IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

UNITED STATES OF AMERICA	)	CRIMINAL NO. 2:22-994
	)	18 U.S.C. § 2
	)	18 U.S.C. § 1343
vs.	)	18 U.S.C. § 981(a)(1)(C)
	)	28 U.S.C. § 2461(c)
	)	
	)	
CARL ULM	)	**INDICTMENT**

COUNT ONE
(Wire Fraud)

THE GRAND JURY CHARGES:

BACKGROUND

1. The United States Small Business Administration ("SBA") is an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA 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. 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.

2. In March 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to help businesses impacted by COVID-19 to continue paying their employees.

3. The Paycheck Protection Program ("PPP") was a COVID-19 pandemic relief program administered by the Small Business Administration ("SBA") that provided forgivable

loans to small businesses for job retention and certain other expenses. The PPP permitted participating third-party lenders to approve and disburse SBA-backed PPP loans to cover payroll, fixed debts, utilities, rent/mortgage, accounts payable and other bills incurred by qualifying businesses during, and resulting from, the COVID-19 pandemic. PPP loans were fully guaranteed by the SBA.

4. To obtain a PPP loan, a qualifying business had to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan, including that the business was in operation and either had employees for whom it paid salaries and payroll taxes or paid independent contractors. A business applying for a PPP loan was required to provide documentation showing its payroll expenses, such as filed federal income tax documents.

5. PPP loan applications were electronically submitted or caused to be submitted by the borrower and received through SBA servers located in Virginia and/or Oregon. Once approved, the business received the PPP loan proceeds via an electronic funds transfer from the third-party lender to a financial account under the control of the business.

6. The proceeds of a PPP loan could be used for certain specified items, such as payroll costs, costs related to the continuation of group health care benefits, or mortgage interest payments. The proceeds of a PPP loan were not permitted to be used by the borrowers to purchase consumer goods, automobiles, personal residences, clothing, jewelry, to pay the borrower's personal federal income taxes, or to fund the borrower's ordinary day-to-day living expenses unrelated to the specified authorized expenses.

7. Synovus Bank was a third-party participating lender in the PPP program.

8. **CARL ULM ("ULM")**, until January 26, 2021, was the owner of Anchor Restoration Contractors, LLC (hereinafter "Anchor 1"), a construction company based in North Charleston, South Carolina.

9. On January 26, 2021, **ULM** sold the assets of Anchor 1 to Randall Sizemore and his company Anchor Restoration Construction, LLC (hereinafter "Anchor 2").

10. As a result of the sale to Anchor 2, Anchor 1 was legally a non-operational business after January 26, 2021, and had no payroll expenses, rent/mortgage, accounts payable, and/or other bills incurred.

The Scheme to Defraud

11. From in or about January 2021, in the District of South Carolina and elsewhere, the **DEFENDANT CARL ULM**, as a principal and/or aider and abettor, knowingly devised and intended to devise a scheme to defraud the Small Business Administration, and to obtain money and property by means of materially false and fraudulent pretenses, representations, promises, and the concealment of material facts, and during such period, knowingly transmitted and caused to be transmitted in interstate commerce, by means of wire communications, certain electronic signals, for the purpose of executing the scheme and artifice to defraud relating to the fraudulent application for, and receipt of, PPP funds, in violation of Title 18, United States Code, section 1343.

Manner and Means of the Scheme to Defraud

12. It was part of the scheme that **ULM,** as a principal and/or aider and abettor, did:

a. Defraud financial institutions and the Small Business Administration using interstate wires to fraudulently submit documents to obtain a PPP Loan to which **ULM** and Anchor 1 were not entitled.

b. Defraud the Federal Government into paying out PPP Loan funds for which **ULM** and Anchor 1 did not qualify and to which they were not entitled.

c. Certify in the PPP loan application that his business Anchor 1 had not permanently closed.

13. On or about February 19, 2021, based on **ULM's** fraudulent and false representations and submission, Synovus Bank did distribute PPP loan proceeds into Anchor 1's bank account at Synovus Bank in the amount of $204,132.50.

14. It was further part of the scheme that **ULM** directed $160,000 of the fraudulently obtained funds be transferred out of Anchor 1's bank account to another bank account controlled by **ULM** for his own personal use.

All in violation of Title 18, United States Code, Sections 1343 and 2.

FORFEITURE

WIRE FRAUD:

Upon conviction to violate Title 18, United States Code, Section 1343 as charged in the Indictment, the Defendant, **CARL ULM**, shall forfeit to the United States, any property, real or personal, which constitutes, is traceable, or is derived from proceeds traceable to such violation.

PROPERTY:

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c), the property subject to forfeiture includes, but is not limited to, the following:

> Proceeds/Forfeiture Judgment:
>
> A sum of money equal to all proceeds the Defendant obtained, directly or indirectly, from the offense charged in the Indictment, that is, a minimum of approximately $204,132.50 in United States currency, and all interest and proceeds traceable thereto, and/or such sum that equals all property which constitutes or is derived from proceeds traceable to his violation of 18 U.S.C. §1343.

SUBSTITUTE ASSETS:

If any of the property described above as being subject to forfeiture, 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 person;
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 subdivided without difficulty;

it is the intention of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), incorporating 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.

Pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c).

A True BILL

[redacted]

FOREPERSON

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