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CLERK OF DISTRICT COURT
SOUTHERN DISTRICT OF IOWA

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA

UNITED STATES OF AMERICA,	)	Criminal No. 4:21-cr-136
v.	)	INDICTMENT
JOHN RICHARD STIDOLPH and LORA LEE STIDOLPH,	)	T. 18 U.S.C. § 1001(a)(2) T. 18 U.S.C. § 1343
Defendants.	)	

THE GRAND JURY CHARGES:

Introduction

At all times material to this indictment:

1. The defendants, JOHN RICHARD STIDOLPH and LORA LEE STIDOLPH are married and residents of Woodward, Iowa, in the Southern District of Iowa.

2. JOHN RICHARD STIDOLPH incorporated and owns One Nation LLC and Mine LLC, companies that purport to sell household supplies through Amazon.com.

3. JOHN RICHARD STIDOLPH incorporated Addition Doctors, Inc., a home remodel contractor business. JOHN RICHARD STIDOLPH and LORA LEE STIDOLPH are co-owners of Addition Doctors, Inc.

4. The COVID-19 Economic Injury Disaster Loans (hereafter "EIDL") support small business' recovery from the COVID-19 disaster's economic

impact by providing capital.

5. The EIDL is a direct loan process in which the borrower receives money directly from the United States Treasury as directed by the U.S. Small Business Administration (hereafter "SBA").

6. The EIDL process is designed to get money to the borrower as rapidly as possible. Prospective borrowers apply through an SBA web portal. The only financial information requested is gross revenues and cost of goods sold for the twelve-month period prior to the date of the disaster – January 31, 2020. The gross revenue and cost of goods amounts reported by the borrower determine if the SBA will approve the loan and the amount of the loan received by the borrower. The gross revenue and cost of goods information reported by the borrower are material to whether the SBA will approve the loan and the amount of the loan received by the borrower.

7. On each EIDL application a borrower must certify that the information provided to the SBA is true and correct.

8. The EIDL Loan Authorization and Agreement, which is signed by each borrower, states that the borrower will use all the proceeds of the EIDL solely as working capital to alleviate the economic injury caused by the disaster. Examples of working capital include payroll, rent, and materials costs for the business.

The Scheme and Artifice to Defraud

9. From at least on or about March of 2020, and continuing through at least on or about May 2021, in the Southern District of Iowa and elsewhere, JOHN

RICHARD STIDOLPH and LORA LEE STIDOLPH, defendants herein, knowingly devised, intended to devise, and participated in a scheme and artifice to defraud the SBA, and to obtain money from the SBA by means of materially false and fraudulent pretenses, representations, and promises, and by intentional concealment of material facts.

10. It was part of the scheme that on March 30, 2020, JOHN RICHARD STIDOLPH applied for a $60,000 EIDL from the SBA in the name of Mine LLC. On the application, he falsely reported Mine LLC's gross revenue as $41,638,000 and the cost of goods sold at $14,167,000 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct, knowing the information was not true and correct and that the gross revenue and cost of goods sold information was false.

11. It was further part of the scheme to defraud that JOHN RICHARD STIDOLPH electronically signed the Loan Authorization and Agreement acknowledging the loan proceeds must be used solely as working capital for the business.

12. The SBA approved the loan and on June 9, 2020 electronically wired $59,900 ($60,000 less $100 fees and charges) into Mine LLC's bank account.

13. It was further part of the scheme JOHN RICHARD STIDOLPH used the proceeds from the Mine LLC loan to make personal credit card payments and fund trading activity within STIDOLPH'S TD Ameritrade account.

14. It was further part of the scheme that on March 30, 2020, JOHN RICHARD STIDOLPH applied for a $150,000 EIDL from the SBA in the name of One Nation LLC. On the application, he falsely reported One Nation LLC's gross revenue as $49,778,000 and the cost of goods sold at $11,406,000 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct, knowing the information was not true and correct and that the gross revenue and cost of goods sold information was false.

15. It was further part of the scheme to defraud that JOHN RICHARD STIDOLPH electronically signed the Loan Authorization and Agreement acknowledging the loan proceeds must be used solely as working capital for the business.

16. The SBA approved the loan and on June 11, 2020 electronically wired $149,900 ($150,000 less $100 fees and charges) into One Nation LLC's bank account.

17. It was further part of the scheme JOHN RICHARD STIDOLPH used the proceeds from the One Nation LLC loan to make personal credit card payments and fund trading activity within STIDOLPH'S TD Ameritrade account.

