

NEM:SMS
F. #2021R00429

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
----- X

UNITED STATES OF AMERICA

- against -

DONNA INGRAM,
Defendant.

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THE GRAND JURY CHARGES:

FILED
IN CLERK'S OFFICE
U.S. DISTRICT COURT E.D.N.Y.
* MAY 22, 2024 *
BROOKLYN OFFICE

I N D I C T M E N T

Cr. No. 24-CR-214
(T. 18, U.S.C., §§ 641, 981(a)(1)(C),
982(a)(2), 982(b)(1), 1040(a)(2),
1040(b)(1), 1343, 2 and 3551 et seq.;
T. 21, U.S.C., § 853(p); T. 28, U.S.C.,
§ 2461(c))

Judge Ann M. Donnelly
Magistrate Judge James R. Cho

I N T R O D U C T I O N

At all times relevant to this Indictment, unless otherwise indicated:

The COVID-19 Pandemic in the United States

1. In or about January 2020, the Secretary of the United States Department of Health and Human Services declared a national public health emergency under Title 42, United States Code, Section 247d as a result of the spread of a novel coronavirus COVID-19 within the United States. On or about March 13, 2020, the President of the United States issued Proclamation 9994 declaring a national emergency beginning on or about March 1, 2020 as a result of the rapid spread of COVID-19.

The Paycheck Protection Program

2. On or about March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The CARES Act was a federal law 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 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.

3. To obtain a PPP loan, qualifying businesses were required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required recipient businesses, through an authorized representative, to acknowledge the program rules and make certain affirmative certifications to establish eligibility for the PPP loan. For example, in the PPP loan application, recipient businesses, through an authorized representative, were required to state, among other things, their average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the businesses were eligible to receive under the PPP. The recipient businesses were also required to provide documentation supporting the information contained in the PPP loan application.

4. PPP loan proceeds were required to be used by the recipient businesses on certain permissible expenses, to wit: payroll costs, interest on mortgages, rent and utilities. The PPP allowed the interest and principal on a PPP loan to be entirely forgiven if the recipient businesses spent the loan proceeds on these expense items within a designated period of time after receiving the proceeds and used a certain percentage for payroll costs.

5. The PPP was overseen by the Small Business Administration (“SBA”), which had authority over all PPP loans. Individual PPP loans, however, were issued and approved by private lenders, which received and processed PPP loan applications and supporting documentation and, following SBA approval, made loans using the lenders’ own funds.

The Defendant and Her COVID-19 Relief Fraud Scheme

6. The defendant DONNA INGRAM was a resident of the Eastern District of New York. INGRAM was the owner of several entities (the “INGRAM Entities”) through which she committed the fraud described herein.

7. In or about and between May 2020 and May 2021, both dates being approximate and inclusive, the defendant DONNA INGRAM engaged in a scheme to defraud the SBA and financial institutions administering the PPP of federal COVID-19 emergency relief funds meant for distressed small businesses. It was a part of the scheme to defraud that INGRAM, together with others, submitted or caused to be submitted at least 27 fraudulent online loan applications (the “Subject Applications”) to obtain funds through the PPP for the INGRAM Entities as well as for at least 22 businesses owned and/or controlled by third parties (collectively with the INGRAM Entities, the “Subject Businesses”).

8. It was further a part of the scheme to defraud that the Subject Applications and certain supporting documentation contained materially false and fraudulent information, including, but not limited to, the Subject Businesses’ revenue, number of employees, payroll costs and intended use of the loan proceeds, all of which was specifically designed to mislead the SBA and financial institutions administering the PPP into disbursing various loans, which they did. The Subject Businesses owned and/or controlled by third parties paid the defendant DONNA INGRAM (through the INGRAM Entities) kickbacks of a portion of the fraudulent loan proceeds in exchange for her services in obtaining the loans.

9. For example, on or about June 20, 2020, the defendant DONNA INGRAM caused a PPP loan application to be submitted on behalf of one of the Subject Businesses, “Subject Business-1.” On or about June 19, 2020, INGRAM sent a text message to the owner of Subject Business-1 (“Owner-1”), in which INGRAM asked Owner-1 about the function of

Subject Business-1. Owner-1 responded, “I haven’t done anything with it...I got it for my daughter and told her to decide[.] It doesn’t matter really...trust your judgement [sic] ... you’re the guru[.]” INGRAM replied to Owner-1, “I am 😊😊😊.” Nevertheless, the loan application submitted by INGRAM on or about June 20, 2020, falsely stated that Subject Business-1 had one employee with an average monthly payroll of \$8,033, and included supporting documentation that falsely stated that Subject Business-1 was involved in fashion design and earned approximately \$110,000. On or about June 30, 2020, Subject Business-1 received a PPP loan in the amount of approximately \$20,082.50. Thereafter, Owner-1 paid INGRAM approximately \$4,000.

10. Similarly, on or about April 17, 2021, the defendant DONNA INGRAM caused a PPP loan application to be submitted on behalf of another one of the Subject Businesses, “Subject Business-2.” The loan application included supporting documentation that falsely stated that Subject Business-2 earned approximately \$950,950 per year, had eight employees, with an average monthly payroll of approximately \$60,000. On or about April 20, 2021, Subject Business-2 received a PPP loan in the amount of approximately \$150,000. Thereafter, the owner of Subject Business-2 paid INGRAM (through the INGRAM Entities) approximately \$27,000.

