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EASTERN DISTRICT OF WASHINGTON
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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA, Plaintiff, v. RAYMOND JOE HILDERBRAND, JENNIFER LYNN HILDERBRAND, Defendants.	2:23-CR-114-TOR INDICTMENT Vio: 18 U.S.C. § 1343 Wire Fraud (Counts 1 - 6) 18 U.S.C. § 287, 18 U.S.C. § 2 False, Fictitious, or Fraudulent Claims (Counts 7 & 8) 18 U.S.C. § 981, 28 U.S.C. § 2461 Forfeiture Allegations

The Grand Jury charges:

GENERAL ALLEGATIONS

1. At all times relevant to this Indictment, Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND were residents of Spokane County, Washington.

2. 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 the Economic Injury Disaster Loan ("EIDL") program. EIDL is a Small Business Administration ("SBA") program that provides low-interest funding to small businesses, renters, and homeowners affected by declared disasters.

3. In order to obtain an EIDL, a qualifying business must 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 must also certify that all the information in the application is true and correct, and agree in the required Loan Authorization and Agreement that the EIDL funds will be used solely as working capital to alleviate economic injury caused by disaster.

4. The amount of an EIDL, if the application is approved, is 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 are issued directly by the SBA. EIDL funds shall be used as working capital, such as payroll expenses, sick leave, production costs, and ordinary business obligations, such as debts, rent, and mortgage payments. If the applicant also obtains a loan under the Paycheck Protection Program, the EIDL funds cannot be used for the same purpose as the Paycheck Protection Program funds.

5. EIDL applications are received in cloud-based platforms. The location of the server through which the EIDL application is submitted is based on the date the application was processed by SBA and the application number. During the time period relevant to this Indictment, all EIDL applications and supporting documents were received in a Microsoft cloud-based platform using a Rapid Finance application, through SBA servers located in Des Moines, Iowa.

The Scheme

6. The allegations in paragraphs 1 through 5 of this Indictment are incorporated as though realleged herein.

7. Beginning no later than on or about April 6, 2021, and continuing through at least May 17, 2022, in the Eastern District of Washington and elsewhere, Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND devised and intended to devise a scheme to defraud the SBA, and to obtain money and property from the SBA by means of materially false and fraudulent pretenses, representations, and promises.

8. Specifically, Defendant RAYMOND JOE HILDERBRAND applied for and received EIDL funding on behalf of his company, Hilderbrand Auto Service, with the intent to defraud, steal, and convert the proceeds of the EIDL loan for Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND's use in Powerline Enterprise LLC, a purported business that was not eligible to receive EIDL funding and for which the SBA denied EIDL funding when Defendant JENNIFER LYNN HILDERBRAND applied for EIDL funding on its behalf. Defendants then applied for and received EIDL funding for Hilderbrand Auto Service without any intent to use the proceeds thereof for any authorized purpose.

Manner and Means

It was part of this scheme that:

9. On or about April 6, 2021, Defendant RAYMOND JOE HILDERBRAND began the process of submitting materials to the SBA requesting EIDL funding through EIDL Application No. 3318196046, under the name of his business, Hilderbrand Auto Service (hereinafter "Hilderbrand Auto").

10. On or about September 17, 2021, Defendant JENNIFER LYNN HILDERBRAND submitted materials to the SBA requesting EIDL funding through EIDL Application No. 3323723010 under the name of Powerline Enterprise LLC (hereinafter "Powerline").

11. In EIDL Application No. 3323723010, Defendant JENNIFER LYNN HILDERBRAND falsely and fraudulently represented that Powerline had an actual 2019 gross revenue of $181,500.00, an actual 2020 gross revenue of $195,000.00, and an actual 2020 cost of goods sold of $34,568.00. Defendant JENNIFER LYNN HILDERBRAND indicated that the Employer ID Number ("EIN") for Powerline was 83-2217972.

12. These representations were materially false and fraudulent. In fact, Powerline was not actively engaged in any business as of January 31, 2020, Powerline did not have the reported revenue or costs of goods sold, and therefore was not eligible for any EIDL funding.

