

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION

UNITED STATES OF AMERICA)

v.)

WHITNEY ADWAN MACK,)

) INDICTMENT NO. **CR 120 104**

) Counts One-Four

) 18 U.S.C. § 1343

) Wire Fraud

) Counts Five-Six

) 42 U.S.C. § 408(a)(7)(B)

) Misuse of Social Security Number

THE GRAND JURY CHARGES THAT:

At times relevant to this Indictment:

1. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or about March 2020 designed to provide emergency financial assistance to the millions who are suffering the economic effects caused by the COVID-19 pandemic.

2. Among other relief efforts, the United States sought to provide financial support to eligible businesses that could be used to offset certain business expenses.

3. **WHITNEY ADWAN MACK** fraudulently sought hundreds of thousands of dollars in relief payments through a series of false and fraudulent representations to the Small Business Administration ("SBA").

FILED
U.S. DISTRICT COURT
SAVANNAH DIV.
2020 NOV -5 AM 9:43
CLERK *AM*
SO. DIST. OF GA.

The Defendant and Her Related Businesses

4. **MACK** maintained a residence in the Southern District of Georgia, Augusta Division.

5. Upscale Measures Wholesale & Distributor LLC was registered with the State of Georgia on June 29, 2020 and lists its principal address as a residence in Louisville, Georgia. **MACK** is listed as the entity's registered agent with the State of Georgia. **MACK's** address with the State of Georgia is the same as the entity's primary office address in Louisville, Georgia.

6. Adwan Cosmetics, UMB Distributors & Wholesalers, and Malae Enterprises were entities purportedly owned and operated by **MACK**. None of these entities are registered to do business in the State of Georgia.

The Coronavirus Aid, Relief and Economic Security Act

7. The SBA is an executive branch agency of the United States government that provides support to entrepreneurs and small businesses. The SBA is headquartered in Washington, DC and maintains its computer servers outside of the State of Georgia. The SBA's mission is 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 this effort, the SBA enables and provides for loans through banks, credit unions, and other lenders. These loans have government-backed guarantees. In addition, the SBA provides loans that come directly from the U.S. Government.

9. One source of relief provided by the CARES Act was the authorization for the SBA to provide Economic Injury Disaster Loans (“EIDL”) to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

10. In addition, the CARES Act authorized the SBA to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL (“EIDL Advance”). The amount of the EIDL Advance an eligible business could receive was determined based on the businesses number of employees certified by the applicant.

11. In order to obtain an EIDL and/or EIDL Advance, a qualifying business had to submit an online application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the twelve-month period preceding the disaster, and the cost of goods sold in the twelve-month period preceding the disaster. In the case of EIDLs and EIDL Advances for COVID-19 relief, the twelve-month period was that preceding January 31, 2020. The applicant also had to certify all the information the in application is true and correct to the best of the applicant’s knowledge.

12. EIDL applications were submitted directly to the SBA online at <https://covid19relief.sba.gov/#/> and processed by the agency with support from a government contractor, Rapid Finance. The amount of the loan was determined based, in part, on the information provided by the application about employment, revenue, and cost of goods, as described above. Any funds issued under an EIDL or EIDL Advance were issued directly by the SBA.

13. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

COUNTS ONE THROUGH FOUR

Wire Fraud

18 U.S.C. § 1343

14. The Grand Jury re-alleges and incorporates by reference the allegations in the proceeding paragraphs.

15. Beginning in or around June, 2020, and continuing until at least September, 2020, in the Southern District of Georgia, and elsewhere, Defendant,

WHITNEY MACK,

did knowingly devise and intend to devise a scheme and artifice to defraud, and to obtain money and property, by means of materially false and fraudulent pretenses, representations, and promises.

Object of the Scheme

16. The object of the scheme described in Paragraph 15 for Defendant, **MACK**, was to unjustly enrich herself and others by obtaining EIDL proceeds under false and misleading pretenses including by making false statements about the number of individuals her company employed, gross revenues, her identity, and the intended use of the loan proceeds.

Manner and Means

17. On behalf of her “companies,” **MACK** submitted or caused to be submitted several SBA loan applications at <https://covid19relief.sba.gov/#/>:

- a. On or about July 7, 2020, **MACK** submitted, or caused to be submitted, an electronic application for an EIDL from the SBA (“EIDL Application -9559”) on behalf of Malae Enterprises. In connection with EIDL

Application 9559, **MACK** falsely affirmed, among other information, that Malae Enterprises had 10 employees, and that in the twelve months prior to the disaster the business had \$67,489 in gross revenue and \$24,398 in cost of goods sold. **MACK** used her true Social Security Number (“SSN”) on EIDL Application 9559.

- b. On or about July 7, 2020, **MACK** submitted, or caused to be submitted, an electronic application for an EIDL from the SBA (“EIDL Application -1312”) on behalf of UMB Distributors and Wholesalers. In connection with EIDL Application 1312, **MACK** falsely affirmed, among other information, that UMB Distributors and Wholesalers had 40 employees, and that in the twelve months prior to the disaster the business had \$54,899 in gross revenue and \$54,899 in cost of goods sold. **MACK** used her true SSN on EIDL Application 1312.
- c. On or about July 12, 2020, **MACK** submitted, or caused to be submitted, an electronic application for an EIDL from the SBA (“EIDL Application -7361”) on behalf of Adwan Cosmetics. In connection with EIDL Application 7361, **MACK** falsely affirmed, among other information, that Adwan Cosmetics had 30 employees, and that in the twelve months prior to the disaster the business had \$750,000 in gross revenue and \$300,000 in cost of goods sold. In addition, **MACK** used SSN xxx-xx-6432 on EIDL Application 7361, when, as **MACK** well knew, her actual SSN is xxx-xx-3092.

