IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

| | | |
|---|---|---|
| UNITED STATES OF AMERICA | ) | |
| | ) | DOCKET NO. 3:25-CR-106-KDB |
| v. | ) | |
| | ) | **FACTUAL BASIS** |
| (1) TIAWANA BROWN | ) | |
| | ) | |

NOW COMES the United States of America, by and through Dallas J.E. Kaplan[1], First Assistant United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the plea agreement, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s). The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a "Statement of Relevant Conduct" pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the Government's "Statement of Relevant Conduct" within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. Beginning in or around April 2020 and continuing through in or around at least September 2021, in Mecklenburg County within the Western District of North Carolina and elsewhere, Defendant TIAWANA BROWN did knowingly combine, conspire, confederate, and agree with Antionette Rouse and Tijema Brown to commit wire fraud, in violation of Title 18 United States Code, Section 1349. TIAWANA BROWN willfully joined and participated in the conspiracy while knowing its unlawful purposes and with the intent to further its unlawful purposes.

2. It was a part and an object of the conspiracy that TIAWANA BROWN, Antionette Rouse, and Tijema Brown, with the intent to defraud, did knowingly and intentionally devise a scheme and artifice to fraud and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by concealment of material facts, and for the purpose of executing such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communications in interstate commerce any writing, signal, picture,

[1] Acting under authority conferred by 28 U.S.C. § 515.

and sound, *to wit*, electronic loan and loan forgiveness applications to the Small Business Administration and Paycheck Protection Program lenders, note documents to the same, wire transfers, and other electronic financial transactions, in violation of Title 18, United States Code, Section 1343.

3. Between April 2020 and September 2021, TIAWANA BROWN, Antionette Rouse, and Tijema Brown conspired to execute a wire fraud scheme to defraud the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program and its Paycheck Protection Program (PPP) to obtain COVID-19 pandemic relief funds through the submission of loan applications which contained false information or false documentation. The false documentation generally included fake and fraudulent tax forms that lied about gross income and number of employees, among other misrepresentations.

4. On or about April 3, 2020, TIAWANA BROWN submitted and caused to be submitted EIDL application *2018 to the SBA via an online submission in the name of Beauty After The Bars. In the application, TIAWANA BROWN represented that her business was a "educational services" business with 2 employees and $36,800 in gross revenues from 2019 that had operated since August 31, 2017. TIAWANA BROWN certified under penalty of perjury that the information in EIDL application *2018 was correct and that she would use the funds as directed by the EIDL program. Upon receipt of EIDL application *2018, the SBA approved a $7,500 EIDL payment to BROWN's personal bank account ending in *7871 on June 10, 2020. On June 26, 2020, BROWN received a $3,000 EIDL advance based on application *2018. On May 10, 2021, BROWN received a $7,000 EIDL advance based on application *2018. On May 18, 2021, BROWN received a $5,000 EIDL advance based on application *2018. On July 28, 2021, BROWN applied for a $20,000 EIDL advance based on application *2018, but it was rejected by the SBA. The $22,500 received by BROWN from application *2018 was paid into her personal bank account, and was used for personal purchases, including retail purchases as Louis Vuitton and Nordstrom.

5. On or about June 25, 2020, TIAWANA BROWN submitted and caused to be submitted EIDL application *6408 to the SBA via an online submission in the name of a sole proprietorship business in the name TIAWANA BROWN. In the application, TIAWANA BROWN falsely represented that her business was a "personal services" business with 11 employees and $14,300 in gross revenues from 2019 that had operated since May 24, 2018. In the application, TIAWANA BROWN provided a social security number of a third party but represented that it was the social security number of TIAWANA BROWN. TIAWANA BROWN certified under penalty of perjury that the information in EIDL application *6408 was correct and that she would use the funds as directed by the EIDL program. The SBA rejected this loan application.

