

U.S. DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

2022 SEP -9 P 12:28

CAROL L. WOOD
CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

FELONY

**INDICTMENT FOR CONSPIRACY TO
COMMIT MAIL FRAUD AND MAIL FRAUD**

UNITED STATES OF AMERICA

*

CRIMINAL NO.

22-206

v.

*

SECTION:

SECT. J MAG. 1

SHARNAE EVERY

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VIOLATIONS: 18 U.S.C. § 1341

a.k.a "Isabelle Faith"

18 U.S.C. § 1349

a.k.a "Kaitlyn Known"

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The Grand Jury charges that:

COUNT 1

(18 U.S.C. § 1349 – Conspiracy to Commit Mail Fraud)

A. AT ALL TIMES MATERIAL HEREIN:

Introduction

1. The defendant, **SHARNAE EVERY**, a.k.a. "Isabelle Faith" and "Kaitlyn Known" ("EVERY"), was a resident of the Eastern District of Louisiana and the Southern District of Texas.

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2. Current was a financial technology company that provided financial services including issuing debit cards.

3. Current debit cards were mailed via the United States Postal Service (“USPS”) from a processing center located in Nashville, Tennessee.

4. Cash App was a mobile payment service allowing users to transfer money to others using an electronic platform such as a mobile phone.

5. **EVERY** maintained accounts with:

- a. Current – Account ending x0051; and
- b. Cash App – Active account token ending in – dpmdj.

6. Co-Conspirator A was the boyfriend of **EVERY** and he maintained a Current account ending x3393.

The Small Business Administration

7. The United States Small Business Administration (“SBA”) was an executive-branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

8. As part of its efforts, the SBA provided business loans through banks, credit unions, and other lenders. Those loans had government backed guarantees.

The CARES Act

9. The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was a federal law enacted in or about March 2020. The CARES Act provided emergency financial assistance to the millions of Americans suffering the economic effects of the COVID-19 pandemic.

The Paycheck Protection Program

10. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

11. In order 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 in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) was required to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing their payroll expenses.

12. Among the types of businesses eligible for a PPP loan were individuals who operated under a “sole proprietorship” business structure. In order to be eligible to receive such a PPP loan, individuals had to report and document their income and expenses from the sole proprietorship, as typically reported to the IRS on Form 1040, Schedule C, for a given tax year. The lending institution or loan processor used this information to calculate the amount of money the individual was entitled to receive under the PPP. The maximum PPP loan amount for a sole proprietor with no employees was \$20,833.00.

13. A PPP loan application was required to be processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own

monies, which were 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

14. PPP loan proceeds were required to be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

15. Capital Plus Financial (“Capital Plus”) was one of many designated financial institutions authorized to process PPP loans that were guaranteed by the SBA.

16. Blueacorn was created during the COVID-19 pandemic to assist small businesses in securing PPP loans.

17. Blueacorn would transmit PPP loan applications to approved lenders including Capital Plus.

18. Approved PPP loans were generally funded by wiring the proceeds of the loan into the applicant’s bank account, Current account, or another designated financial institution.

B. THE CONSPIRACY:

Beginning on or about February 28, 2021, and continuing until the date of this Indictment, in the Eastern District of Louisiana and elsewhere, the defendant, **EVERY**, Co-Conspirator A, and others known and unknown to the Grand Jury, willfully and knowingly did combine, conspire, confederate, and agree to devise a scheme and artifice to defraud and to obtain money and property from the SBA and other designated financial institutions by means of materially false and fraudulent pretenses, representations, and promises, and willfully cause mail matter to be delivered

by the United States Postal Service and interstate commercial carriers for the purpose of executing or attempting to execute the scheme and artifice to defraud set forth in Part C below, in violation of Title 18, United States Code, Section 1341.

C. THE SCHEME AND ARTIFICE TO DEFRAUD:

1. It was part of the scheme and artifice to defraud, that on or about February 28, 2021, through the date of this Indictment, **EVERY**, Co-Conspirator A, and others known and unknown to the Grand Jury defrauded the SBA and other designated financial institutions of approximately \$1,142,041.00 through the submission of approximately 110 fraudulent PPP loan applications.