18. It was part of the scheme that on March 30, 2020, LORA STIDOLPH applied for a $150,000 EIDL from the SBA in the name of Addition Doctors. She listed herself as a 51% owner and JOHN RICHARD STIDOLPH as a 49% owner of Addition Doctors. On the application, she falsely reported Addition

Doctors' gross revenue as $307,416,000 and the costs of goods sold at $96,858,000 for the twelve-month period ending January 31, 2020. LORA LEE STIDOLPH electronically signed the loan application and certified the information was true and correct, knowing the information was not true and correct and that the gross revenue and cost of goods sold information was false.

19. It was further part of the scheme to defraud that LORA LEE STIDOLPH electronically signed the Loan Authorization and Agreement acknowledging the loan proceeds must be used solely as working capital for the business.

20. The SBA approved the loan and on July 31, 2020 electronically wired $149,900 ($150,000 less $100 fees and charges) into Addition Doctors' bank account.

21. It was further part of the scheme JOHN RICHARD STIDOLPH used the proceeds from the Addition Doctors' loan to make personal credit card payments and fund the STIDOLPH'S personal bank account and Mine LLC's bank account

22. It was part of the scheme that on June 4, 2020, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of One Nation LLC. On the application, he reported One Nation LLC's gross revenue as $47,450 and the cost of goods sold at $6,740 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

23. It was part of the scheme that on June 4, 2020, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Addition Doctors. He listed himself as 100% owner of Addition Doctors. On the application, he reported Addition Doctors' gross revenue as $361,877 and the costs of goods sold at $119,754 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

24. It was part of the scheme that on July 15, 2020, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Addition Doctors. He listed himself as 49% owner of Addition Doctors and LORA LEE STIDOLPH as 51% owner. On the application, he reported Addition Doctors' gross revenue as $277,166 and the costs of goods sold at $97,307 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

25. It was part of the scheme that on September 13, 2020, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Mine LLC. On the application, he reported Mine LLC's gross revenue as $39.884 and the costs of goods sold at $16,241 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

26. It was part of the scheme that on March 10, 2021, JOHN

RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Addition Doctors. He listed himself as 100% owner of Addition Doctors. On the application, he reported Addition Doctors' gross revenue as $307,900 and the costs of goods sold at $120,870 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

27. It was part of the scheme that on March 20, 2021, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Cabin LLC. He listed himself as the 100% owner of Cabin LLC. On the application, he falsely reported Cabin LLC's gross revenue as $680,000 and the cost of goods sold as $21,000 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct, knowing the information was not true and correct and that Cabin LLC was not a company and the gross revenue and cost of goods sold information was false.

28. It was part of the scheme that on March 25, 2021, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Cabin LLC. He listed himself as the 100% owner of Cabin LLC. On the application, he falsely reported Cabin LLC's gross revenue as $680,000 and the cost of goods sold was $21,000 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct, knowing the information was not true and correct and that Cabin LLC was not a company and the gross revenue and cost of goods sold

information was false.

29. It was part of the scheme that on May 13, 2021, JOHN RICHARD STIDOLPH applied for an EIDL from the SBA in the name of Addition Doctors. He listed himself as 100% owner of Addition Doctors. On the application, he reported Addition Doctors' gross revenue as $277,166 and the costs of goods sold at $97,307 for the twelve-month period ending January 31, 2020. JOHN RICHARD STIDOLPH electronically signed the loan application and certified the information was true and correct. The SBA denied the loan application.

30. In furtherance of the scheme, and to continue to defraud the SBA, JOHN RICHARD STIDOLPH and LORA LEE STIDOLPH, through the use of electronic mail, knowingly provided false information to the SBA to fraudulently secure loan proceeds. JOHN RICHARD STIDOLPH and LORA LEE STIDOLPH also caused the SBA to use interstate wires, in furtherance of his scheme to defraud, through money wire transfers funding the fraudulently obtained EIDL loans.

Counts 1 - 2
(Wire Fraud – JOHN RICHARD STIDOLPH)

31. Paragraphs 1 – 30 of the Indictment are re-alleged and incorporated herein.

32. On or about each of the dates set forth below, in the Southern District of Iowa and elsewhere, the defendant, JOHN RICHARD STIDOLPH, for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, and to obtain money and property by means of false and fraudulent pretenses

and representations, did knowingly deliver and cause to be delivered by means of wire in interstate commerce, monies identified below:

Count	Date	Nature of Wired Item
1	6/9/2020	SBA, by way of interstate wire, to Mine LLC's VisionBank account in the Southern District of Iowa, wired $59,900.
2	6/11/2020	SBA, by way of interstate wires, to One Nation LLC's VisionBank account in the Southern District of Iowa, wired $149,900.

