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U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

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SEAN F. MCAVOY, CLERK

Vanessa R. Waldref
United States Attorney
Eastern District of Washington
Jeremy J. Kelley
Frieda K. Zimmerman
Assistant United States Attorneys
Post Office Box 1494
Spokane, WA 99210-1494
Telephone: (509) 353-2767

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

v.

KELLY JO DRIVER,
DAVID KURT SCHNEIDER, and
LEIF GERALD LARSEN,

Defendants.

4:24-CR-6004-SAB

INDICTMENT

Vio: 18 U.S.C. §§ 1349, 1343, 1344(1), (2)
Conspiracy to Commit Wire Fraud and Bank Fraud
(Count 1)

18 U.S.C. § 1343
Wire Fraud
(Counts 2–6)

18 U.S.C. § 287, 18 U.S.C. § 2
False, Fictitious, or Fraudulent Claims
(Counts 7–11)

18 U.S.C. § 1344(1), (2)
Bank Fraud
(Counts 12–24)

18 U.S.C. § 1957
Money Laundering
(Count 25)

18 U.S.C. § 981, 18 U.S.C. § 982, 28 U.S.C. § 2461(c)
Forfeiture Allegations

The Grand Jury charges:

GENERAL ALLEGATIONS

1. At all times relevant to this Indictment, Defendant KELLY JO DRIVER was a resident of the State of South Carolina.

2. At all times relevant to this Indictment, Defendant DAVID KURT SCHNEIDER was a resident of Kennewick, Washington, in the Eastern District of Washington.

3. At all times relevant to this Indictment, Defendant LEIF GERALD LARSEN was a resident of Pasco, Washington, in the Eastern District of Washington.

4. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was a federal law enacted on March 27, 2020, designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by 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 other certain expenses, through a program referred to as the Paycheck Protection Program (PPP).

5. In order to obtain a PPP, a qualifying business was required to submit a PPP application signed by an authorized representative of the business. The PPP application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP. In the PPP application, the applicant (through its authorized representative) was required to state, among other things: (a) its average monthly payroll expenses; and (b) its number of employees. If the applicant had no

employees other than the owner, the applicant was required to provide the gross income amount from a 2019 or 2020 Internal Revenue Service (IRS) Form 1040, Schedule C. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. Additionally, the applicant was required to certify that the business was in operation as of February 15, 2020. The applicant was also required to certify that the information in the application was true and correct to the best of the applicant's knowledge.

6. A business's PPP application was received and processed, in the first instance, by a participating lender. If the participating lender approved the loan, data from the application, including information about the borrower, the total amount of the PPP, the listed number of employees, and the gross income amount, was transmitted by the lender to the Small Business Administration (SBA), an agency of the United States, in the course of processing the PPP. The location of the server through which the PPP application data was submitted was based on the date the application was processed by the SBA and the application number.

7. If a PPP application was approved, the participating lender funded the PPP using its own monies. PPP funds disbursed by participating lenders were fully guaranteed by the SBA. Once a PPP was funded, PPP lenders submitted disbursement details into the SBA E-Tran system in Sterling, Virginia. E-Tran transmitted the PPP processing fee to the lender through the United States Treasury's Financial Management System (FMS) to the Treasury.

8. PPPs were forgivable if the borrower met all the requirements of the program. These requirements included that at least 60% of the PPP funds were used for payroll, while the remaining 40% could be used for payroll, mortgage interest, rent, and utilities. The funds were not to be used for personal expenses. In seeking forgiveness, the borrower was required to certify that they used the funds as required. PPP forgiveness applications were received through a cloud-based platform (Summit) through the AWS GOV cloud server in Oregon. SBA transmitted the

forgiveness payments to the PPP lender through the FMS servers in Sterling, Virginia.

9. In addition to the PPP, the CARES act also authorized the Economic Injury Disaster Loan (EIDL) program. EIDL is an SBA program that provides low-interest funding to small businesses, renters, and homeowners affected by declared disasters. The EIDL program also offered Targeted EIDL Advance and Supplemental Targeted Advance grants for certain qualifying businesses that did not have to be repaid.

10. In order to obtain an EIDL and advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was the year preceding January 31, 2020. The applicant was also required to certify that all the information in the application was true and correct to the best of the applicant's knowledge.

11. The amount of an EIDL, if the application was approved, was determined based, in part, on the information provided in the application about employment, revenue, and cost of goods, as set forth above. Any funds issued under an EIDL or advance were issued directly by the SBA. EIDL funds could be used for payroll expenses, employee sick leave, production costs, and business obligations and expenses, such as business debts, office rent, and office mortgage payments. If the applicant also obtained a loan under the Paycheck Protection Program, the EIDL funds could not be used for the same purpose as the Paycheck Protection Program funds.

12. EIDL applications were received in cloud-based platforms. The location of the server through which the EIDL application was submitted was based on the date the application was processed by SBA and the application number. EIDL

Targeted Advance and Supplemental Advance applications were submitted through Rapid Finance systems that utilizes Microsoft cloud-based servers located in Des Moines, Iowa. EDIL disbursements were initiated by the SBA Denver Finance Center located in Denver, Colorado, which transmitted the payment information through the FMS system to the Department of Treasury server located in the State of Virginia.

The Scheme and Conspiracy and its Manner and Means

13. The allegations in paragraphs 1 through 12 of this Indictment are incorporated as though realleged herein.

14. Beginning no later than in or about March 2020 and continuing through at least December 2021, in the Eastern District of Washington and elsewhere, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, LEIF GERALD LARSEN, and others, both known and unknown to the grand jury, devised and intended to devise a scheme to defraud the SBA and participating federally-insured PPP participating lenders and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises. Although not all of the fraudulent applications were successful, between on or about March 2020 and November 2021, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN fraudulently obtained at least $250,000 in CARES Act funding through the PPP and EIDL programs. Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN also submitted fraudulent applications seeking at least an additional $1,000,000 in CARES Act funding that were not approved.

15. Specifically, as part of the scheme and conspiracy, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN submitted false information to the SBA and participating PPP lenders regarding gross revenues, number of employees, and amount spent on payroll in an attempt to obtain CARES Act funds to which they were not otherwise entitled. The businesses

used to obtain funds were those owned by Defendants DAVID KURT SCHNEIDER and LEIF GERALD LARSEN. Defendant DAVID KURT SCHNEIDER owned Solar Mobility LLC, RealNZ Water LLC, and Tempest Tactical Solutions LLC. Defendant LEIF GERALD LARSEN owned Larsen Firearms.

16. As part of the scheme and conspiracy, Defendant KELLY JO DRIVER created false and fraudulent payroll records, including payroll register spreadsheet, and falsified IRS Form 941s reporting wages, tips, and other compensation purportedly paid to employees, which were submitted in support of the fraudulent applications. Defendant KELLY JO DRIVER also assisting in preparing and filing the PPP and EIDL applications. For her part in creating the false documents and assisting in filing the applications, Defendant KELLY JO DRIVER was paid 10% of the funded loan amounts.

