UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,	**CASE NO.** 2:24-cr-29
Plaintiff,	**JUDGE** Watson
vs.	**INDICTMENT**
LORIE A. SCHAEFER (1), and	**18 U.S.C. § 1343**
LATISHA C. HOLLOWAY (2),	**18 U.S.C. § 1957**
Defendants.	**FORFEITURE ALLEGATIONS**

THE GRAND JURY CHARGES:

At times relevant to the Indictment:

GENERAL ALLEGATIONS

1. Defendant **LORIE A. SCHAEFER** was a resident of Columbus, Ohio, and was previously married to an owner of the Flying Pizza chain of restaurants in central Ohio. **SCHAEFER** was not an owner or operator of these restaurants.

2. **SCHAEFER** controlled the following bank accounts:

a. A Huntington National Bank (HNB) checking account ending x2400 (the "HNB x2400 Account");

b. An HNB checking account ending x4340 (the "HNB x4340 Account"), which was linked to an HNB savings account ending x6233 (the "HNB x6233 Account");

c. An HNB money market account ending x8134 (the "HNB x8134 Account").

3. Defendant **LATISHA C. HOLLOWAY** registered a limited liability company in Ohio on or around December 5, 2018, in the name of Jaguar Logistics LLC ("Jaguar").

4. **HOLLOWAY** controlled the following bank accounts:

a. A US Bank (USB) account ending x6723, in her own name (the "USB x6723 Account");

b. A USB account ending x9998, in the name of Jaguar (the "USB x9998 Account").

Background Regarding COVID Relief Funding

5. In or around March 2020, in response to the economic crisis caused by the coronavirus pandemic, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281 (2020) ("CARES Act") which established several new temporary programs and provided for the expansion of others to address the pandemic.

6. One of the new programs was the SBA Paycheck Protection Program ("PPP"), which was a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. Under this program, the Small Business Administration (SBA) would forgive all or part of loans if all employees were kept on the payroll for eight weeks and borrowers submitted documentation confirming that the loan proceeds were used for payroll, rent, mortgage interest,

or utilities. Applicants could apply through participating third-party lenders. PPP loans were fully guaranteed by the SBA, but the PPP loans were directly funded by SBA-approved lenders.

7. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was 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 make certain affirmative certifications, including acknowledging that knowingly making a false statement to obtain a guaranteed loan from the SBA is punishable under the law. In the PPP loan application, the authorized representative was required to state, among other things, the business's average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the business was eligible for under the PPP. In addition, businesses applying for a PPP loan were required to provide the lender documentation showing their payroll expenses; typically, businesses would supply documents showing the amount of payroll taxes reported to the Internal Revenue Service ("IRS").

8. During the application process, PPP loan applications were electronically submitted or caused to be submitted by the borrower and received through SBA servers located in Virginia and Oregon. Once approved, the business received the PPP loan proceeds via an electronic funds transfer from the third-party lender to a financial account under the control of the business.

9. The proceeds of a PPP loan could be used for certain specified items, such as payroll costs, costs related to the continuation of group health care benefits, or mortgage interest payments. The proceeds of a PPP loan were not permitted to be used by the borrowers to purchase consumer goods, automobiles, personal residences, clothing, or jewelry; to pay the borrower's personal federal income taxes; or to fund the borrower's ordinary day-to-day living expenses unrelated to the specified authorized expenses.

10. The Economic & Community Development Institute ("ECDI") and Itria Ventures LLC ("Itria") participated in the SBA's PPP as lenders and, as such, were authorized to lend funds to eligible borrowers under the terms of the PPP.

COUNTS ONE AND TWO
(Wire Fraud)

11. Paragraphs 1 to 10 of the Indictment are realleged here as if fully restated herein.

12. From at least March 2020, and continuing through at least in or around October 2022, in the Southern District of Ohio and elsewhere, the defendants, **LORIE A. SCHAEFER** and **LATISHA C. HOLLOWAY**, did knowingly and willfully devise and intend to devise a scheme to defraud PPP lenders to deprive another of money and property by means of materially false and fraudulent pretenses and representations, as set forth below.

Manner and Means of the Scheme to Defraud

13. It was part of the scheme to defraud that:

a. **SCHAEFER** and **HOLLOWAY** sought to fraudulently obtain disaster-related benefits in the form of SBA PPP loan proceeds.

b. **SCHAEFER** fraudulently registered a trade name with the Ohio Secretary of State to create the appearance that she was a legitimate owner of the Flying Pizza restaurants. Specifically, on or about March 9, 2021, she registered the trade name "Lorie Schaefer DBA Flying Pizza" (the "Schaefer LLC"), listing a business address in Reedsville, Ohio (the "Reedsville Address"). The Reedsville Address was in fact a residence of her ex-husband, who was unaware of the filing.

c. **SCHAEFER** opened bank accounts to receive and transfer proceeds from the fraudulent scheme, including the following:

- On or about December 23, 2020, she opened the HNB x4340 Account with an opening balance of $0.88;
- On or about March 1, 2021, she opened the HNB x2400 Account with an opening balance of $0.

d. **HOLLOWAY** opened the USB x6723 Account on or about June 21, 2021, to receive and transfer proceeds from the fraudulent scheme.

e. **SCHAEFER** submitted, or caused to be submitted, false and fraudulent PPP loan applications to ECDI and Itria, on behalf of different purported companies, including the following:

- On or about August 6, 2020, an application on behalf of LS Associates, submitted to Itria (the "Itria Application");
- On or about May 12, 2021, an application on behalf of Schaefer Flying Pizza, submitted to ECDI (the "Schaefer ECDI Application");
- On or about June 2, 2021, an application on behalf of Jaguar Logistics, LLC, submitted to ECDI (the "Holloway ECDI Application").

f. On the Itria Application and the Schaefer ECDI Application, **SCHAEFER** identified herself as the owner, CEO, or managing member and authorized representative of the applicant business. **SCHAEFER** also submitted purported copies of IRS tax forms and bank statements in support of her applications. These PPP applications contained false statements, misrepresentations, and omissions related to **SCHAEFER's** personal information, income, employment, and claimed business entities, including: her Social

Security number, the number of employees, gross income, gross expenses, her bank statement, and her income tax return.

g. On the Holloway ECDI Application, **HOLLOWAY**—with assistance from **SCHAEFER**—identified herself as the owner, CEO, or managing member and authorized representative of the applicant business. The Holloway ECDI Application also included purported copies of IRS tax forms and bank statements in support of the application. This PPP application contained false statements, misrepresentations, and omissions related to **HOLLOWAY's** personal information, income, employment, and claimed business entity, including: the number of employees, gross income, gross expenses, her bank statement, and her income tax return.

h. On or about June 8, 2021, **HOLLOWAY** electronically signed the Holloway ECDI Application, which required her to sign or initial the application dozens of times. The Internet Protocol (IP) Address associated with the application was matched to **HOLLOWAY**'s home address in Chicago, Illinois. By signing and initialing, she certified that all of the information in the Holloway ECDI Application was true and accurate.

i. On or about August 19, 2020, **SCHAEFER** received from Itria a PPP disbursement of about $20,800 as a result of the Itria Application.

j. On or about May 20, 2021, **SCHAEFER** received into the HNB x2400 Account from ECDI a PPP disbursement of about $1,893,333 as a result of the Schaefer ECDI Application.

k. **SCHAEFER** misapplied the PPP proceeds by paying for expenses, goods, and services unrelated to those authorized by the program, including by using a majority of the PPP proceeds on personal expenses to include the purchase of a residential property at 5259 Sorrento Court, Westerville, Ohio 43083, renovations of that property, cosmetic surgery, groceries, restaurants, and retail shopping.

l. On or about June 17, 2021, **HOLLOWAY** received from ECDI a PPP disbursement of about $980,833 into the USB x9998 Account as a result of the Holloway ECDI Application.

m. **HOLLOWAY** misapplied the PPP proceeds by paying for expenses, goods, and services unrelated to those authorized by the program.

n. On or about July 20 and August 3, 2021, **HOLLOWAY**, using proceeds from the fraudulent PPP loan she received, wired $50,000 and $130,000, respectively, from her USB x6723 Account to **SCHAEFER's** HNB x4340 Account.

o. On or about September 20, 2022, an application for forgiveness of the Holloway ECDI Application was submitted to ECDI. When she was notified by ECDI that a denial to that request was anticipated because she had provided insufficient information, **HOLLOWAY** emailed ECDI a fake 2019 Form 1040 individual tax return. The fake tax form falsely claimed that one of her businesses had paid over $5 million in payroll in 2019, when her genuine tax return claimed $0 in payroll for that business. The fake tax form also replaced the name and contact information of her real tax return preparer with that of **SCHAEFER**.

p. In total, **SCHAEFER** sought or assisted in fraudulently obtaining approximately $2,894,966 in PPP funds, $980,833 of that with the assistance and coordination of **HOLLOWAY**. Although the two claimed that the funds would be used to pay employees, those purported employees either did not exist, had not been paid, or earned a fraction of what **SCHAEFER** and **HOLLOWAY** claimed in their PPP loan applications.

Uses of Interstate Wires

14. On or about each of the dates set forth below, in the Southern District of Ohio and elsewhere, the defendants, **LORIE A. SCHAEFER** and **LATISHA C. HOLLOWAY**, for the purpose of executing the scheme described above, and

attempting to do so, knowingly transmitted and caused to be transmitted by means of a wire communication in interstate commerce, signals and sounds, as follows:

Count	Date of Wire Communication	Description of Wire Communication
One	May 12, 2021	Defendant **LORIE A. SCHAEFER** caused the Schaefer ECDI Application to be communicated via wire to the SBA through servers outside of the Southern District of Ohio.
Two	June 8, 2021	Defendant **LATISHA C. HOLLOWAY** electronically signed the Holloway ECDI Application, thereby causing the communication of wires to the SBA through servers outside the Southern District of Ohio.