Each of the above counts is a violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES

Count 3
(Wire Fraud – LORA LEE STIDOLPH)

33. Paragraphs 1 – 30 of the Indictment are re-alleged and incorporated herein.

34. On or about the date set forth below, in the Southern District of Iowa and elsewhere, the defendant, LORA LEE STIDOLPH, for the purpose of executing and attempting to execute the scheme and artifice to defraud described above, and to obtain money and property by means of false and fraudulent pretenses and representations, did knowingly deliver and cause to be delivered by means of wire in interstate commerce, money identified below:

Count	Date	Nature of Wired Item
3	7/31/2020	SBA, by way of interstate wire, to Addition Doctors' City State Bank account in the Southern District of Iowa, wired $149,900.

This is a violation of Title 18, United States Code, Section 1343.

THE GRAND JURY FURTHER CHARGES

Counts 4 - 7
(False Statements – JOHN RICHARD STIDOLPH)

35. Paragraphs 1 – 30 of the Indictment are re-alleged and incorporated herein.

36. On or about each of the dates set forth below, in the Southern District of Iowa and elsewhere, the defendant, JOHN RICHARD STIDOLPH, did willfully and knowingly make materially false, fictitious, and fraudulent statements and representations on Economic Injury Disaster Loan applications, a matter within the jurisdiction of the U.S. Small Business Association.

Count	Date	Nature of False Statement
4	3/30/2020	JOHN RICHARD STIDOLPH applied for an EIDL loan in the name of Mine LLC and stated Mine LLC had gross revenue of $41,638,000 and cost of goods sold as $14,167,000. These material representations were false as STIDOLPH knew Mine LLC did not have gross revenue of $41,638,000 and cost of goods sold of $14,167,000.

Count	Date	Nature of False Statement
5	3/30/2020	JOHN RICHARD STIDOLPH applied for an EIDL loan in the name of One Nation LLC and stated One Nation LLC had gross revenue of $49,778,000 and costs of goods sold as $11,406,000. These material representations were false as STIDOLPH knew One Nation LLC did not have gross revenue of $41,638,000 and cost of goods sold of $14,167,000.
6	3/20/2021	JOHN RICHARD STIDOLPH applied for an EIDL loan in the name of Cabin LLC and stated Cabin LLC had gross revenue of $680,000 and cost of goods sold as $21,000. These material representations were false as STIDOLPH knew Cabin LLC was not a company and knew Cabin LLC did not have gross revenue of $680,000 and cost of goods sold of $21,000.
7	3/25/2021	JOHN RICHARD STIDOLPH applied for an EIDL loan in the name of Cabin LLC and stated Cabin LLC had gross revenue of $680,000 and cost of goods sold as $21,000. These material representations were false as Cabin LLC was not a company and Cabin LLC did not have gross revenue of $680,000 and cost of goods sold of $21,000.

Each of the above counts is a violation of Title 18, United States Code, Section 1001(a)(2).

THE GRAND JURY FURTHER CHARGES

Count 8
(False Statement– LORA LEE STIDOLPH)

37. Paragraphs 1 – 30 of the Indictment are re-alleged and incorporated herein.

38. On or about the date set forth below, in the Southern District of Iowa

and elsewhere, the defendant, LORA LEE STIDOLPH, did willfully and knowingly make materially false, fictitious, and fraudulent statements and representations on an Economic Injury Disaster Loan application, a matter within the jurisdiction of the U.S. Small Business Association.

Count	Date	Nature of False Statement
8	3/30/2020	LORA LEE STIDOLPH applied for an EIDL loan in the name of Addition Doctors and stated Addition Doctors had gross revenue of $307,416,000 and costs of goods sold as $96,858,000. These material representations were false as LORA LEE STIDOLPH knew Addition Doctors did not have gross revenue of $307,416,000 and cost of goods sold of $96,858,000.

This is a violation of Title 18, United States Code, Section 1001(a)(2).

A TRUE BILL.

FOREPERSON

Richard D. Westphal
Acting United States Attorney

By:
Rachel J. Scherle
Assistant United States Attorney