17. As part of the scheme and conspiracy, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN manipulated the falsified payroll records to target a PPP amount of close to, but under, $150,000, which was the maximum amount they believed could be forgiven under the program. Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN also used false and inflated revenue numbers on EIDL applications, in an attempt to receive funding to which they were not entitled. The proceeds of the fraud scheme were not used for any permissible purposes under the PPP and EIDL program rules. To conceal the fact that he was withdrawing the funds as cash for personal use, Defendant DAVID KURT SCHNEIDER falsely and fraudulently represented that he had employees who were afraid to go to banks because of the COVID-19 pandemic and that he would therefore withdraw the funds as cash in order to then pay the employees.

18. On or about April 23, 2021, an undercover Federal Bureau of Investigation special agent called Defendant KELLY JO DRIVER to inquire about her assistance in obtaining CARES Act funding. Defendant KELLY JO DRIVER

explained to the undercover special agent that they would try to target a loan amount close to $150,000, but that the requested amount had to look "realistic." Defendant KELLY JO DRIVER explained that in order to obtain close to the ideal amount of $150,000, the undercover special agent would "have to have employees on paper" and that she could assist him in creating fictitious IRS Form 941s and a fictitious payroll register for the entire year of 2020. Defendant KELLY JO DRIVER explained how they would need to have the documents show different amounts paid to the workers because "they can't all make the exact same thing, it looks bad." Defendant KELLY JO DRIVER said she would also assist in filling out the applications because she had experience in government contracting, was a former financial adviser, and had worked at the IRS. Defendant KELLY JO DRIVER confirmed to the undercover special agent that her fee was 10% of the funded amount. Defendant KELLY JO DRIVER told the undercover special agent she would send him a spreadsheet for him to fill in and which would then be used to create the falsified payroll documentation. Following up on the call, on or about April 24, 2021, Defendant KELLY JO DRIVER sent the undercover special agent the spreadsheet via email.

It was further part of this scheme and conspiracy that:

SOLAR MOBILITY LLC

Economic Injury Disaster Loan No. 3600237451

19. On or about March 31, 2020, Defendant DAVID KURT SCHNEIDER created an application for an EIDL, Application No. 3600237451, in the name of his company, Solar Mobility LLC. Defendant DAVID KURT SCHNEIDER stated in the application that Solar Mobility LLC had been opened on May 15, 2013, and that SCHNEIDER owned 85% of the company. In this application, Defendant DAVID KURT SCHNEIDER represented that Solar Mobility LLC had $0.00 in gross revenues for the twelve months preceding January 31, 2020, that Solar Mobility had $0.00 in cost of goods sold in the twelve months preceding January 31, 2020, and

that Solar Mobility had zero (0) employees. Defendant DAVID KURT SCHNEIDER certified that the information provided in the application was true and correct. The EIDL application was approved and the SBA disbursed $1,000 to the requested checking account on June 19, 2020. On or about July 19, 2020, Defendant DAVID KURT SCHNEIDER called the SBA to check on the status of his EIDL Advance funds, but was notified he had not checked the box in the application to request EIDL Advance funds.

Economic Injury Disaster Loan No. 3311313620

20. On or about July 19, 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER created, and caused to be created, another EIDL application, Application No. 3311313620, in the name of Solar Mobility LLC. This application was submitted via interstate wires from IP address 152.44.20.26 registered to West Carolina Tel, LLC, in the State of South Carolina, to the SBA servers located in Des Moines, Iowa.

21. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER represented, and caused to be represented, in the application that Solar Mobility LLC had been opened on May 13, 2015, and that SCHNEIDER owned 100% of the company. In this application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC had $45,000 in gross revenues for the twelve months preceding January 31, 2020, that Solar Mobility had $13,000 in cost of goods sold in the twelve months preceding January 31, 2020, and that Solar Mobility had five (5) employees. Defendants DAVID KURT SCHNEIDER and KELLY DRVER certified, and caused to be certified, that the information in the application was true and correct.

22. These representations and certification were materially false and fraudulent. In fact, according to information maintained by the Washington State Department of Revenue, Defendant DAVID KURT SCHNEIDER did not report any revenue for Solar Mobility LLC in 2019 or 2020. Washington State Employment

Security Department (ESD) records show that Solar Mobility LLC, was reported inactive as of June 30, 2015. Washington State ESD records also show that Defendant DAVID KURT SCHNEIDER only received wages in 2019 and 2020 from Waste Treatment Completion Co., and show no wages from Solar Mobility LLC. Furthermore, the statement that Solar Mobility LLC had five employees is inconsistent with other EIDL and PPP applications SCHNEIDER submitted as discussed herein and inconsistent with statements SCHNEIDER made when interviewed by Federal Bureau of Investigation Special Agents. Consequently, neither Solar Mobility LLC nor Defendant DAVID KURT SCHNEIDER were eligible for any EIDL funding. The SBA ultimately did not fund this EIDL application.

<u>Paycheck Protection Program Loan No. 49653282-04</u>

23. On or about August 5, 2020, Defendant DAVID KURT SCHNEIDER opened a business checking account ending x2951 in the name of Solar Mobility LLC at Community First Bank, a federally-insured financial institution headquartered in Kennewick, Washington.

24. On or about August 6, 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, an application for a PPP to Community First Bank in the name of Solar Mobility LLC. This application was submitted from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER by West Carolina Tel, LLC between December 14, 2020 and April 22, 2021.

25. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Solar Mobility had 5 employees and an average monthly payroll of $23,747. Based on this false and fraudulent information, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER requested, and caused to be requested, $59,367 in PPP funds. As part of the application, Defendants DAVID KURT

SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the funds would be used to "retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Payroll Protection Program rules; I understand that if the funds a knowingly used for unauthorized purposes, the federal government may hold be legally liable, such as for charges of fraud."

26. In support of this application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a letter dated June 11, 2020, stating, "Solar Mobility, LLC was formed in 2015 to begin research and developmental (sic) of our product. The company did not actually 'start' until January 1, 2020 as we did not yet have employees or payroll." Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also submitted, and caused to be submitted, false and fraudulent payroll registers with the application, which purported to show payroll to employees in January and February 2020. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application and supporting documents were true and accurate in all material respects.

27. The representations and certifications made in the PPP application were materially false and fraudulent. In fact, according to information maintained by the Washington State Department of Revenue, DAVID SCHNEIDER did not report any revenue for Solar Mobility LLC in 2019 or 2020. Washington State Employment Security Department (ESD) records show that Solar Mobility LLC, was reported inactive as of June 30, 2015. Washington State ESD records show that Defendant DAVID KURT SCHNEIDER only received wages in 2019 and 2020 from Waste Treatment Completion Co., and show no wages from Solar Mobility LLC. Furthermore, the statements that Solar Mobility LLC had five employees is inconsistent with other EIDL and PPP applications SCHNEIDER submitted and inconsistent with statements SCHNEIDER made when interviewed by Federal

Bureau of Investigation Special Agents. Consequently, neither Solar Mobility LLC nor Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER were eligible for any PPP funding.