6. On or about September 1, 2020, TIAWANA BROWN submitted and caused to be submitted EIDL application *1665 to the SBA via an online submission in the name of a sole proprietorship business in the name TIAWANA BROWN. In the application, TIAWANA BROWN falsely represented that her business was a "health services" business with 8 employees

and $142,000 in gross revenues from 2019 that had operated since April 4, 2018. The information provided for this business by TIAWANA BROWN in EIDL application *1665 was inconsistent with the information provided for the same business in EIDL application *6408. TIAWANA BROWN certified under penalty of perjury that the information in EIDL application *1665 was correct and that she would use the funds as directed by the EIDL program. The SBA rejected this loan application.

7. On or about January 19, 2021, TIAWANA BROWN submitted and caused to be submitted EIDL application *1724 to the SBA via an online submission in the name of Beauty After The Bars. In the application, TIAWANA BROWN represented that her business was a "educational services" business with 2 employees and $64,000 in gross revenues from 2019 that had operated since February 28, 2017. TIAWANA BROWN has previously certified in application *2018 that Beauty After The Bars earned $36,800 in gross revenue in 2019, but certified in this application that the figure was $64,000. TIAWANA BROWN certified under penalty of perjury that the information in EIDL application *1724 was correct and that she would use the funds as directed by the EIDL program. BROWN withdrew this application in favor of seeking an additional EIDL advance under application *2018.

8. Lender 1 was California-based a small business lending company. Lender 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. On or about April 26, 2021, TIAWANA BROWN submitted and caused to be submitted a PPP application for a loan numbered *8906 to Lender 1. In the application materials, TIAWANA BROWN falsely stated that she operated a sole proprietorship business in her own name that was established on January 1, 2020, which generated $106,600 in gross income in 2019.

9. As part of the application, TIAWANA BROWN submitted and caused to be submitted a fake 2019 IRS Schedule C Form for the purported business. The fake Schedule C Form was in the name of TIAWANA BROWN under the business name TC Collection. The form falsely stated that TC Collection earned $106,600 in gross receipts and had $10,350 in expenses, resulting in $96,250 in net profits in 2019. This form was fake, as it was never filed with the IRS. This fake 2019 Schedule C Form was identical to the 2019 Schedule C Forms submitted for PPP loan *8703 and PPP loan *8804 under the business names Givin Looks By Jema (owned by Tijema Brown) and Antionette Rouse, respectively, other than business identity information. TIAWANA BROWN, Antionette Rouse, and Tijema Brown used the same fake Schedule C form for their respective PPP applications.

10. In the application, TIAWANA BROWN stated that she would use the loan funds to pay payroll costs. TIAWANA BROWN certified under penalty of perjury that the information in the PPP application was true and correct. As a result of PPP loan *8906, Lender 1 wired $20,833 in PPP loan funds to TIAWANA BROWN to her bank account ending in *5776 on May 5, 2021. Account *5776 was a non-profit business checking account in the name of a non-profit entity named Beauty After The Bars and TIAWANA BROWN. On or about August 24, 2021, the SBA reimbursed Lender 1 and forgave TIAWANA BROWN for this loan based on TIAWANA

BROWN's false representation under penalty of perjury that she spent $12,500 of the loan funds on payroll costs for the purported business and complied with all applicable PPP rules, including those regarding the eligible uses of PPP loan proceeds.

11. As a result of the wire fraud conspiracy, TIAWANA BROWN received $43,333 in fraud proceeds from the SBA and the PPP lenders, and attempted to receive an additional $20,000. Thus, the conspiracy, to the extent to which TIAWANA BROWN was involved, caused losses greater than $40,000 but less than $95,000.

12. TIAWANA BROWN spent the PPP and EIDL funds on personal expenditures, in violation of the PPP and EIDL loan terms. Approximately one month after receiving $20,833 in PPP loan proceeds, TIAWANA BROWN spent approximately $15,000 for a birthday party for herself.

DALLAS KAPLAN
FIRST ASSISTANT UNITED STATES ATTORNEY

MATTHEW WARREN
ASSISTANT UNITED STATES ATTORNEY

Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bill of Indictment, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bill of Indictment, and the plea agreement. I hereby certify that the defendant does not dispute this Factual Basis.

DATED: 01/27/26

W. Robert Heroy, Attorney for Defendant

Michael J. Greene