All in violation of Title 18, United States Code, Section 1343.

COUNT THREE
(Money Laundering)

15. Paragraphs 1 to 10 of this Indictment are realleged as if fully restated herein.

16. On or about June 23, 2021, in the Southern District of Ohio and elsewhere, defendant **LORIE A. SCHAEFER** did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, namely wire fraud; that is, **SCHAEFER** sent and caused to be sent a wire transfer from the HNB x8134 Account in the approximate amount of $789,316.64 to the JPMorgan Chase Bank account of a title agency for the purchase of a residential property located at 5259 Sorrento Court, Westerville, Ohio 43083.

In violation of Title 18, United States Code, Section 1957.

COUNT FOUR
(Money Laundering)

17. Paragraphs 1 to 10 of this Indictment are realleged as if fully restated herein.

18. On or about June 21, 2021, in the Southern District of Ohio and elsewhere, defendant **LATISHA C. HOLLOWAY** did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, such property having been derived from a specified unlawful activity, namely wire fraud; that is, **HOLLOWAY** sent and caused to be sent an account transfer of approximately $900,000 from the USB x9998 Account to the USB x6723 Account.

In violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION A

19. The allegations of this Indictment are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America.

20. Upon conviction of any of the offenses alleged in Counts One and/or Three of this Indictment, defendant **LORIE A. SCHAEFER** shall forfeit to the United States, in accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds

traceable to the violation alleged in Count One; and/or in accordance with 18 U.S.C. § 982(a)(1), any property, real or personal, involved in the offense alleged in Count Three, and any property traceable to such property, including, but not limited to:

a. A sum of money equal to $2,094,133.00 in United States currency, which represents the amount of proceeds traceable to, and derived from, the offenses outlined in this Indictment, and the following property which is a directly traceable asset in partial satisfaction of this forfeiture:

   i. The Real Property known and numbered as 5259 Sorrento Court, Westerville, Delaware County, Ohio, with all appurtenances, attachments, and improvements thereon, Record Owner: Regional Investments LLC, and legally described as:

   Situated in the Township of Genoa, County of Delaware, State of Ohio, and further described as follows:

   Being Unit 5259, in Sorrento At Highland Lakes Condominium, as the same is numbered, designated, delineated and described in the Declaration, Bylaws and Drawings thereof, of record, respectively, in Official Record Volume 1248, Page 117, and condominium Plat filed in Official Record Volume 1248, Page 193 and in Condominium Plat Book 4, Slide 31, Recorder's Office, Delaware County, Ohio, and any subsequent amendments thereto.

   Parcel ID: 317-322-03-008-503
   Commonly Known As: 5259 Sorrento Court, Westerville, OH 43082

   Last Deed of Record recorded at Instrument Number 2023-00021185 in the records of the Delaware County, Ohio Recorder.

21. Substitute Assets: If any of the property described above, as a result of any act or omission of defendant **LORIE A. SCHAEFER**:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of defendant **LORIE A. SCHAEFER**, up to the value of the forfeitable property.

Forfeiture notice pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), 18 U.S.C. § 982(a)(1), and Rule 32.2 of the Federal Rules of Criminal Procedure.

FORFEITURE ALLEGATION B

22. The allegations of this Indictment are realleged and by this reference fully incorporated herein for the purpose of alleging forfeitures to the United States of America.

23. Upon conviction of any of the offenses alleged in Counts Two and/or Four of this Indictment, defendant **LATISHA C. HOLLOWAY** shall forfeit to the United States, in accordance with 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the violation alleged in Count Two; and/or in accordance with 18 U.S.C. § 982(a)(1), any property, real or personal, involved in the offense alleged in Count

Four, and any property traceable to such property, including, but not limited to:

a. A sum of money equal to $800,833.00 in United States currency, which represents the amount of proceeds traceable to, and derived from, the offenses outlined in this Indictment.

24. Substitute Assets: If any of the property described above, as a result of any act or omission of defendant **LATISHA C. HOLLOWAY**:

a. cannot be located upon the exercise of due diligence;

b. has been transferred or sold to, or deposited with, a third party;

c. has been placed beyond the jurisdiction of the court;

d. has been substantially diminished in value; or

e. has been commingled with other property which cannot be divided without difficulty,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), to seek forfeiture of any other property of defendant **LATISHA C. HOLLOWAY**, up to the value of the forfeitable property.

Forfeiture notice pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), 18 U.S.C. § 982(a)(1), and Rule 32.2 of the Federal Rules of Criminal Procedure.

A TRUE BILL

/s/ Grand Jury Foreperson
FOREPERSON

KENNETH L. PARKER
United States Attorney

DAVID J. TWOMBLY (92558)
Assistant United States Attorney