28. Based upon the false and fraudulent information submitted, and caused to be submitted, by Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER, Community First Bank approved the loan, which was then also approved by the by the SBA and assigned PPP No. 49653282-04. On August 17, 2020, Community First Bank disbursed $59,300 into the business checking account in the name of Solar Mobility LLC ending x2951. On August 18, 2020, Defendant DAVID KURT SCHNEIDER wrote a check in the amount of $59,000 from the business checking account ending x2951 to the order of Solar Mobility LLC, which was deposited later that day into a Bank of America checking account ending x5239 in the name of Solar Mobility LLC. On August 20, 2020, Defendant DAVID KURT SCHNEIDER sent $5,000 via interstate wires from his Bank of America account in the name of his company RealNZ Water LLC to Defendant KELLY JO DRIVER's account at Pinnacle Bank in South Carolina ending x4255.

29. On August 27, 2020, Defendant DAVID KURT SCHNEIDER withdrew $10,000 in cash from the Solar Mobility LLC account ending x5239. On August 31, 2020, Defendant DAVID KURT SCHNEIDER spent $2,740 via his check card at Rugu LLC, a firearm company in Texas. Defendant DAVID KURT SCHNEIDER made additional $10,000 cash withdrawals on September 9, 15, and 24, 2020, as well as ATM withdrawals of $400 on September 8, 2020, and of $360 on September 28, 2020. On September 16, 2020, Defendant DAVID KURT SCHNEIDER spent $1,644.49 via his check card at BMW of Tri-Cities in Richland, Washington. At no time did it appear that any of the PPP funds were used for payroll expenses in August and September 2020, but instead for personal expenses.

30. On or about March 2, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a PPP Forgiveness

Application to Community First Bank, requesting forgiveness of the entire PPP funding amount. In the forgiveness application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that at the time of the initial PPP application Solar Mobility LLC had 5 employees, and at the time of the forgiveness application Solar Mobility LLC had 10 employees. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC had spent $218,500 in payroll costs between the covered period of August 17, 2020, and December 31, 2020.

31. By March 2021, however, Community First Bank had concerns about the legitimacy of information provided on the forgiveness application, as discussed below, and took no further action on the PPP forgiveness application. On November 28, 2021, Defendant KELLY JO DRIVER sent an email to individuals at Community First Bank and the SBA in which she stated, "in regards to FORGIVENESS, we applied for forgiveness of the 1st draw PPP back in March of this year. Everything was completed and all necessary documents were provided to Community 1st and we received confirmation of that on Tuesday, March 2, 2021, at 5:26 PM EST." Defendant KELLY JO DRIVER then stated it appeared through the bank's online portal that the loan appeared in default and she stated, "**Please advise as to how and when you plan to rectify this error.**" (emphasis in original).

32. Due to concerns regarding the legitimacy of the information provided by Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER, Community First Bank did not submit the forgiveness application to the SBA. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER did not make payments on PPP number 49653282-04, which went into default. Community First Bank ultimately "charged off" PPP number 49653282-04, which was guaranteed by the SBA, shifting all losses to the SBA.

Paycheck Protection Program Second Draw Loan No. 16182483-04

33. On or about January 15, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, to Community First Bank a PPP Second Draw Borrower Application in the name of Solar Mobility LLC.

34. In this application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC's number of employees was ten (10) and its average monthly payroll as $49,320. In order to show a 25% reduction in gross receipts in the Second Draw application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC's 2020 fourth quarter gross receipts were $11,250 and its first quarter 2020 gross receipts were $28,000. Based upon this false information, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER requested, and caused to be requested, $123,300 in PPP funds. In support of the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, false and fraudulent payroll reports purporting to show payroll to Solar Mobility LLC employees in October and November 2020. In the application, Defendants DAVID KURT SCHNEIDER and/or KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application and all supporting documents was true and accurate in all material respects.

35. On or about January 19, 2021, SBA approved the loan, assigned it PPP No. 16182483-04, and sent the loan details to Community First Bank to finalize the loan and disburse funds. However, Community First Bank was attempting to obtain more information about the requested PPP before disbursing the funds.

36. On or about January 18, 2021, the president of Community First Bank wrote an email to Defendant DAVID KURT SCHNEIDER stating that they had

received the PPP application and needed additional payroll tax filing documents for 2020, including a Form 941 for each quarter. Defendant DAVID KURT SCHNEIDER forwarded the email to Defendant KELLY JO DRIVER on January 18, 2021. Defendant DAVID KURT SCHNEIDER replied to the president of Community First Bank on January 20, 2020, stating, "We'll get to those papers later this week."

37. On or about February 18, 2021, Defendant KELLY JO DRIVER replied by email to Defendant DAVID KURT SCHNEIDER, stating "I attached them in the documents section. The area he refers to is no longer available. They are attached just in case you need them."

38. On or about February 18, 2021, in support of the Second Draw PPP application, Defendant DAVID KURT SCHNEIDER then forwarded the email to the president of Community First Bank along with attached Form 941s. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER provided, and caused to be provided, four false and fraudulent IRS Form 941s, created by Defendant KELLY JO DRIVER, purporting to show wages, tips, and other compensation paid by Solar Mobility LLC. In the Form 941 covering January through March of 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC had five (5) employees and had paid $71,240 in wages or other compensation. In the Form 941s covering April through June, July through September, and October through December of 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, in each that Solar Mobility LLC had ten (10) employees and had paid $145,080 in wages, tips, and other compensation. Metadata for all four Form 941s indicate that they were edited by "kesler2015@outlook.com" on February 18, 2021.

39. On March 2, 2021, Defendant DAVID KURT SCHNEIDER emailed the president of Community First Bank and stated, "This process seems to be taking

a long time, we didn't have any issues for the first round. Is there something wrong?" The president of Community First Bank responded that the SBA had implemented some new processes and "because you don't have your primary banking relationship with us, it requires some extra steps to validate information." To validate the payroll numbers on the application, the president asked for bank statements from Solar Mobility LLC's primary bank showing its payroll paid in any of the quarters of 2020.

40. On March 2, 2021, Defendant KELLY JO DRIVER sent Defendant DAVID KURT SCHNEIDER an email with the subject line "BOA statements," which Defendant DAVID KURT SCHNEIDER then forwarded to the president of Community First Bank. Attached in the email were two monthly Bank of America statements from the Solar Mobility LLC bank account ending x5239 for August and September 2020. Defendant DAVID KURT SCHNEIDER also wrote in the forwarded email, "Due to the uncertainty of the Pandemic and banks being closed because of exposure to Covid my employees wanted to be paid in cash, so we paid in cash and still filed our 941s accordingly." The president of Community First Bank replied, requesting the July 2020 statement as well, to have the full quarter year of statements.

41. On March 2, 2021, Defendant KELLY JO DRIVER sent Defendant DAVID KURT SCHNEIDER an email with the subject line "July BOA 2020" and wrote, "A whopping $100 as that is when the account was opened I do believe." On or about March 3, 2021, Defendant DAVID KURT SCHNEIDER forwarded this email to the president of Community First Bank and wrote, "Here's July, luckily CF was very instrumental in getting the PPP and keeping these people paid." Attached to the email was a July 2020 monthly statement for the Bank of America account ending x5239 in the name of Solar Mobility, which showed only $100 in the account and no payments made for payroll purposes.