11. In another example, on or about March 26, 2021 and April 22, 2021, the defendant DONNA INGRAM caused two PPP loan applications to be submitted on behalf of another one of the Subject Businesses located in Queens, New York (“Subject Business-3”). The loan applications included supporting documents that falsely stated that Subject Business-3 earned approximately \$950,950 and \$820,000, respectively, and had eight employees with an average monthly payroll of \$60,000. On or about March 30, 2021, and May 28, 2021, Subject Business-3 received PPP loans in the amount of approximately \$150,000 each. Thereafter, the

owner of Subject Business-3 paid INGRAM (through the INGRAM Entities) approximately \$50,500.

12. In total, between May 2020 and May 2021, both dates being approximate and inclusive, as a result of this fraudulent scheme, financial institutions administering the PPP wire-transferred sums totaling approximately \$3.28 million in PPP loans to bank accounts for the Subject Businesses, including approximately \$113,000 for the INGRAM Entities. Overall, the defendant DONNA INGRAM received at least \$430,000 in kickbacks from the Subject Businesses.

13. After receiving the loan proceeds for the INGRAM Entities, the defendant DONNA INGRAM then used the money to enrich herself, including by booking air travel and paying her mortgage.

COUNT ONE
(Disaster Relief Fraud)

14. The allegations contained in paragraphs one through 13 are realleged and incorporated as if fully set forth in this paragraph.

15. In or about and between May 2020 and May 2021, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DONNA INGRAM, together with others, did knowingly and intentionally make one or more materially false, fictitious and fraudulent statements and representations, and make and use one or more false writings and documents knowing the same to contain materially false, fictitious and fraudulent statements and representations, in connection with a procurement of property and services related to an emergency declaration under Section 501 of the Stafford Act, to wit: Proclamation 9994 of March 13, 2020 by the President of the United States of America Declaring a National Emergency Concerning a Novel Coronavirus Disease (COVID-19)

Outbreak, which benefits were authorized, transported, transmitted, transferred, disbursed and paid in and affecting interstate and foreign commerce.

(Title 18, United States Code, Sections 1040(a)(2), 1040(b)(1), 2 and 3551 et seq.)

COUNT TWO
(Theft of Public Funds)

16. The allegations contained in paragraphs one through 13 are realleged and incorporated as if fully set forth in this paragraph.

17. In or about and between May 2020 and May 2021, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DONNA INGRAM, together with others, did knowingly and intentionally embezzle, steal, purloin and convert to her own use and the use of another money and things of value of the United States and of a department and agency thereof, to wit: PPP funds, the value of which exceeded \$1,000.

(Title 18, United States Code, Sections 641, 2 and 3551 et seq.)

COUNT THREE
(Wire Fraud)

18. The allegations contained in paragraphs one through 13 are realleged and incorporated as if fully set forth in this paragraph.

19. In or about and between 2020 and 2021, both dates being approximate and inclusive, within the Eastern District of New York and elsewhere, the defendant DONNA INGRAM, together with others, did knowingly and intentionally devise a scheme and artifice to defraud the SBA and one or more financial institutions administering the PPP program, and to obtain money and property from the SBA and said financial institutions by means of materially false and fraudulent pretenses, representations and promises, and for the purpose of executing

such scheme and artifice, did transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, one or more writings, signs and signals, to wit: fraudulent online applications for one or more PPP loans and falsified supporting documents for the Subject Businesses.

(Title 18, United States Code, Sections 1343, 2 and 3551 et seq.)

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT TWO

20. The United States hereby gives notice to the defendant that, upon her conviction of the offense charged in Count Two, the government will seek forfeiture in accordance with Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), which require any person convicted of such offense to forfeit any property, real or personal, constituting, or derived from, proceeds obtained directly or indirectly as a result of such offense.

21. If any of the above-described forfeitable 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 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;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Section 981(a)(1)(C); Title 21, United States Code, Section 853(p); Title 28, United States Code, Section 2461(c))

CRIMINAL FORFEITURE ALLEGATION
AS TO COUNT THREE

22. The United States hereby gives notice to the defendant that, upon her conviction of the offense charged in Count Three, the government will seek forfeiture in accordance with Title 18, United States Code, Section 982(a)(2), which requires any person convicted of such offense, to forfeit any property constituting, or derived from, proceeds obtained directly or indirectly as a result of such offense.

23. If any of the above-described forfeitable 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 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;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Sections 982(b)(1), to seek forfeiture of any other

property of the defendant up to the value of the forfeitable property described in this forfeiture allegation.

(Title 18, United States Code, Sections 982(a)(2) and 982(b)(1); Title 21, United States Code, Section 853(p))

A TRUE BILL

s/
FOREPERSON

By Carolyn Pokorny, Assistant US Attorney
BREON PEACE
UNITED STATES ATTORNEY
EASTERN DISTRICT OF NEW YORK