2. It was further part of the scheme and artifice to defraud that, **EVERY** recruited friends and family members primarily via Facebook to send **EVERY** their personal and bank information in exchange for “free money.”

3. It was further part of the scheme and artifice to defraud that **EVERY** created a fictitious business called “Natural Hair Afro, LLC, Houma, LA 70360” and created invoices in the name of this fictitious business which were included in nearly all of the fraudulent PPP loan applications.

4. It was further part of the scheme and artifice to defraud that **EVERY** prepared and submitted false and fraudulent PPP sole proprietor loan applications via various online portals including, but not limited, to Blueacorn.

5. It was further part of the scheme and artifice to defraud that **EVERY** created false and fraudulent invoices, bank statements, and federal tax forms (“Schedule C”) in order to prepare the fraudulent PPP loan applications.

6. It was further part of the scheme and artifice to defraud that **EVERY** falsely certified that the application and the information provided in the supporting documents were true and accurate when she electronically submitted the fraudulent PPP loan applications.

7. It was further part of the scheme and artifice to defraud that **EVERY** required an upfront application fee of approximately \$45.00 to \$120.00 from individuals she recruited to prepare and submit the fraudulent PPP application. **EVERY** received these payments primarily via Cash App.

8. It was further part of the scheme and artifice to defraud that **EVERY** required a payment of approximately \$3,500.00 from individuals she recruited when the PPP loan was funded. **EVERY** received these funds into her Current account, her Cash App account, or into Co-Conspirator A's Current account.

9. It was further part of the scheme and artifice to defraud and, in an effort to conceal the same, **EVERY** lied to federal agents when she denied preparing and submitting fraudulent PPP loan applications for other individuals.

D. OVERT ACTS:

In order to execute the scheme, and to accomplish the purposes of the scheme, **EVERY** committed and caused others to commit the following acts, among others, in the Eastern District of Louisiana and elsewhere, as described in the following paragraphs:

Individual A's PPP Loan

1. On or about March 15, 2021, Individual A, at the direction of **EVERY**, activated and established Current account ending x8636.

2. On or about March 15, 2021, **EVERY** submitted Individual A's PPP loan application to the Blueacorn portal containing a fraudulent invoice and Schedule C in the name of Individual A.

3. On or about March 15, 2021, Individual A's Current card ending x9380 was mailed via the USPS from Nashville, TN to C*** Solar Trlr Park, Thibodaux, LA 70301.

4. On or about March 21, 2021, Blueacorn submitted Individual A's PPP loan application to the SBA's designated financial institution, Capital Plus.

5. On or about March 23, 2021, Individual A's PPP loan application was approved by the SBA's designated financial institution, Capital Plus.

6. On or about March 23, 2021, Individual A activated Current card ending x9380.

7. On or about March 25, 2021, Individual A's PPP final loan documents were electronically signed by an application known as DocuSign.

8. On or about April 1, 2021, Capital Plus deposited approximately \$20,832.00 into Individual A's Current account ending x8636 as a result of the submission of the fraudulent PPP application.

9. On or about April 1, 2021, Individual A sent Co-Conspirator A approximately \$3,500.00 from the proceeds of the PPP loan.

Individual B's PPP Loan

10. On or about March 18, 2021, Individual B, at the direction of **EVERY**, activated and established Current account ending x7028.

11. On or about March 18, 2021, Individual B's Current card ending x2783 was mailed via the USPS from Nashville, TN to *** Mall Circle Apt. **, Houma, LA 70364.

12. On or about March 19, 2021, **EVERY** submitted Individual B's PPP loan application to the Blueacorn portal containing a fraudulent invoice and Schedule C in the name of Individual B.

13. On or about March 20, 2021, Blueacorn submitted Individual B's PPP loan application to the SBA's designated financial institution, Capital Plus.

14. On or about March 23, 2021, Individual B's PPP loan application was approved by the SBA's designated financial institution, Capital Plus.

15. On or about March 26, 2021, Individual B's PPP final loan documents were electronically signed by an application known as DocuSign.

16. On or about April 2, 2021, Individual B activated Current card ending x2783.

17. On or about April 2, 2021, Capital Plus deposited approximately \$20,832.00 into Individual B's Current account ending x7028 as a result of the submission of the fraudulent PPP application.