42. Contrary to the representations made in the PPP Second Draw

application, the Bank of America statements did not contain evidence of an average payroll of $49,320. The only funds deposited into the account between July and September 2020 was an initial $100 deposit when the account was opened in July of 2020 and the $59,000 check drawn from PPP funds falsely and fraudulently obtained by Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER in August of 2020. As discussed above, those funds were used for cash withdrawals and other personal expenses. The amount of cash withdrawn was insufficient to support the purported payroll claimed in the PPP application. Furthermore, in a recorded call on or about March 25, 2021, Defendant DAVID KURT SCHNEIDER described to Defendant LEIF GERALD LARSEN how he told the bank he paid individuals in cash as "our excuse when the uh, for our second draw when they were looking for paperwork and they just had no problem with it."

43. On March 9, 2021, the president of Community First Bank wrote an email to Defendant DAVID KURT SCHNEIDER stating, "We've now had opportunity to review the additional documents you submitted, and unfortunately have been unable to get comfortable with approving the loan for Solar Mobility. The loan is therefore declined." Defendant DAVID KURT SCHNEIDER forwarded the email to Defendant KELLY JO DRIVER.

44. On April 22, 2021, Defendant KELLY JO DRIVER wrote an email to the president of Community First Bank stating,

> We need confirmation that you in fact did decline and email confirmation that it has been pulled out of ETran. We have been unsuccessful in receiving funding due to this error as it is reflected that we already received the 2nd Draw PPP." On April 23, 2021, Defendant DAVID KURT SCHNEIDER replied to the email, including additional staff at Community First Bank, and stated, "We have identified fraud or a conspiracy to defraud on our PPP loan through Community First Bank. As you can see [Community First's president] told us in January, February, March that we were NOT approved when you can clearly see we were. The SBA, Attorney General, Office of Investigator General and the Bankers Association and the IRS are concerned this is a fraud

> case against your bank as our documents and everything line up. Please advise your position as a great audit will probably be on its way. If you have NO plans of funding us then release us from the Etran. I will expect to hear from you immediately.

The president of Community First Bank responded on April 6, 2021, stating "Your loan has been cancelled in the SBA's system," and provided a screenshot showing the loan as fully cancelled. PPP No. 16182483-04 was never funded by Community First Bank.

45. On or about November 28, 2021, Defendant KELLY JO DRIVER wrote an email to individuals at Community First Bank and the SBA. Part of the email, as discussed above, requested that Community First Bank approve the PPP forgiveness application for the Solar Mobility first draw PPP submitted on or about March 2, 2020. Defendant KELLY JO DRIVER also wrote,

> [W]e were approved (and listed as funded) for a **<u>2nd Draw PPP loan</u>** on January 19, 2021 for $123,300 (Loan# 1618248304) that we never received. Our president, David "Kurt" Schneider, repeatedly asked when we would received (sic) our APPROVED (and listed as funded on SMA, images attached) FUNDING and finally received a response two months later after being reflected as approved and funded stating it is declined. . . . **<u>Please advise as to how and when you plan to rectify this error.</u>** After speaking with several different levels of power in regards to the appearance of impropriety that Community 1st is reflecting, we required immediate resolution of the above stated issues. If you all are unable to remedy said issues, our next communication will be both legal and ethical reporting to the appropriate agencies and organizations.

(emphasis in original).

<u>Payroll Protection Program Second Draw submitted to Bank of the West</u>

46. On March 12, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, an additional Second Draw PPP application in the name of Solar Mobility LLC, this time to Bank of the West, a federally-insured financial institution headquartered in San Francisco,

California. In support of the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, copies of four IRS Form 941s, a January 2020 payroll report, and Ownership Certificates for Solar Mobility LLC. The application and supporting documents were submitted from IP address 204.116.238.60. This is the same IP address used to submit the PPP Second Draw application to Community First Bank and was assigned to Defendant KELLY JO DRIVER through West Carolina Tel.

47. In this PPP Second Draw application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Solar Mobility LLC had a monthly payroll of $42,943 for ten (10) employees, that Solar Mobility LLC's fourth quarter 2020 gross receipts were $21,251 and that its fourth quarter 2019 gross receipts were $49,731. These numbers were significantly different from the numbers they listed on the PPP Second Draw application previously submitted to Community First Bank on January 15, 2021. The attached Form 941s were the same as those submitted to Community First Bank and showed the same edits to each document made by "kesler2015@outlook.com." Defendants DAVID KURT SCHNEIDER and/or KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application and all supporting documents was true and accurate in all material respects. Based upon the false and fraudulent information in the application and supporting documents, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER requested, and caused to be requested, $107,357 in PPP funds.

48. This PPP Second Draw application was flagged by Bank of the West as potentially fraudulent and never approved. Because Bank of the West declined the loan, it was not processed by the SBA and assigned a loan number.

TEMPEST TACTICAL SOLUTIONS LLC

Economic Injury Disaster Loan Application No. 3315031326

49. On or about October 21, 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER completed, and caused to be completed, an EIDL application, Application No. 3315031326, in the name of Tempest Tactical Solutions. The application was submitted via interstate wires from IP address 152.44.20.137, which is registered to West Carolina Tel, in South Carolina, to SBA servers located in Des Moines, Iowa.

50. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represneted, that Tempest Tactical Solutions had been opened on January 12, 2020, and had four (4) employees. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also falsely and fraudulently represented, and caused to be represented, that Tempest Tactical Solutions had $12,500 in gross revenues for the twelve months preceding January 31, 2020, and that Tempest Tactical Solutions LLC had $2,800 in cost of goods sold in the twelve months preceding January 31, 2020. As part of the application Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information in the application was true and correct.

51. The representations made in the application were materially false and fraudulent. Tempest Tactical Solutions LLC was not registered with the Washington State Secretary of State until September 1, 2020. The Washington State Department of Revenue has no records of Tempest Tactical Solutions ever existing or reporting revenue. The Washington State Employment Security Department has no record of Tempest Tactical Solutions LLC ever registering or of any wages reported paid to employees by Tempest Tactical Solutions LLC. Washington State ESD records show that Defendant DAVID KURT SCHNEIDER only received wages in 2019 and 2020 from Waste Treatment Completion Co., and show no wages from Tempest

Tactical Solutions LLC. Finally, the EIN listed for Tempest Tactical Solutions LLC begins with 85, which indicates Tempest Tactical Solutions LLC registered for an EIN after March 15, 2020. Indeed, the IRS only assigned the EIN to Tempest Tactical Solutions LLC on August 31, 2020.

52. The SBA identified that Tempest Tactical Solutions LLC had only been formed in September 2020, declined to fund the requested loan, and flagged the application as suspected fraud.

