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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

UNITED STATES OF AMERICA, Plaintiff, vs. JAMES SEAN FREEMAN, II, Defendant.	**SEALED** **CRIMINAL INDICTMENT** Case No.: 2:26-cr-0107-JAD-NJK **VIOLATION:** 18 U.S.C § 1343– Wire Fraud

THE GRAND JURY CHARGES THAT:

At all times relevant to this Indictment:

BACKGROUND

1. Defendant James Sean Freeman, II ("Freeman") was a resident of Las Vegas, Nevada and Colton, California.

2. Harvest Small Business Financing ("Harvest") was a non-bank commercial mortgage lender headquartered in headquartered in Laguna Hills, California that participated as a lender in the Paycheck Protection Program.

Background Regarding the Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or around March 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 up to $349 billion in forgivable loans to small businesses and sole proprietorships for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). Subsequent legislation provided additional funding for the PPP and extended its duration. Businesses and eligible individuals could apply for PPP loans through May 31, 2021.

4. To obtain a PPP loan, a qualifying business, independent contractor/self-employed individual, or sole proprietorship was required to submit a PPP loan application signed by an authorized representative of the business. The PPP loan application required the applicant (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. The PPP loan application also required the applicant (through its authorized representative) to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. (Applicants who did not have employees and who filed an IRS Form 1040, Schedule C could report gross income instead of payroll.) These figures were used to calculate the loan amount the applicant was eligible to receive under the PPP. In addition, businesses or sole proprietorships applying for a PPP loan were required to provide documentation showing their eligibility and qualifying payroll amount.

5. A participating financial institution (the lender) processed a PPP loan application. If the lender approved a PPP loan application, it funded the PPP loan using its

own monies, which the Small Business Administration ("SBA") guaranteed 100%. If the lender made a PPP loan to the applicant, the SBA paid the lender a processing fee, which was calculated based on the amount of the loan. The lender transmitted information to the SBA while processing the loan data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees. The SBA oversaw the PPP and had authority over all loans. Over 5,000 lending institutions, mostly banks and credit unions, participated in the PPP.

6. The business or individual receiving the PPP loan proceeds had to spend the funds on certain permissible expenses, such as 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 loan proceeds were spent on permissible expense items within a designated period of time and used a specified portion of the PPP loan proceeds on payroll expenses. When a PPP loan was forgiven, the SBA paid the lender the amount of the forgiven interest and principal.

COUNTS ONE AND TWO
Wire Fraud
(18 U.S.C § 1343)

7. Paragraphs 1-6 of this Indictment are incorporated herein as if set forth in full.

8. From on or about April 2, 2021, to on or about October 29, 2021, within the State and Federal District of Nevada and elsewhere,

JAMES SEAN FREEMAN, II,

defendant herein, devised, intended to devise, and participated in a scheme and artifice to defraud the SBA and Harvest and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

Purpose of the Scheme to Defraud

9. The purpose of the scheme was for Freeman to unjustly enrich himself by fraudulently obtaining PPP loan proceeds by means of false and fraudulent pretenses, representations, and promises.

Manner and Means of the Scheme to Defraud

10. It was part of the scheme that Freeman electronically submitted applications for two PPP loans to Harvest containing materially false and fraudulent information, as more fully described below.

11. On or about April 2, 2021, Freeman submitted to Harvest the first PPP loan application containing materially false information, including but not limited to false information that he was the sole proprietor of a company that did not exist and false information regarding the revenue purportedly received by the non-existent company.

12. Freeman also provided fake documentation to support this PPP loan application, that is, a false Schedule C for tax year 2019 that was neither filed nor intended to be filed with the IRS.

13. On or about April 9, 2021, after Freeman's PPP loan was approved, Harvest electronically deposited $16,940 in PPP loan funds into Freeman's Navy Federal Credit Union account ending in X-2992 ("the X-2992 account") in Las Vegas, Nevada.

14. On or about April 10, 2021, Freeman submitted to Harvest a second PPP loan application for the same non-existent company containing materially false and fraudulent information, including but not limited to false information that he was the sole proprietor of the non-existent company and false information regarding the revenue purportedly received by the non-existent company.

15. Freeman again provided fake documentation to support this second PPP loan application, that is, a false Schedule C for tax year 2019 that was neither filed nor intended to be filed with the IRS.

16. On or about April 26, 2021, after Freeman' second PPP loan was approved, Harvest electronically deposited $16,940 in PPP loan funds into the X-2992 account.

17. On or about October 26, 2021, Freeman electronically submitted a PPP loan forgiveness application for the first PPP loan, which was approved. On or about October 29, 2021, the SBA paid the principal loan amount of $16,940 plus interest to Harvest.

18. On or about October 26, 2021, Freeman electronically submitted a PPP loan forgiveness application for the second PPP loan, which was approved. On or about October 29, 2021, the SBA paid the principal loan amount of $16,940 plus interest to Harvest.

The Wires

19. **COUNT ONE:** On or about April 2, 2021, for the purpose of executing the scheme and artifice to defraud, Freeman caused to be transmitted by means of wire communication in interstate commerce the signals and sounds associated with the transfer of $16,940 in PPP loan funds from Harvest outside of Nevada into the X-2992 account in Nevada.

20. **COUNT TWO:** On or about April 10, 2021, for the purpose of executing the scheme and artifice to defraud, Freeman caused to be transmitted by means of wire communication in interstate commerce the signals and sounds associated with the transfer of $16,940 in PPP loan funds from Harvest outside of Nevada into the X-2992 account in Nevada.

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21. Each wire communication constituting a separate violation of Title 18, United States Code, Section 1343.

DATED: This 10th day of June 2026.

A TRUE BILL:

/S/
FOREPERSON OF THE GRAND JURY

TODD BLANCHE
Acting Attorney General

KIMBERLY M. FRAYN
Assistant United States Attorney