18. On or about April 2, 2021, Individual B sent Co-Conspirator A approximately \$2,000.00 from the proceeds of the PPP loan.

19. On or about April 2, 2021, Individual B sent **EVERY's** Cash App account an additional \$1,500.00 from the proceeds of the PPP loan.

April 13, 2022 Interview

20. On or about April 13, 2022, **EVERY** lied to federal to federal agents with the U.S. Department of Veterans Affairs, Office of Inspector General, Criminal Investigations Division, about her involvement in preparing and submitting fraudulent PPP loan applications.

All in violation of Title 18, United States Code, Section 1349.

COUNTS 2 - 3
(18 U.S.C. § 1341 – Mail Fraud)

A. AT ALL TIMES MATERIAL HEREIN:

The allegations contained in Parts A, C, and D of Count One are hereby re-alleged and incorporated herein by reference.

THE OFFENSE:

Beginning on or about February 28, 2021, and continuing until the date of this Indictment, in the Eastern District of Louisiana and elsewhere, the defendant, **EVERY**, Co-Conspirator A, and others known and unknown to the Grand Jury, with the intent to defraud, devised and willfully participated in, with knowledge of its fraudulent nature, the above-described scheme and artifice to defraud and obtain money and property from the SBA and other designated financial institutions by materially false and fraudulent pretenses, representations, and promises.

On or about the approximate dates listed below, in the Eastern District of Louisiana and elsewhere, **EVERY**, Co-Conspirator A, and others known and unknown to the Grand Jury, for the purpose of executing or attempting to execute the aforesaid scheme and artifice to defraud set forth in Part C of Count 1, did knowingly cause to be delivered by the United States Postal Service and interstate commercial carriers, according to the directions thereon, the following mail matter:

COUNT	DESCRIPTION OF MAILING
2	March 15, 2021, Individual A's Current card ending x9380 was mailed via the USPS from Nashville, TN to C*** Solar Trlr Park, Thibodaux, LA 70301.
3	March 18, 2021, Individual B's Current card ending x2783 was mailed via the USPS from Nashville, TN to *** Mall Circle Apt. **, Houma, LA 70364.

In violation of Title 18, United States Code, Sections 1341 and 2.

NOTICE OF FORFEITURE

1. The allegations of Counts 1 through 3 of this Indictment are incorporated by reference as though set forth fully herein for the purpose of alleging forfeiture to the United States. As a result of the offenses alleged in Counts 1 through 3, the defendant, **SHARNAE EVERY, a.k.a “Isabelle Faith” and “Kaitlyn Known.”**

2. shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(2)(A), any property constituting, or derived from, proceeds obtained, directly or indirectly, as a result of such offenses.

3. If any of the above-described property, 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 person;
- 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 subdivided without difficulty;

the United States shall seek a money judgment and, pursuant to Title 21, United States Code, Section 853(p), forfeiture of any other property of the defendant up to the value of said property.

A TRUE BILL:



DUANE A. EVANS
UNITED STATES ATTORNEY

A handwritten signature in black ink, appearing to read 'B. M. Klebba', written over a horizontal line.

BRIAN M. KLEBBA
EDWARD J. RIVERA
Assistant United States Attorneys

New Orleans, Louisiana
September 9, 2022

FORM OBD-34

No. _____

UNITED STATES DISTRICT COURT

_____ Eastern _____ District of _____ Louisiana
_____ Criminal _____ Division

THE UNITED STATES OF AMERICA

vs.

SHARNAE EVERY,
a.k.a. "Isabelle Faith"
a.k.a. "Kaitlyn Known"

INDICTMENT

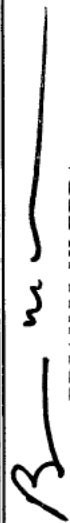
**INDICTMENT FOR CONSPIRACY TO COMMIT MAIL
FRAUD AND MAIL FRAUD**

VIOLATIONS: 18 U.S.C. § 1341; 18 U.S.C. § 1349

Filed in open court this _____ day of _____
2022. A.D.

Clerk

Bail, \$ _____



BRIAN M. KLEBBA
Assistant United States Attorney