Payroll Protection Program Application submitted to Community First Bank

53. On or about September 2, 2020, Defendant DAVID KURT SCHNEIDER opened a bank account at Community First Bank in the name of Tempest Tactical Solutions LLC. This was the day after the Washington Secretary of State issued a certificate of formation for the company. The account was not funded until a series of ATM deposits totaling $12,500 between October 19 and 21, 2020. Other than the ATM deposits in October of 2020, no additional deposits were made, and the funds were used for clothing purchases, travel, and cash withdrawals. By the end of January of 2021, there was only $215.71 in the account and no indications that it was used for business purposes.

54. On or about January 15, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, to Community First Bank a PPP Borrower Application in the name of Tempest Tactical Solutions LLC. The application was submitted from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER.

55. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Tempest Tactical Solutions LLC had a monthly payroll of $32,940 for seven (7) employees. In support of the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also submitted, and caused to be submitted, a false and fraudulent payroll report purporting to show payroll made to employees

by Tempest Tactical Solutions LLC in November 2020. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the applicant was in operation on February 15, 2020. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application and all supporting documents was true and accurate in all material respects. Based on the false and fraudulent information in the application and supporting documents, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER requested, and caused to be requested, $82,250 in PPP funds.

56. On February 23, 2021, Defendant DAVID KURT SCHNEIDER emailed the president of Community First Bank to inquire about updates for the PPPs. The president responded on February 23, 2021, that The Tempest Tactical loan application was declined due to ineligibility. "To be eligible for a Paycheck Protection Program loan a business must be in operation February, 2020. Tempest Tactical was formed on September 1, 2020 and is therefore ineligible." Because Community First Bank declined the loan, it was not processed by the SBA or assigned a loan number.

REALNZ WATER

Economic Disaster Injury Loan Application No. 3600240545

57. On or about March 31, 2020, Defendant DAVID KURT SCHNEIDER submitted EIDL Application No. 3600240545, in the name of RealNZ Water LLC. In the application, Defendant DAVID KURT SCHNEIDER stated that RealNZ Water LLC was an import/export wholesale business opened on March 12, 2019, and located at 949 S. Keller St., Kennewick, Washington. Defendant DAVID KURT SCHNEIDER stated in the application that as of January 31, 2020, RealNZ Water had three (3) employees, that in the twelve months prior to January 31, 2020, RealNZ Water's gross revenues were $100,000, that in the twelve months prior to January 31, 2020, RealNZ Water's cost of goods sold was $50,000, and that RealNZ

Water's lost rental profits were $4,000. As part of the application, Defendant DAVID KURT SCHNEIDER certified that the information was true and accurate.

58. In the application, Defendant DAVID KURT SCHNEIDER also requested an EIDL Advance. On or about April 19, 2020, based upon the statement in that application that RealNZ Water LLC had three employees, the SBA electronically transferred, via intestate wires, $3,000 in EIDL Advance funds to Defendant DAVID KURT SCHNEIDER's Bank of America account ending x8396 from the FMS servers in Sterling, Virginia.

59. Based on the information provided by Defendant DAVID KURT SCHNEIDER in EIDL Application No. 3600240545, on or about May 22, 2020, the SBA electronically transferred, via intestate wires, $22,000 in EIDL funds to Defendant DAVID KURT SCHNEIDER's Bank of America account ending x8396 from the FMS servers in Sterling, Virginia.

60. On or about February 22, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a request to modify his EIDL as well as an EIDL Targeted Advance application in relation to EIDL Application No. 3600240545. In the Targeted Advance application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, the number of RealNZ Water LLC employees at the time of the Targeted Advance application as ten (10). The application was submitted via interstate wires to the Rapid Finance cloud-based servers located in Des Moines, Iowa, from IP address 204.116.239.60, which was assigned to KELLY JO DRIVER in South Carolina.

61. The information provided by Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER in the original EIDL Application No. 3600240545 and the subsequent Targeted Advance application was materially false and fraudulent. Washington Employment Security Department records show that RealNZ Water LLC was never registered as a company and did not report any wages paid to

employees. The Washington Department of Revenue has no record of RealNZ Water LLC registering or that any revenue was reported for the company.

62. On or about December 30, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, additional documents to the SBA in support of the modification and Targeted Advance application. One document was an amended 1040 tax return for the 2019 tax year that was completed on or about December 18, 2021. The attached Schedule C for that return reported that there were no wages paid by RealNZ Water LLC in 2019. On or about December 30, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also submitted, and caused to be submitted, a SBA Form 3502 setting out supporting information for EIDL modification in which they represented that in the twelve month period prior to the COVID-19 disaster, RealNZ Water LLC had $270,564 in revenues, $86,649 in cost of goods sold, and no lost rental amounts, all of which were significantly different than the initial EIDL application submitted on March 31, 2020. This document was submitted under penalty of perjury certifying that the information was true and correct.

63. Defendant DAVID KURT SCHNEIDER called the SBA numerous times to check on the status of the modification and Targeted Advance applications between January and April 2022. The SBA ultimately declined to fund the EIDL modification and Targeted Advance requested.

<u>Payroll Protection Program No. 7812607800</u>

64. On or about May 28, 2020, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a PPP application in the name of RealNZ Water LLC to Bank of America, a federally-insured financial institution. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER false and fraudulently represented, and caused to be represented, that RealNZ Water LLC had three (3) employees and an average monthly payroll of $23,000.

65. In support of the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, an IRS Form 941 purporting to show wages paid by RealNZ Water LLC for the first quarter of 2020 to five (5) employees. This Form 941 contained very similar numbers as the first quarter 2020 Form 941 Defendants SCHNEIDER and DRIVER later submitted, and caused to be submitted, to Community First Bank in relation to Solar Mobility's second draw application, including the exact same overall wages purportedly paid in the first quarter of 2020, $71,240.

66. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application and supporting documents was true and accurate in all material respects. The application sought payment of $65,000.

67. The representations made in the application and supporting materials were materially false and fraudulent. Washington Employment Security Department records show that RealNZ Water LLC was never registered as a company and did not report any wages paid to employees. The Washington Department of Revenue has no record of RealNZ Water LLC registering or that any revenue was reported for the company.

68. Based upon the false and fraudulent representations made in the application, including the Form 941, Bank of America approved the loan in the amount of $59,366.67, which was assigned PPP No. 7812607800 by the SBA. On or about June 4, 2020, Bank of America disbursed $59,366 to an account in the name of RealNZ Water LLC.

69. On or about February 18, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a PPP Forgiveness Application to Bank of America, seeking to have the $59,366 disbursed for PPP No. 7812607800 forgiven. In that application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently

represented, and caused to be represented, that RealNZ Water LLC had five (5) employees at the time of the PPP application and that RealNZ Water LLC had ten (10) employees at the time of the loan forgiveness application. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also falsely and fraudulently represented, and caused to be represented, that in the period between June 4, 2020, and November 18, 2020, RealNZ Water LLC spent $59,366 on payroll costs.

70. In support of the loan forgiveness application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, false and fraudulent IRS Form 941s for 2020 purporting to show wages, tips, and other compensation paid to employees. Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER also submitted, and caused to be submitted, false and fraudulent payroll reports purporting to show payroll made to seven (7) employees in October and November 2020. Finally, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a letter dated February 2, 2021, which stated, "RealNZ Water, LLC was legally formed in 2019 for research and development purposes. The company did not actually 'start' until January 1, 2020. There are no payroll records for 2019 as the company did not yet have any employees." This letter is substantially similar to the letter submitted to Community First Bank in support of the Solar Mobility LLC PPP application on August 6, 2020. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects.

