meanwhile, in **HUNTER's** 2019 individual income tax return form 1040 filed with the IRS, the included 2019 Schedule C

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reported a gross profit of $1,096,864 and a *net loss* of $67,969. On the application form (SBA Form 2483) in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No." As described below, this statement was materially false and misleading.

Further, **HUNTER** also initialed and certified to the following: "The Applicant 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." Per IRS records, no payroll taxes were paid over by **HUNTER** nor were any Forms 1099-MISC filed with the IRS for any employees of NexLevel Construction.

On or about April 21, 2020, MB&T, relying upon the false statements in SBA Form 2483, provided **HUNTER**/NexLevel Construction with a first draw PPP loan of $122,100.

On or about 1/23/2021, NexLevel Construction submitted a second draw PPP application to MB&T. On this application, **HUNTER** made the same materially false statements in SBA Form 2483 and in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No." Further, **HUNTER** also initialed and certified to the following: "The Applicant 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." Per IRS records, no payroll taxes were paid over by **HUNTER** nor were any Forms 1099-MISC filed with the IRS for any employees of NexLevel Construction from 2016 through 2019.

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On or about 1/25/2021, MB&T, relying upon the false statements in SBA Form 2483, provided second draw PPP loan funds in the amount of $132,352.50 that were deposited in MB&T account #80119 for NexLevel Construction. On or about 7/25/2022, the SBA bought NexLevel Construction's second draw PPP loan from MB&T in the amount of $132,352.50, plus interest of $1,996.31 due to default. Total due on this loan is $134,348.81.

On or about 3/4/2021, NexLevel Construction's first draw PPP loan with MB&T in the amount of $123,175.16 ($122,100 plus $1,075.16 in interest) was forgiven. In order for the loan to be forgiven the following circumstances must be attested to in the loan forgiveness application to the SBA:

- Employee and compensation levels are maintained,
- The loan proceeds are spent on payroll costs and other eligible expenses, and
- At least 60% of the proceeds are spent on payroll costs

HUNTER signed PPP Loan Forgiveness Application Form 3508S on or about 2/21/2021 and according to a financial analysis, **HUNTER** did not spend at least 60% of the proceeds on payroll costs or other eligible expenses.

NexLevel Construction EIDL – Relevant Conduct

On or about 4/7/2020, **HUNTER** applied for an EIDL for NexLevel Construction with the SBA. **HUNTER** attested that he had not received compensation from other sources as a result of the disaster (e.g., PPP loans). **HUNTER** claimed 10 employees and approximately $1.5 million in gross revenues for the prior 12 months. These statements in the EIDL application were materially false and misleading. On or about 5/4/2020, an EIDL "advance" of $10,000 was deposited into Fidelity Bank account #81573 for NexLevel Construction. On or about 6/14/2020, **HUNTER** signed EIDL documents for NexLevel Construction with the SBA.

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On or about 6/16/2020, an EIDL in the amount of $149,900 was deposited into Fidelity Bank account #81573 for NexLevel Construction. The maximum EIDL amount at this time was $150,000.

NexLevel NOLA PPP and EIDL – Relevant Conduct

On or about 6/28/2020, **HUNTER** applied for an EIDL for NexLevel NOLA. **HUNTER** attested that he had 10 employees and gross revenues of $1.2 million. These statements were materially false and misleading. **HUNTER** attested that NexLevel NOLA had not received compensation from other sources as a result of the disaster (e.g. PPP loan). On or about 6/30/2020, an EIDL "advance" of $10,000 for NexLevel NOLA was deposited into MB&T account #80119.[1]

On or about 8/27/2020, **HUNTER** signed EIDL documents for NexLevel NOLA with the SBA (SBA Form 1391 specific to SBA Loan #6618718208). **HUNTER** agreed to use loan proceeds "solely as working capital."[2]

On or about 8/31/2020, the EIDL for NexLevel NOLA in the amount of $149,900 was deposited into the MB&T checking account #80119. The maximum EIDL amount at this time was $150,000.[3]

On or about 7/16/2020, **HUNTER** applied for a first draw PPP loan for NexLevel NOLA with Kabbage, Inc. (Kabbage) based out of Atlanta, GA using SBA Form 2483.[4] Included in the

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[1] Note that this business account was in the name of NexLevel Construction not NexLevel NOLA.