13. Based on the false information she provided, Defendant JENNIFER LYNN HILDERBRAND requested $301,000.00 in EIDL funding on behalf of Powerline. On or about September 20, 2021, the SBA issued a letter declining Defendant's funding request.

14. On or about January 31, 2022, Defendant RAYMOND JOE HILDERBRAND finalized his submission of Application No. 3318196046 to the SBA in the name of Hilderbrand Auto.

15. On or about February 3, 2022, Defendant RAYMOND JOE HILDERBRAND electronically signed a Loan Authorization and Agreement for Application No. 3318196046, representing and promising that he would use the proceeds of the loan solely as working capital to alleviate economic injury caused by the COVID-19 emergency. Defendant agreed to be bound by the stated terms and conditions during the term of the loan. Defendant further certified under penalty of perjury that he was authorized to apply for and obtain a disaster loan on behalf of the Borrower in connection with the effects of the COVID-19 emergency. A properly signed, truthful, and accurate Loan Authorization and Agreement is required prior to any disbursement of an EIDL loan.

16. Pursuant to the Loan Authorization and Agreement, a third-party UCC handling charge of $100 was to be deducted from the loan amount of $320,000.00 prior to disbursement.

17. On or about February 12, 2022, relying on the false representations, statements, and promises that Defendant RAYMOND JOE HILDERBRAND made in EIDL Loan Application No. 3318196046 and the accompanying Loan Authorization and Agreement, the SBA approved funding for the requested EIDL.

18. On or about February 15, 2022, the SBA disbursed $319,900.00 in EIDL funding to the Hilderbrand Auto account at Banner Bank ending in 2814. Prior to the wire transfer, the account contained less than $300.00.

19. That same day, Defendant RAYMOND JOE HILDERBRAND made a checking withdrawal of $311,000.00, with $200,000.00 payable to Powerline

Enterprise, LLC, and $111,000.00 payable to Defendant JENNIFER LYNN HILDERBRAND.

20. On or about February 23, 2022, Defendant JENNIFER LYNN HILDERBRAND used these checks to open a bank account ending in 6775 with Global Credit Union in the name of Powerline Enterprise LLC. Defendant JENNIFER LYNN HILDERBRAND identified herself on account opening documents as the Owner/Sole Member of Powerline.

21. On or about February 22, 2022, a realtor contacted First American Title regarding an already-accepted cash offer for the sale of 10423 E. Trent in Spokane, WA (hereinafter "the property").

22. On or about February 28, 2022, the realtor provided a signed purchase and sale agreement for the property, with Powerline and Defendant JENNIFER LYNN HILDERBRAND as the listed buyer. The listed purchase price was $295,000.00.

23. On or about March 16, 2022, Defendant JENNIFER LYNN HILDERBRAND sent a wire transfer from the Powerline Global Credit Union Account ending in 6775 to First American Title in the amount of $297,791.24 for purchase of the property.

24. On or about March 18, 2022, Defendant JENNIFER LYNN HILDERBRAND withdrew the remaining funds in the account and closed the Powerline Enterprise LLC Global Credit Union Account ending in 6775.

25. On or about May 4, 2022, Defendant RAYMOND JOE HILDERBRAND submitted a request for modification of EIDL Application No. 3318196046.

26. On or about May 11, 2022, Defendant RAYMOND JOE HILDERBRAND electronically signed an Amended Loan Authorization and

Agreement for Application No. 3318196046, agreeing, representing, and promising that he would use the proceeds of the loan solely as working capital to alleviate economic injury. Defendant RAYMOND JOE HILDERBRAND agreed to be bound by the stated terms and conditions during the term of the loan. Defendant RAYMOND JOE HILDERBRAND further certified under penalty of perjury that he was authorized to apply for and obtain a disaster loan on behalf of the Borrower in connection with the effects of the COVID-19 emergency. A properly signed, truthful, and accurate Loan Authorization and Agreement is required prior to any disbursement of an EIDL loan.

