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EASTERN DISTRICT OF CALIFORNIA

IN THE UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, Plaintiff, v. YAHYA Z. YAGHMOUR, Defendant.	CASE NO. 1:25-cr-00164 JLT-SKO 18 U.S.C. § 1343 – Wire Fraud (Four Counts); 18 U.S.C. §§ 981(a)(1)(C), 982(a)(1), and 28 U.S.C. § 2461(c) – Criminal Forfeiture

I N D I C T M E N T

COUNTS ONE through FOUR: [18 U.S.C. § 1343 – Wire Fraud]

The Grand Jury charges:

YAHYA Z. YAGHMOUR,

defendant herein, as follows:

I. INTRODUCTION

At all relevant times:

1. Defendant YAHYA Z. YAGHMOUR resided in Fresno County in the State and Eastern District of California.

2. YAGHMOUR purported to be the sole owner a California-based company called BC Outlet, which burned down and ceased operations in 2019.

II. THE PAYCHECK PROTECTION PROGRAM

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

4. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in March 2020 and 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 forgivable loans to small businesses for job retention and certain other expenses through the Paycheck Protection Program (the "PPP"), which was administered by the SBA.

5. To obtain a PPP loan, a qualifying business was required to submit a PPP loan application that 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. In the PPP loan application, the small business (through its authorized representative) was required to state, among other things, its average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the small business was eligible to receive. In addition, businesses applying for a PPP loan typically were required to provide documentation showing their payroll expenses.

6. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies, which were 100 percent guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

7. PPP loan proceeds were required to be used on certain permissible business expenses, including payroll costs for employees whose principal places of residence were in the United States, and business mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, interest and principal on a PPP loan were eligible for forgiveness if the business spent the loan proceeds on

authorized expenses within a designated period and used a certain portion towards payroll expenses.

III. SCHEME TO DEFRAUD

8. From in or around April 2021 through in or around September 2021, in the State and Eastern District of California, and elsewhere, YAGHMOUR intentionally devised, participated in, and executed a material scheme and artifice to defraud the SBA and Lender 1, and to obtain money from them, by means of materially false and fraudulent pretenses, representations, and promises.

IV. MANNER AND MEANS OF THE SCHEME

9. In furtherance of the scheme and artifice to defraud, YAGHMOUR employed, among others, the following manner and means:

10. YAGHMOUR caused initial draw PPP and second draw PPP loan applications to be submitted to the SBA and Lender 1. YAGHMOUR signed the applications digitally and caused them to be transmitted to the SBA and Lender 1 via the internet.

11. In the loan applications, YAGHMOUR falsely and fraudulently represented, among other things, that he had earned $100,940 as the owner and sole employee of BC Outlet in 2020. For both loan applications, YAGHMOUR submitted a fake 2020 Internal Revenue Service Schedule C (Form 1040) (Profit and Loss From Business), which stated he and BC Outlet had gross income from "furniture" of $100,940 for the year of 2020. As YAGHMOUR knew, however, he and BC Outlet did not earn gross income from "furniture" of $100,940 in 2020, and BC Outlet was not an operating company in 2020.

12. Based on YAGHMOUR's false and fraudulent representations, the SBA and Lender 1 approved and funded the loans. The SBA and Lender 1 would not have done so had they known the YAGHMOUR's representations were false and fraudulent.

13. After receiving the loans, YAGHMOUR caused materially false and fraudulent applications to be submitted to the SBA and Lender 1 seeking forgiveness of the balances due on the loans. In the forgiveness applications, YAGHMOUR falsely and fraudulently represented, among other things, that BC Outlet used the proceeds from the loans on eligible expenditures, such as payroll to retain employees whose principal places of residence were in the United States. As YAHGMOUR knew, however, BC Outlet had ceased operations and YAGHMOUR used the loan proceeds on

unauthorized expenses.

14. Based on YAGHMOUR's false and fraudulent representations, the SBA and Lender 1 forgave the loans.

15. At all relevant times, YAGHMOUR acted with the intent to defraud.

V. THE WIRES

16. On or about the dates set forth below, in the State and Eastern District of California, and elsewhere, for the purpose of executing his scheme and artifice to defraud, YAGHMOUR knowingly transmitted, and caused to be transmitted, by means of wire and radio communication in interstate commerce, the following writings, signs, signals, pictures and sounds:

Count	On or About Date	Wire (all dollar amounts approximate)
1	April 26, 2021	Wire transmission of YAGHMOUR's initial draw PPP loan application from the State and Eastern District of California to Lender 1 that was routed through computer servers located outside California.
2	May 18, 2021	Wire transmission of YAGHMOUR's second draw PPP loan application from the State and Eastern District of California to Lender 1 that was routed through computer servers located outside California.
3	September 16, 2021	Wire transmission of YAGHMOUR's initial loan forgiveness application from the State and Eastern District of California to the SBA and Lender 1 that was routed through computer servers located outside California.
4	September 16, 2021	Wire transmission of YAGHMOUR's second loan forgiveness application from the State and Eastern District of California to the SBA and Lender 1 that was routed through computer servers located outside California.

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

<u>FORFEITURE ALLEGATION</u>: [18 U.S.C. §§ 981(a)(1)(C) 982(a)(2)(A), and 28 U.S.C. § 2461(c) – Criminal Forfeiture]

1. Upon conviction of one or more of the offenses alleged in Counts One through Four of this Indictment, YAGHMOUR shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, which constitutes or is derived from proceeds

traceable to a violation of such violations, and, pursuant to 18 U.S.C. § 982(a)(2)(A), any property, real or personal, involved in such offenses, or any property traceable to such property, including but not limited to the following:

a. A sum of money equal to the amount of proceeds traceable to or involved in such offenses, or property traceable to such property, because of such offenses, for which defendant is convicted.

2. If any property subject to forfeiture because of the offenses alleged in Counts One through Four of this Indictment, for which defendant is convicted:

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 18 U.S.C. § 982(b)(1) and 28 U.S.C. § 2461(c), incorporating 21 U.S.C. § 853(p), to seek forfeiture of any other property of said defendant, up to the value of the property subject to forfeiture.

A TRUE BILL.

/s/ Signature on file w/AUSA

FOREPERSON

Michael G. Tierney for

ERIC GRANT
United States Attorney