71. On or about June 14, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a second PPP forgiveness application. In this application, Defendant DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that RealNZ Water LLC had five (5) employees at the time of the original PPP application and had ten (10) employees at the time of the

forgiveness application. Defendant DAVID KURT SCHNEIDER and KELLY JO DRIVER also falsely and fraudulently represented, and caused to be represented, that between June 5, 2020, and September 30, 2020, RealNZ Water LLC had spent $149,500 on payroll costs and requested that the full $59,366 PPP amount be forgiven. This application also contained in support a false and fraudulent IRS Form 941 purporting to show $149,500 in wages paid to employees from July to September 2020. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects.

72. The loan forgiveness applications were not approved. PPP number 7812607800 went into default on August 5, 2022. On or about October 3, 2023, the SBA, as guarantor of the loan, disbursed $60,231.28 to Bank of America to cover the initial $59,366 loan amount plus $865.28 in outstanding interest accrued for the defaulted loan.

Additional Payroll Protection Program Applications to Bank of America

73. On or about January 23, 2021, DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a PPP application to Bank of America in the name of RealNZ Water LLC, which was assigned Bank of America application reference number 4116781126. This application did not identify the first draw PPP fund disbursed to RealNZ Water LLC in June 2020. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that RealNZ Water LLC had ten (10) employees and an average monthly payroll of $49,320. The application also falsely and fraudulently stated that RealNZ Water LLC had an annual revenue of $194,672 and a profit before tax of $68,431. The application sought payment of $123,300 in PPP funds. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material

respects. The application was submitted to Bank of America from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER. Bank of America did not approve this application.

74. Also on or about January 23, 2021, approximately ten minutes after the submission of application reference number 4116781126, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, a second PPP application to Bank of America, which was assigned application reference number 4116781286. This application identified the previous PPP funds disbursed to RealNZ Water LLC, but falsely and fraudulently represented the company's annual revenue as $194,731 and annual profit before tax as $64,972, which was different from the representations made ten minutes earlier in application reference number 4116781126. In the application assigned reference number 4116781286, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that RealNZ Water LLC had ten (10) employees and an average monthly payroll of $49,320. The application sought payment of $123,300 in PPP funds. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects. The application was submitted to Bank of America from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER. Bank of America did not approve this application.

75. On or about February 18, 2021, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER submitted, and caused to be submitted, another PPP application to Bank of America, which was assigned application reference number 4117836832. In this application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that RealNZ Water LLC had an annual revenue of $248,970 and an annual profit before tax of $67,498. In the application, Defendants

DAVID KURT SCHNEIDER and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that RealNZ Water LLC had ten (10) employees and an average monthly payroll of $49,833. The application sought payment of $124,582 in PPP funds. In the application, Defendants DAVID KURT SCHNEIDER and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects. The application was submitted to Bank of America from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER. Bank of America did not approve this application.

DAVID K. SCHNEIDER dba REALNZ WATER

76. On or about December 20, 2021, Defendant DAVID KURT SCHNEIDER submitted an EIDL application to the SBA, Application No. 3325810626. The application was submitted via interstate wires from IP address 2607:fb90:83ba:2dbd:ff6e:a794, which is registered to T-mobile, to the SBA's Rapid Finance application servers in Des Moines, Iowa.

77. In the application, Defendant DAVID KURT SCHNEIDER stated that RealNZ Water LLC was a sole-proprietorship with only one (1) employee as of January 31, 2020. In the application, Defendant DAVID KURT SCHNEIDER falsely and fraudulently stated RealNZ Water LLC and had eleven (11) current employees. Defendant DAVID KURT SCHNEIDER also falsely and fraudulently represented that RealNZ Water had actual 2019 gross revenues of $183,915 and actual 2019 cost of goods sold of $86,649. Defendant DAVID KURT SCHNEIDER also falsely and fraudulently represented that RealNZ Water had actual 2020 gross revenues of $621,432 and actual 2020 cost of goods sold of $0.00. In the application, Defendant DAVID KURT SCHNEIDER certified that the information provided in the application was true and correct. Defendant DAVID KURT SCHNEIDER requested a loan of $233,500 and for the funds to be deposited into his Bank of America account ending x8396.

78. The SBA flagged the application as duplicative of the previous RealNZ Water EIDL application filed using the same bank account and tax identification number. The application was subsequently placed on hold as suspected fraud and never approved.

LARSEN FIREARMS

Economic Disaster Injury Loan Application No. 3600597608

79. On or about April 4, 2020, Defendant LEIF GERALD LARSEN submitted an EIDL application, number 3600597608, to the SBA in the name of Larsen Firearms. In that application, Defendant LEIF LARSON stated that his business was a sole proprietorship and had no employees as of January 31, 2020. In the application, Defendant LEIF GERALD LARSEN requested an EIDL advance, which was approved in the amount of $1,000. However, the SBA declined to fund the remaining EIDL amount.

80. On or about February 22, 2021, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER submitted, and caused to be submitted, a request for EIDL Targeted Advance funds related to EIDL application number 3600597608. The request was submitted via interstate wires from IP address 204.116.238.60, which was registered to Defendant KELLY JO DRIVER, to the SBA's Rapid Finance servers in Des Moines, Iowa. In the Targeted Advance request, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Larsen Firearms had ten (10) employees as of the date of the Targeted Advance application. In the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects.

81. The representation that Larsen Firearms had ten employees was materially false and fraudulent. According to Washington State Employment Security Department records, Larsen Firearms was not registered and had not

reported any wages paid to employees. Furthermore, on March 25, 2021, Federal Bureau of Investigation Special Agents spoke with Defendant LEIF GERALD LARSEN, who admitted that Larsen Firearms did not have any employees and that Defendant KELLY JO DRIVER had created false payroll documentation for Defendant LEIF GERALD LARSEN. On or about March 28, 2021, three days after speaking with Federal Bureau of Investigation agents, Defendant LEIF GERALD LARSEN asked the SBA to cancel the Targeted Advance application.

Payroll Protection Program Application to Community First Bank

82. On or about March 1, 2021, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER submitted, and caused to be submitted, a PPP application in the name of Larsen Firearms to Community First Bank. This application was electronically submitted from IP address 107.177.208.74, which is registered to AT&T Mobility LLC. In the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that Larsen Firearms had ten (10) employees and an average monthly payroll of $59,667.

83. In support of the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER submitted, and caused to be submitted, a false and fraudulent payroll register for the first quarter of 2020 purporting to show payroll to ten (10) employees. Defendants LEIF GERALD LARSEN and KELLY JO DRIVER also submitted, and caused to be submitted, false and fraudulent IRS Form 941s for each quarter of 2020. Each 941 submitted contained the exact same amount of purported wages, tips, and other compensation paid each quarter of $179,000.12, purported federal withholdings of $25,299.43, and purported total taxes of $52,686.44. When opened on a computer, the 941s also showed that the signature date on each document had been modified by "kesler2015@outlook.com."

