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U.S. DISTRICT COURT
N.D. OF ALABAMA

PFE/JRH: April 2023
GJ # 25

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
NORTHEASTERN DIVISION

UNITED STATES OF AMERICA	)	
	)	**Case No.:**
v.	)	
	)	
JENNIFER CORINNE SCOGGINS and	)	
JOHN DAVID SCOGGINS	)	

INDICTMENT

The Grand Jury charges that:

INTRODUCTION

At all times relevant to this Indictment:

1. The defendants, **JENNIFER CORINNE SCOGGINS and JOHN DAVID SCOGGINS**, husband and wife, resided in Madison County within the Northern District of Alabama.

2. 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.

3. The SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees. In addition to traditional SBA funding programs, the Coronavirus Aid, Relief, and Economic

Security ("CARES") Act, established several new temporary programs and provided for the expansion of others to address the COVID-19 pandemic, which was declared a nationwide disaster by the President on March 13, 2020.

4. One of the new programs was the SBA Paycheck Protection Program ("PPP"), which was a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. Under this program, the SBA could forgive all or part of loans if employees were kept on the payroll for eight weeks and borrowers submitted documentation confirming the loan proceeds were used for certain qualifying business expenses (i.e., payroll, rent, mortgage interest, or utilities).

5. Interested applicants applied through an existing SBA lender or any other participating federally insured financial institution. The PPP application process required applicants to submit a Borrower Application Form through an SBA-approved financial entity. The application contained information as to the purpose of the loan, average monthly payroll, number of employees, and background of the business and its owner. Applicants were also required to make certain good faith certifications, including that economic uncertainty had necessitated their loan requests for continued business operations, and that they intended to use the loan proceeds only for the authorized purposes.

6. "Lender 1" was an SBA-approved lender headquartered in New York.

7. "Lender 2" was an SBA-approved lender headquartered in Utah.

8. “Lender 3” was an SBA-approved lender headquartered in Texas.

COUNT ONE
18 U.S.C. § 1349
Conspiracy to Commit Wire Fraud

9. The Grand Jury adopts and incorporates paragraphs 1 through 8 of the Indictment as if specifically stated herein.

10. From in or about February 2021, and continuing until in or about June 2021, in the Northern District of Alabama and elsewhere, the defendants,

JENNIFER CORINNE SCOGGINS and
JOHN DAVID SCOGGINS,

did knowingly and intentionally combine, conspire, confederate, and agree together and with each other to commit wire fraud, in violation of Title 18, United States Code, Section 1343; that is, the defendants conspired to devise a scheme and artifice to defraud and for obtaining money and property by means of materially false and fraudulent pretenses, representations, and promises, by transmitting and causing to be transmitted by means of wire communication in interstate or foreign commerce, writings, signs, signals, pictures, and sounds for the purposes of executing such scheme and artifice.

Manner and Means of the Conspiracy

11. It was a part of the conspiracy that the defendants, **JENNIFER CORINNE SCOGGINS and JOHN DAVID SCOGGINS**, would and did agree to defraud the SBA and the United States Government by applying for and/or

receiving approximately $1.7 million in fraudulent PPP loans on behalf of four purportedly operational businesses. The PPP loan applications contained several material misrepresentations and fraudulent supporting documentation. The defendants received the PPP loan funds via interstate wire transfers into bank accounts owned and controlled by the defendants, co-mingled the loan funds between and among those accounts, and spent the PPP loan funds on unauthorized uses including a personal home, automobiles, family vacations, and plastic surgery.

12. It was a further part of the conspiracy that the defendants, **JENNIFER CORINNE SCOGGINS and JOHN DAVID SCOGGINS**, would and did apply for no fewer than six PPP loans via at least three different SBA-approved lenders headquartered in New York, Utah, and Texas.

13. It was a further part of the conspiracy that the PPP loan applications contained several material misrepresentations and fraudulent supporting documentation, including:

a. Misrepresentations that the businesses were going concerns employing between 11 and 21 people;

b. Misrepresentations regarding the businesses' total gross income and average monthly payroll;

c. Falsified IRS Forms 941 (Employer's Quarterly Federal Tax Returns) fraudulently claiming the purported business paid wages and withheld federal income tax on behalf of employees who, in fact, did not exist;

d. Falsified payroll reports; and,

e. Falsified bank statements.

14. It was a further part of the conspiracy that the defendants, **JENNIFER CORINNE SCOGGINS and JOHN DAVID SCOGGINS**, would and did use these material misrepresentations in the PPP loan applications and the fraudulent supporting documentation to convince SBA-approved lenders to wire PPP loan funds into bank accounts owned and controlled by the defendants.

15. It was a further part of the conspiracy that the defendants, **JENNIFER CORINNE SCOGGINS and JOHN DAVID SCOGGINS**, would and did transfer the PPP loan funds into their personal bank accounts and use the funds for several unauthorized purposes, including purchasing a primary residence, purchasing vehicles, a family vacation, and plastic surgery.

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

COUNT TWO - FIVE
18 U.S.C. §§ 1343 and 2
Wire Fraud

16. The Grand Jury adopts and incorporates paragraphs 1 through 15 of the Indictment as if specifically stated herein.

17. From in or about February 2021, and continuing until in or about June 2021, in the Northern District of Alabama and elsewhere, the defendants,

JENNIFER CORINNE SCOGGINS and
JOHN DAVID SCOGGINS,

aided and abetted by one another, devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property by means of false and fraudulent pretenses, representations, and promises.

<u>Purpose of the Scheme and Artifice</u>

18. The purposes of the scheme and artifice are set forth in paragraphs 11 through 15 of this Indictment.

<u>The Wire Transmissions</u>

19. On or about the date set forth below for each count, in the Northern District of Alabama and elsewhere, the defendants,

JENNIFER CORINNE SCOGGINS and
JOHN DAVID SCOGGINS,

for the purpose of executing the above-described scheme and artifice, and attempting to do so, did transmit and caused to be transmitted by means of wire, radio, and television communications, in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, as described below for each count.

20. The allegations in paragraphs 16 through 19 of this Indictment are realleged for each of Counts 2 through 5 as though fully set forth therein.

Count	On or About Date	Description of Wire
2	February 18, 2021	$207,543 wire from Lender 2 to a business checking account controlled by Jennifer Scoggins
3	April 9, 2021	$366,163 wire from Lender 1 to a business checking account controlled by Jennifer Scoggins
4	April 22, 2021	$206,402 wire from Lender 1 to a business checking account controlled by John Scoggins
5	June 25, 2021	$366,163 wire from Lender 3 to a business checking account controlled by Jennifer Scoggins

All in violation of 18 U.S.C. §§ 1343 and 2.

NOTICE OF FORFEITURE

1. The allegations contained in Counts One through Five of this Indictment are re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c).

2. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1343 and 1349, set forth in Counts One through Five of this Indictment, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(2)(A), and Title 28, United States Code, Section 2461(c), any and all property constituting, or derived from, proceeds the defendants obtained directly or indirectly, as a result of the commission of said offenses, including but not limited to a sum of money in United States

currency representing the amount of proceeds traceable to the commission of said offenses.

3. If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

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 Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1) and Title 28, United States Code, Section 2461(c).

A TRUE BILL

/s/ Electronic Signature
FOREPERSON OF THE GRAND JURY

PRIM F. ESCALONA
United States Attorney

/s/ Electronic Signature
JONATHAN "JACK" HARRINGTON
Assistant United States Attorney