- d. On or about July 31, 2020, **MACK** submitted, or caused to be submitted, an electronic application for an EIDL from the SBA (“EIDL Application -5038”) on behalf of Upscale Measures Wholesale and Distributors. In connection with EIDL Application 5038, **MACK** falsely affirmed, among other information, that Upscale Measures Wholesale and Distributors had 16 employees, and that in the twelve months prior to the disaster the business had \$3,500,000 in gross revenue and \$800,000 in cost of goods sold. In addition, **MACK** used SSN xxx-xx-6985 on EIDL Application 5038, when, as **MACK** well knew, her actual SSN is xxx-xx-3092.

18. On or about August 3, 2020, in reliance on **MACK**’s false representations in “EIDL Application -7361” on behalf of Adwan Cosmetics, the SBA deposited money \$150,000 into a bank account in **MACK**’s name at “Bank 1.”

19. On or about August 10, 2020, **MACK** transferred \$131,779.94 from “Bank 1” of the \$150,000 she received from EIDL Application 7361 into an account in the name of another one of her “businesses,” “UMB Distributors and Wholesalers,” at “Bank 2” located in Augusta, Georgia. **MACK** had opened the account at Bank 2 in July 2020.

20. **MACK** used her SBA loan funds to transfer thousands of dollars to a personal associate, take a trip to Miami, Florida, and make cash withdrawals in the tens of thousands of dollars. These expenditures include, but are not limited to:

- a. Withdrawing \$10,000 in cash on August 19, 2020;

- b. Spending \$714.39 at Valiant Paris in Miami Beach, Florida on August 22, 2020;
- c. Spending \$233.25 on hotels in Miami, Florida on August 25 and 26, 2020;
- d. Spending \$191.62 at Steve Madden on August 28, 2020;
- e. Paying \$1,415.72 for an AIR BNB in Miami Beach, FL on August 29, 2020;
- f. Withdrawing \$7,000 in cash on September 4, 2020; and
- g. Wiring a personal associate \$5,000 on September 11, 2020.

The Wirings

21. On or about the dates specified as to each count below, in the Southern District of Georgia, and elsewhere, **WHITNEY ADWAN MACK**, for the purpose of executing the scheme and artifice described above, and attempting to do so, caused to be transmitted by means of wire communication from the state Georgia to a location outside of Georgia the signals and sounds described below for each count, each transmission constituting a separate count:

<u>Count</u>	<u>Date of Wire</u>	<u>Description</u>
1	July 7, 2020	Online submission of EIDL Application *****9559 on behalf of Malae Enterprises.
2	July 7, 2020	Online submission of EIDL Application *****1312 on behalf of UMB Distributors and Wholesalers.
3	July 12, 2020	Online submission of EIDL Application - *****7361 on behalf of Adwan Cosmetics.
4	July 31, 2020	Online submission of EIDL Application *****5038 on behalf of Upscale Measures Wholesale and Distributors

All in violation of Title 18, United States Code, Section 1343.

COUNTS FIVE AND SIX
Misuse of Social Security Number
 42 U.S.C. § 408(a)(7)(B)

22. The Grand Jury re-alleges and incorporates by reference the allegations in the proceeding paragraphs.

23. On or about the dates specified as to each count below, in the Southern District of Georgia, and elsewhere, **WHITNEY ADWAN MACK**, for the purpose of obtaining something of value and for other purposes, did knowingly, and with intent to deceive, falsely represent and cause to be represented that SSN xxx-xx-6432 and SSN xxx-xx-6985 had been assigned to her by the Commissioner of the Social Security Administration (SSA), when she submitted loan applications to the SBA, when, in fact, as she well knew, SSN xxx-xx-6432 and SSN xxx-xx-6985 had not been assigned to **WHITNEY ADWAN MACK** by the Commissioner of the SAA:

<u>Count</u>	<u>Approximate Date</u>	<u>Description</u>
5	July 12, 2020	Online submission of EIDL Application - 7361 on behalf of Adwan Cosmetics with SSN xxx-xx-6432
6	July 31, 2020	Online submission of EIDL Application 5038 on behalf of Upscale Measures Wholesale and Distributors with SSN xxx-xx-6985

All in violation of Title 42, United States Code, Section 408(a)(7)(B).

FORFEITURE ALLEGATIONS

The allegations contained in Counts One through Four of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of the Title 18 offense set forth in Counts One through Four of this Indictment, the Defendant **WHITNEY ADWAN MACK** shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), any property, real or personal, which constitutes or is derived from proceeds traceable to the charged offense.

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 that 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 28 U.S.C. § 2461(c).

True Bill



A handwritten signature in blue ink, appearing to read 'David H. Estes', is written above a horizontal line.

David H. Estes
Assistant United States Attorney



A horizontal line is drawn above the text.

Patrick J. Schwedler
Assistant United States Attorney
*Lead Counsel



A handwritten signature in blue ink, appearing to read 'Karl Knoche', is written above a horizontal line.

Karl Knoche
Assistant United States Attorney
Chief, Criminal Division



A horizontal line is drawn above the text.

J. Thomas Clarkson
Assistant United States Attorney
*Co-lead Counsel