84. In the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER certified, and caused to be certified, that the information provided in

the application was true and accurate in all material respects. Based on the materially false and fraudulent representations in the application and supporting documents, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER requested, and caused to be requested, a PPP amount of $149,167.

85. Community First Bank recognized that the Form 941s had been modified in the same fashion as those submitted in regards to the Solar Mobility LLC PPP applications. Community First Bank did not approve the PPP application.

Payroll Protection Program No. 49674286-06

86. On or about March 2, 2021, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER submitted, and caused to be submitted, a PPP application to Bank of America in the name of Larsen Gunsmithing & Firearms. The application was submitted from IP address 204.116.238.60, which was assigned to Defendant KELLY JO DRIVER. In the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER falsely and fraudulently represented, and caused to be represented, that the company had ten (10) employees and average monthly payroll of $59,667. In support of the PPP application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER submitted, and caused to be submitted, the same false and fraudulent payroll register and IRS Form 941s that were submitted to Community First Bank on or about March 1, 2021.

87. In the application, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER certified, and caused to be certified, that the information provided in the application was true and accurate in all material respects. Based on the materially false and fraudulent representations in the application and supporting documents, Defendants LEIF GERALD LARSEN and KELLY JO DRIVER requested, and caused to be requested, a PPP amount of $149,167.

88. Bank of America approved the PPP application, which was assigned PPP No. 49674286-06 by the SBA. $149,167 was deposited into Defendant LEIF GERALD LARSEN's Bank of America account on or about March 23, 2021. On

or about March 23, 2021, Defendant LEIF GERALD LARSEN sent $15,000 via interstate wires from his Bank of America account to Defendant KELLY JO DRIVER's account at Pinnacle Bank in South Carolina ending x4255.

COUNT 1
(Conspiracy to Commit Wire Fraud and Bank Fraud)

89. The allegations in paragraph 1 through 88 of this Indictment are incorporated as though realleged herein. Furthermore, the allegations in each other Count of this Indictment are hereby incorporated in this Count.

90. Beginning no later than in or about March 2020 and continuing until at least December 2021, in the Eastern District of Washington, and elsewhere, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, and others known and unknown to the Grand Jury, knowingly and willfully combined, conspired, and agreed to commit the following offenses:

a. To devise and participate in a scheme or plan to defraud or obtain money or property by materially false or fraudulent pretenses, representations, or promises, and thereby use or cause to be used an interstate wire, in violation of 18 U.S.C. § 1343; and

b. To knowingly execute or attempt to execute a scheme to defraud a federally-insured financial institution and obtain money in its custody and control, in violation of 18 U.S.C. § 1344(1) and (2).

All in violation of 18 U.S.C. § 1349.

COUNTS 2–6
(Wire Fraud)

91. The allegations in paragraph 1 through 88 of this Indictment are incorporated as though realleged herein. Furthermore, the allegations in each other Count of this Indictment are hereby incorporated in this Count.

92. On or about each of the dates set forth below, in the Eastern District of Washington and elsewhere, Defendants DAVID KURT SCHNEIDER, KELLY JO

DRIVER, and LEIF GERALD LARSEN, for the purpose of executing the scheme described above, transmitted and caused to be transmitted by means of wire communication in interstate commerce the signals and sounds described below for each count, each transmission constituting a separate count:

Count	Defendants	Date	Description
2	DAVID KURT SCHNEIDER and KELLY JO DRIVER	July 19, 2020	EIDL Application No. 3311313620 on behalf of Solar Mobility LLC, electronically submitted from South Carolina to the SBA in Iowa
3	DAVID KURT SCHNEIDER and KELLY JO DRIVER	October 21, 2020	EIDL Application No. 3315031326 on behalf of Tempest Tactical Solutions, electronically submitted from South Carolina to the SBA in Iowa
4	DAVID KURT SCHNEIDER and KELLY JO DRIVER	February 22, 2021	Targeted Advance request for EIDL Application No. 3600240545 on behalf of RealNZ Water LLC, electronically submitted from South Carolina to the SBA in Iowa
5	DAVID KURT SCHNEIDER	December 20, 2021	EIDL Application No. 3325810626 on behalf of David Schneider dba RealNZ Water, electronically submitted from the Eastern District of Washington to the SBA in Iowa
6	LEIF GERALD LARSEN and KELLY JO DRIVER	February 22, 2021	Targeted Advance request for EIDL Application No. 3600597608 on behalf of Larsen Firearms, electronically submitted from South Carolina to the SBA in Iowa

All in violation of 18 U.S.C. § 1343.

COUNTS 7–11
(False, Fictitious, or Fraudulent Claims)

93. The allegations in paragraphs 1 through 88 of this Indictment are incorporated as though realleged herein. Furthermore, the allegations in each other Count of this Indictment are hereby incorporated in this Count.

94. On or about each of the dates set forth below, in the Eastern District of Washington and elsewhere, the Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, made and presented to the United States Small Business Administration claims concerning EIDL applications, knowing said claims were false and fraudulent, and knowing the information submitted was materially false and fraudulent, described below for each count, each claim constituting a separate count:

Count	Defendants	Date	Description
7	DAVID KURT SCHNEIDER and KELLY JO DRIVER	July 19, 2020	EIDL Application No. 3311313620 on behalf of Solar Mobility LLC
8	DAVID KURT SCHNEIDER and KELLY JO DRIVER	October 21, 2020	EIDL Application No. 3315031326 on behalf of Tempest Tactical Solutions
9	DAVID KURT SCHNEIDER and KELLY JO DRIVER	February 22, 2021	Targeted Advance request for EIDL Application No. 3600240545 on behalf of RealNZ Water LLC
10	DAVID KURT SCHNEIDER	December 20, 2021	EIDL Application No. 3325810626 on behalf of David Schneider dba RealNZ Water
11	LEIF GERALD LARSEN and KELLY JO DRIVER	February 22, 2021	Targeted Advance request for EIDL Application No. 3600597608 on behalf of Larsen Firearms

All in violation of 18 U.S.C. § 287, and aided and abetted the same, in violation of

18 U.S.C. § 2.

COUNTS 12–24
(Bank Fraud)

95. The allegations in paragraphs 1 through 88 of this Indictment are incorporated as though realleged herein. Furthermore, the allegations in each other Count of this Indictment are hereby incorporated in this Count.