[2] On the SBA website (www.sba.gov/funding-programs/disaster-assistance) the COVID-19 EIDL working capital was further defined as "Normal operating expenses such as the continuation of health care benefits, rent, utilities, and fixed debt payments to include payroll." Also on the SBA website (https://www.sba.gov/funding-programs/loans/covid-19-relief-options/eidl/covid-19-eidl) the "Uses of Proceeds" section stated, "Working capital to make regular payments for operating expenses, including payroll, rent/mortgage, utilities, and other ordinary business expenses, and to pay business debt incurred at any time (past, present, or future)."

[3] Note that this business account was in the name of NexLevel Construction *not* NexLevel NOLA.

[4] Kabbage is an online financial technology ("fin-tech")company that provided funding directly to small businesses and consumers through an automated lending platform. Such companies were authorized to facilitate PPP loans to small businesses in addition to traditional financial institutions.

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application to Kabbage was a 2019 Joint Federal Income Tax Return for **HUNTER** and Kellie Hunter (his wife) allegedly done via FreeTaxUSA[5] with Tamika Chappell listed as the tax preparer. **HUNTER's** application now listed 8 employees.

The 2019 1040 tax return sent to Kabbage indicated that NexLevel NOLA had $625,000 in gross income for 2019, $384,525 in wages and a tentative profit of $43,132. This document is false in that the IRS had no 2019 filing for NexLevel NOLA and no reported W-2 wages attributable to NexLevel NOLA. On the application form (SBA Form 2483) in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No." Further, **HUNTER** also initialed and certified to the following: "The Applicant 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." Per IRS records, no payroll taxes were paid over by **HUNTER** nor were any Forms 1099-MISC filed with the IRS for any employees of NexLevel NOLA.

On or about 7/20/2020, Kabbage, relying upon the false statements in SBA Form 2483, provided $80,109 in funds for the first draw PPP loan for NexLevel NOLA that were deposited into Fidelity Bank account #81573.[6]

On or about 3/1/2021, **HUNTER** submitted a second draw PPP application for NexLevel NOLA to Legacy Bank based out of Hinton, OK using SBA Form 2483. The same falsified 2019 tax return originally submitted to Kabbage for the "first draw" PPP loan was reused here with Legacy Bank for the second draw PPP loan application. **HUNTER** now falsely stated that

[5] FreeTaxUSA is an online platform for electronically filing tax returns.
[6] Note that this business account was in the name of NexLevel Construction, *not* NexLevel NOLA.

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NexLevel NOLA had 8 employees and the income statement provided exaggerated amounts for the previous 4 quarters.

HUNTER also sent Legacy Bank the state of Louisiana contractor license for NexLevel NOLA dated 4/16/2019 but failed to disclose that this license was suspended a year earlier in February 2020. Furthermore, IRS had no 2019 filing for NexLevel NOLA and no reported W-2 wages attributable to NexLevel NOLA.

On the application form (SBA Form 2483) in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No." Further, **HUNTER** also initialed and certified to the following: "The Applicant 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." Per IRS records, no payroll taxes were paid over by **HUNTER** nor were any Forms 1099-MISC filed with the IRS for any employees of NexLevel NOLA.

On or about 3/2/2021, Legacy Bank, relying upon the false statements in SBA Form 2483, provided second draw PPP loan funds in the amount of $80,107 for NexLevel NOLA that were deposited into Fidelity Bank account #85173.[7]

NexLevel ONE EIDL – Relevant Conduct

The SBA initially declined **HUNTER's** EIDL Application for NexLevel ONE on or about 7/8/2020, stating that the business activity was not eligible. **HUNTER** re-worked the application and resubmitted it on or about 7/22/2020. The EIDL was approved, and **HUNTER** signed loan

[7] Note that this business account was in the name of NexLevel Construction and *not* NexLevel NOLA.