27. On or about May 11, 2022, the SBA issued a letter to Defendant RAYMOND JOE HILDERBRAND informing him that the modification request had been received, and that the loan amount had been increased from $320,000.00 to $363,000.00.

28. On or about May 17, 2022, the SBA disbursed the additional $43,000.00 in EIDL funding to the Hilderbrand Auto Service account at Banner Bank ending in 2814.

29. After that disbursement, Defendants RAYMOND JOE HILDERBRAND made a checking withdrawal of $35,006.00, and issued a check for $35,000.00 from Hilderbrand Auto written to Powerline Enterprise LLC. On or about May 17, 2022, the check was subsequently deposited into the Powerline STCU Bank Account ending in 2748, for which Defendant JENNIFER LYNN HILDERBRAND is the only authorized signatory.

30. On Application No. 3318196046 and the subsequent modification request, Defendant RAYMOND JOE HILDERBRAND certified under penalty of perjury that the information in the application was true and accurate, subject to criminal penalties for knowingly making false statements. Further, in the Loan

Authorization and Agreement for this EIDL loan as well as the Amended Loan Authorization and Agreement, Defendant RAYMOND JOE HILDERBRAND agreed to be bound by the terms and conditions in the agreement, including the condition that he would use all the proceeds of the EIDL solely as working capital to alleviate economic injury.

31. The representation made by Defendant RAYMOND JOE HILDERBRAND in the Loan Authorization and Agreement required for disbursement of EIDL Application No. 3318196046 that he would use the proceeds of the loan solely as working capital on behalf of Hilderbrand Auto to alleviate economic injury was materially false, and Defendant RAYMOND JOE HILDERBRAND knew it was false at the time he made this representation. Instead of using the EIDL funds for a permissible purpose, Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND used the EIDL funds for the benefit of an LLC, Powerline Enterprise LLC, which had previously applied for EIDL funding and been denied, and which was not eligible for any EIDL funding.

32. A realtor made contact with First American Title indicating a planned cash purchase of the property soon after the SBA distributed through wire transfer the EIDL funds into Hilderbrand Auto Service bank account. Further, Defendants immediately acted to move $311,000.00 of the $319,900.00 distributed by the SBA to Hilderbrand Auto Service into a recently-set up Powerline business account. Defendant JENNIFER LYNN HILDERBRAND, on behalf of Powerline Enterprise LLC, then used the transferred funds to enter into a purchase and sale agreement for the property. Accordingly, this is a misappropriation of EIDL loan funds, as Defendant RAYMOND JOE HILDERBRAND agreed he would use the EIDL proceeds solely as working capital for Hilderbrand Auto, and the purchase of real property in the name of another business is not a business expense for Hilderbrand

Auto or any other qualifying working capital needed to alleviate economic injury and therefore is not a permissible use of EIDL funds.

Counts 1 -6
18 U.S.C. § 1343

33. The allegations in paragraphs 1 through 32 of this Indictment are incorporated as though realleged herein.

34. On or about each of the dates set forth below, in the Eastern District of Washington and elsewhere, Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND, for the purpose of executing the scheme described above, 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	Date	Description
1	September 17, 2021	EIDL Application No. 3323723010 in the name of Powerline Enterprise LLC, electronically submitted from the Eastern District of Washington to SBA servers located in Des Moines, Iowa.
2	February 3, 2022.	Loan Authorization and Agreement in support of EIDL Application No. 3318196046 in the name of Hilderbrand Auto Service for EIDL loan of $320,000.00, electronically submitted from the Eastern District of Washington to SBA servers located in Des Moines, Iowa.
3	February 15, 2022	Electronic Funds Transfer Payment from Financial Management Service servers in Sterling, Virginia, to Raymond Joe Hilderbrand DBA Hilderbrand Auto's Banner Bank Account ending in 2814 in Spokane, Washington, in the amount of $319,900.00 for EIDL Application No. 3318196046.
4	March 16, 2022	Interstate wire transfer from the Powerline Global Credit Union Account ending in 6775 in Spokane, WA to a