96. On or about the dates below, Defendants DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, in the Eastern District of Washington and elsewhere, did knowingly, and with intent to defraud, execute, and attempt to execute, and cause the execution of, a scheme and artifice to defraud one or more financial institutions, as defined by 18 U.S.C. § 20, which scheme and artifice employed material falsehoods, and did knowingly, and with intent to defraud, execute, and attempt to execute, and cause the execution of, a scheme and artifice to obtain moneys, funds, credits, assets, or other property owned by, and under the custody and control of one or more said financial institutions by means of false and fraudulent pretenses, representations, and promises, as detailed below for each count, each execution of the scheme and artifice constituting a separate count:

Count	Defendants	Date	Description
12	DAVID KURT SCHNEIDER and KELLY JO DRIVER	August 6, 2020	PPP application submitted to Community First Bank on behalf of Solar Mobility LLC
13	DAVID KURT SCHNEIDER and KELLY JO DRIVER	March 2, 2021	PPP forgiveness application submitted to Community First Bank on behalf of Solar Mobility LLC
14	DAVID KURT SCHNEIDER and KELLY JO DRIVER	January 15, 2021	Second Draw PPP application submitted to Community First Bank on behalf of Solar Mobility LLC

15	DAVID KURT SCHNEIDER and KELLY JO DRIVER	March 12, 2021	Second Draw PPP application submitted to Bank of the West on behalf of Solar Mobility LLC
16	DAVID KURT SCHNEIDER and KELLY JO DRIVER	January 15, 2021	PPP application submitted to Community First Bank on behalf of Tempest Tactical Solutions LLC
17	DAVID KURT SCHNEIDER and KELLY JO DRIVER	May 28, 2020	PPP application submitted to Bank of America on behalf of RealNZ Water LLC
18	DAVID KURT SCHNEIDER and KELLY JO DRIVER	February 18, 2021	PPP forgiveness application submitted to Bank of America on behalf of RealNZ Water LLC
19	DAVID KURT SCHNEIDER and KELLY JO DRIVER	June 14, 2021	PPP forgiveness application submitted to Bank of America on behalf of RealNZ Water LLC
20	DAVID KURT SCHNEIDER and KELLY JO DRIVER	January 23, 2021	PPP application submitted to Bank of America on behalf of RealNZ Water LLC, reference number 4116781126
21	DAVID KURT SCHNEIDER and KELLY JO DRIVER	January 23, 2021	Second Draw PPP application submitted to Bank of America on behalf of RealNZ Water LLC, reference number 4116781286
22	DAVID KURT SCHNEIDER and KELLY JO DRIVER	February 18, 2021	Second Draw PPP application submitted to Bank of America on behalf of RealNZ Water LLC, reference number 4117836832
23	LEIF GERALD LARSEN and KELLY JO DRIVER	March 1, 2021	PPP application submitted to Community First Bank on behalf of Larsen Firearms
24	LEIF GERALD LARSEN and KELLY JO	March 2, 2021	PPP application submitted to Bank of America on behalf of Larsen Gunsmithing and Firearms

	DRIVER		

All in violation of 18 U.S.C. § 1344(1) and (2).

COUNT 25
(Money Laundering)

97. The allegations in paragraphs 1 through 88 of this Indictment are incorporated as though realleged herein.

98. On or about August 18, 2020, Defendant DAVID KURT SCHNEIDER, knowing that the property involved in the transactions constituted, or was derived from, proceeds obtained from some criminal offense, did knowingly engage in a monetary transaction in criminally derived property of a greater value than $10,000, that is, the withdraw, deposit, and transfer of $59,000 via a check written from Community First Bank account ending x2951 and credited to Bank of America account ending x5239, and which property was derived from specified unlawful conduct, to wit bank fraud in violation of 18 U.S.C. § 1344, all in violation of 18 U.S.C. § 1957.

NOTICE OF CRIMINAL FORFEITURE ALLEGATIONS

The allegations set forth in this Indictment are hereby realleged and incorporated herein by this reference for the purpose of alleging forfeitures.

<u>CONSPIRACY</u>

Pursuant to 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 982(a)(2)(A), and 28 U.S.C. § 2461(c), upon conviction of an offense(s) in violation of 18 U.S.C. § 1349, Conspiracy, as set forth in Count 1 of this Indictment, the Defendants, DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s). The property to be forfeited includes, but is not limited to, the following:

MONEY JUDGMENT
A sum of money in United States currency, representing the amount of proceeds obtained by the Defendants, DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, from the conspiracy violation as stated in Count 1.

WIRE FRAUD

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), upon conviction of an offense(s) in violation of 18 U.S.C. § 1343, Wire Fraud, as set forth in Counts 2-6 of this Indictment, the Defendants, DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s). The property to be forfeited includes, but is not limited to, the following:

MONEY JUDGMENT – DAVID KURT SCHNEIDER

A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant DAVID KURT SCHNEIDER, from the wire fraud violations as stated in Counts 2-5.

MONEY JUDGMENT – KELLY JO DRIVER
A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant, KELLY JO DRIVER, from the wire fraud violations as stated in Count 2-4, 6.

MONEY JUDGMENT – LEIF GERALD LARSEN
A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant LEIF GERALD LARSEN, from the wire fraud violations as stated in Count 6.

If any of the property described above, as the result of any act or omission of the Defendant:

(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, the United States shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

BANK FRAUD

Pursuant to 18 U.S.C. § 982(a)(2)(A), upon conviction of an offense(s) in violation of 18 U.S.C. § 1344, Bank Fraud, as set forth in Counts 12-24 of this Indictment, the Defendants, DAVID KURT SCHNEIDER, KELLY JO DRIVER, and LEIF GERALD LARSEN, shall forfeit to the United States of America, any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violation(s). The property to be forfeited includes, but is not limited to:

MONEY JUDGMENT – DAVID KURT SCHNEIDER

A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant DAVID KURT SCHNEIDER, from the bank fraud violations as stated in Count 12-22.

MONEY JUDGMENT – KELLY JO DRIVER

A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant, KELLY JO DRIVER, from the bank fraud violations as stated in Count 12-24.

MONEY JUDGMENT – LEIF GERALD LARSEN

A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant LEIF GERALD

LARSEN, from the bank fraud violations as stated in Count 23-24.

If any of the property described above, as a result of any act or omission of the Defendant:

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,

the United States of America shall be entitled to forfeiture of substitute property 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). All pursuant to 18 U.S.C. § 982(a)(2)(A) and 28 U.S.C. § 2461(c).

MONEY LAUNDERING

Pursuant to 18 U.S.C. § 982(a)(1), upon conviction of an offense(s) in violation of 18 U.S.C. § 1957, Money Laundering, as set forth in Count 25 of this Indictment, the Defendant, DAVID KURT SCHNEIDER, shall forfeit to the United States of America, any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such violation(s). The property to be forfeited includes, but is not limited to:

MONEY JUDGMENT – DAVID KURT SCHNEIDER

A sum of money in United States currency, representing the amount of proceeds obtained by the Defendant DAVID KURT SCHNEIDER, from the money laundering violation as stated in Count 25.

If any of the property described above, as a result of any act or omission of the Defendant:

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,

the United States of America shall be entitled to forfeiture of substitute property 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). All pursuant to 18 U.S.C. § 982(a)(2)(A) and 28 U.S.C. § 2461(c).

DATED this 5 day of March 2024.

A TRUE BILL

[redacted]

Vanessa R. Waldref
Vanessa R. Waldref
United States Attorney

Jeremy J. Kelley
Assistant United States Attorney

Frieda K. Zimmerman
Assistant United States Attorney