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documents (SBA Form 1391) specific to SBA Loan #7054908106 on behalf of NexLevel ONE wherein he agreed to use loan proceeds "solely as working capital." He claimed that he had 5 employees and $385,987 in gross revenues prior to 1/31/20. These statements were materially false and misleading.

On or about 7/24/2020, the EIDL for NexLevel ONE in the amount of $149,900 was deposited into MB&T account #30116. The maximum EIDL amount at this time was $150,000.

NexLevel ONE PPP Loan – Relevant Conduct

On or about 3/22/2021, **HUNTER** submitted a PPP loan application to Hope Enterprise Corporation,[8] based out of Jackson, MS, for NexLevel ONE using SBA Form 2483. In this application, **HUNTER** reported 5 employees, an average month payroll of $39,601.75, and second quarter wages in the amount of $118,805 on a 941 for tax year 2019. These statements were materially false and misleading.

Records show that the IRS does not have any tax return on file for NexLevel ONE for tax year 2019 nor does the state of Louisiana does not have any wages reported for NexLevel ONE for tax year 2019. On the application form (SBA Form 2483) in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No." Further, **HUNTER** also initialed and certified to the following: "The Applicant was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported

[8] Hope Enterprise Corporation is a private, nonprofit community development financial institution.

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on Form(s) 1099-MISC." Per IRS records, no payroll taxes were paid over by **HUNTER** nor were any Forms 1099-MISC filed with the IRS for any employees of NexLevel ONE.

On or about 3/24/2021, Hope Enterprises Corporation, relying upon the false statements in SBA Form 2483, provided PPP funds in the amount of $99,002 for NexLevel ONE that were deposited into MB&T account #30116. A review of the bank records shows that the funds were used to purchase 3 personal vehicles, to pay rent/child support for A.S., to purchase concrete for **HUNTER's** residence, and to loan money to family and friends.

HUNTER Sole Proprietor PPP Loan – Relevant Conduct

On or about 4/15/2021, HUNTER applied to Prestamos Community Development Financial Institution (Prestamos CDFI),[9] based out of Phoenix, AZ, for a sole proprietor PPP loan using. Included with the Prestamos CDFI application was a materially falsified MB&T bank statement for account #603580119 in **HUNTER's** name. The statement listed a balance of $222,353.45 as of 2/28/2020. In truth, the above-described statement was altered from the NexLevel Construction statement from MB&T #80119 for February of 2021. As noted above, **HUNTER** did not have a personal checking "sole proprietor" account with MB&T until the day before the PPP application was sent to Prestamos CDFI. On the application form (SBA Form 2483) in response to Question 3, which asks "Is the Applicant…an owner of any other business, or have common management with, any other business? If yes, list all such businesses and describe the relationship on a separate sheet identified as addendum A," **HUNTER** indicated "No."

[9] Prestamos CDFI is a community development financial institution.

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On or about 5/13/2021, Prestamos CDFI, relying upon the false statements in SBA Form 2483, provided the maximum sole proprietor PPP loan amount of $20,832, which was deposited into **HUNTER's** personal MB&T account #80111.

Summary of HUNTER's PPP and EIDL Funds Received:

Date		Type	Business	Loan Amount
1.	4/21/20	PPP	NexLevel Construction & Consultants, LLC – **COUNT 1**	$122,100.00
2.	5/4/20	EIDL	NexLevel Construction & Consultants, LLC	$10,000.00
3.	6/16/20	EIDL	NexLevel Construction & Consultants, LLC	$149,000.00
4.	6/30/20	EIDL (targeted advance)	NexLevel NOLA Construction & Consultants, LLC	$10,000.00
5.	7/20/20	PPP	NexLevel NOLA Construction & Consultants, LLC	$80,109.00
6.	7/24/20	EIDL	NexLevel ONE Realty, LLC	$149,900.00
7.	8/31/20	EIDL	NexLevel NOLA Construction & Consultants, LLC	$149,900.00
8.	1/25/21	PPP	NexLevel Construction & Consultants, LLC	$132,353.00
9.	3/2/21	PPP	NexLevel NOLA Construction & Consultants, LLC	$80,107.00
10.	3/24/21	PPP	NexLevel ONE Realty, LLC	$99,002.00
11.	5/13/21	PPP	Hunter Sole Proprietorship	$20,832.00
			TOTAL:	**$1,004,203.00**

Text messages obtained from **HUNTER's** cellphone show that he conspired with tax preparer Tamika Chappell to create false tax documents for not only **HUNTER** but for several of **HUNTER's** acquaintances, including Clifton C. James. **HUNTER** paid Chappell either by cash or with CashApp over $4,000.00 for her help in creating false tax documents for himself and his associates. Bank records show that Clifton C. James made at least six (6) payments to **HUNTER**

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of approximately $45,500.00 after Clifton C. James received approximately $504,000.00 in PPP loans and EIDLs.

Money Laundering (1957 Spending) – Count 3

On or about 9/5/2020, check #1017 in the amount of $16,272.92 was written out of the NexLevel ONE MB&T account #30116 owned and controlled by **HUNTER** to Toyota of New Orleans from the above described criminally derived funds.[10] This transaction, which affected interstate commerce, was a complete payment for the purchase of a used 2020 Hyundai Elantra automobile registered to **HUNTER's** wife, Kellie Hunter. This vehicle was seized pursuant to a seizure warrant issued out of the Eastern District of Louisiana on or about 2/16/2022.

Relevant Conduct - Money Laundering

On or about 5/14/2021, MB&T check #1030 in the amount of $23,000 was written out of the NexLevel ONE account #30116 owned and controlled by **HUNTER** to Kia Atlanta South from the above described criminally derived funds.[11] This transaction, which affected interstate commerce, was for the purchase of a new 2021 Kia Forte automobile registered to **HUNTER's** daughter. This vehicle was seized pursuant to a seizure warrant issued out of the Eastern District of Louisiana on or about 2/16/2022.

On or about 8/13/2020, check #1016 in the amount of $12,000 was written out of the NexLevel ONE MB&T business checking account #30116 owned and controlled by **HUNTER** to CarMax located in Baton Rouge, LA, from the above described criminally derived funds.[12] This check, which affected interstate commerce, was used as a down payment on a 2017 Infiniti QX60 SUV automobile. The registrant of the vehicle was an alleged employee of NexLevel Construction.

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[10] Toyota of New Orleans is a car dealership in New Orleans, Louisiana.
[11] Kia Atlanta South is a car dealership in Atlanta, Georgia.
[12] CarMax is a national used car company with several locations in Louisiana.

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Further, on or about 4/23/2021, MB&T check #6098927 in the amount of $20,000 was written out of the NexLevel ONE MB&T account #30116 owned and controlled by **HUNTER** to Crescent City Title from the above described criminally derived funds.[13] Records from Crescent Title show that this check, which affected interstate commerce, was used in connection with the purchase of a residence located at 13234 High Meadow Drive, Gonzales, LA, by **HUNTER** associate Clifton C. James.

<u>Limited Nature of Factual Basis and Conclusion</u>

This proffer of evidence is not intended to constitute a complete statement of all facts known by **HUNTER**, 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 **HUNTER**.

[13] Crescent City Title is a Louisiana real estate closing company.

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The Government would further establish the material falsity of **HUNTER's** six (6) PPP applications and five (5) EIDLs with testimony from the lenders and the SBA that **HUNTER** 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 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	1/30/2024 Date
BRIAN CAPITELLI Attorney for Defendant	1/30/24 Date
DENT HUNTER Defendant	1/30/24 Date