		First American Title Account located in Santa Ana, CA, in the amount of $297,791.24.
5	May 11, 2022	Amended Loan Authorization and Agreement in support of EIDL Application No. 3318196046 Modification 1 in the name of Hilderbrand Auto Service for EIDL loan of $363,000.00, electronically submitted from the Eastern District of Washington to SBA servers located in Des Moines, Iowa.
6	May 17, 2022	Electronic Funds Transfer Payment from Financial Management Service servers in Sterling, Virginia, to Raymond Joe Hilderbrand DBA Hilderbrand Auto's Banner Bank Account ending in 2814 in Spokane, Washington, in the amount of $43,000.00 for Modification 1 to EIDL Application No. 3318196046.

All in violation of 18 U.S.C. § 1343.

<u>Counts 7 & 8</u>
18 U.S.C. § 287

35. The allegations in paragraphs 1 through 34 of this Indictment are incorporated as though realleged herein.

36. On or about each of the dates set forth below, in the Eastern District of Washington and elsewhere, the Defendants, RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND, represented to the United States Small Business Administration that the EIDL funds would be used for an authorized purpose, knowing such representation was false and fraudulent, and knowing that he planned to use the funds for an unauthorized purpose, described below for each count, each transmission constituting a separate count:

Count	Defendant	Date	Description
7	JENNIFER LYNN HILDERBRAND	September 17, 2021	EIDL Application No. 3323723010 in the name of Powerline Enterprise LLC, electronically submitted from the Eastern District of Washington.

8	RAYMOND JOE HILDERBRAND	February 3, 2022	Loan Authorization and Agreement in support of EIDL Application No. 3318196046 in the name of Hilderbrand Auto Service for an EIDL loan of $320,000.00.

All in violation of 18 U.S.C. § 287, and aided and abetted the same, in violation of 18 U.S.C. § 2.

NOTICE OF FORFEITURE ALLEGATIONS

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

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, as alleged in Counts 1 through 6 of this Indictment, Defendants RAYMOND JOE HILDERBRAND and JENNIFER LYNN HILDERBRAND shall forfeit to the United States any property, real or personal, which constitutes or is derived from proceeds traceable to the offense. The property to be forfeited includes, but is not limited to, the following:

REAL PROPERTY

The real property being forfeited is commonly known as 10423 East Trent Avenue, Spokane Valley, Washington, described as follows:

All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, known as 10423 East Trent Avenue, Spokane Valley, Washington, legally described as follows:

THAT PART OF LOT 14, LYING NORTHEASTERLY OF A LINE DRAWN PARALLEL WITH AND DISTANT 64 FEET SOUTHWESTERLY OF SAID NORTHEASTERLY LINE IN BLOCK 9, GRANDVIEW ACRES, ACCORDING TO PLAT RECORDED IN VOLUME "K" OF PLATS, PAGE 12, IN THE TOWN OF MILLWOOD, SPOKANE COUNTY, WASHINGTON.

ALSO THAT PART OF LOT 13, BLOCK 9, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF SAID LOT 13;
THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT, 56 FEET; THENCE SOUTHEASTERLY, PARALLEL WITH THE SOUTHWESTERLY LINE OF LOT 13 TO A POINT ON THE SOUTHEASTERLY LINE, 56 FEET NORTHEAST FROM THE MOST SOUTHERLY CORNER; THENCE SOUTHWESTERLY 56 FEET TO THE MOST SOUTHERLY CORNER OF SAID LOT 13; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE TO THE POINT OF BEGINNING.
Parcel Number: 45081.0431

MONEY JUDGMENT

A sum of money equal to $363,000.00 in United States currency, representing the amount of proceeds obtained by Defendants from the wire fraud violations

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).

DATED this 17th day of October 2023.

A TRUE BILL

[redacted]

Vanessa R. Waldref
United States Attorney

Frieda K. Zimmerman
Assistant United States Attorney

Jeremy J. Kelley
Assistant United States Attorney