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EASTERN DISTRICT OF WASHINGTON

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA, Plaintiff, v. MARISA BECK, Defendant.	Case No.: 2:23-CR-55-MKD INFORMATION Vio: 18 U.S.C. § 287 False, Fictitious, or Fraudulent Claims

The United States Attorney charges:

General Allegations

At all relevant times relevant to this Information:

1. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was a federal law enacted on March 27, 2020, 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 other certain expenses, through a program referred to as the Paycheck Protection Program ("PPP").

2. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application 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 in order to be eligible to obtain the PPP loan. In the PPP loan application, the applicant (through its authorized representative) was required to state, among other things: (a) its average monthly payroll expenses; and (b) its number of employees. If the applicant had no employees other than the owner, the applicant was required to provide the gross income amount from a 2019 or 2020 IRS Form 1040, Schedule C. These figures were used to calculate the amount of money the small business was eligible to receive under the PPP. Additionally, the applicant was required to certify that they were in operation as of February 15, 2020. The applicant was also required to certify that the information in the application was true and correct to the best of the applicant's knowledge.

3. A business's PPP loan application was received and processed, in the first instance, by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. Data from the application, including information about the borrower, the total amount of the loan, the listed number of employees, and the gross income amount, was transmitted by the lender to the Small Business Administration ("SBA"), an agency of the United States, in the course of processing the loan.

4. PPP applications are received in cloud-based platforms. The location of the server through which the PPP application is submitted is based on the date the application was processed by the SBA and the application number. During the time period relevant to this Indictment, all PPP applications were received through the Summit platform, a cloud-based platform utilizing the AWS GOV cloud servers located in Oregon. PPP lenders submitted disbursement details into the SBA E-Tran system in Sterling, Virginia. E-Tran transmitted the PPP processing fee to the lender through the FMS system to the Treasury. The primary server for FMS is in Sterling, Virginia.

5. In addition to the PPP program, the CARES Act also authorized the Economic Injury Disaster Loan (EIDL) program. EIDL is an SBA program that provides low-interest funding to small businesses, renters, and homeowners affected by

declared disasters. In order to obtain an EIDL, and/or advance, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was the year preceding January 31, 2020. The applicant must also certify that all the information in the application is true and correct to the best of the applicant's knowledge. The amount of an EIDL, if the application is approved, is determined based, in part, on the information provided in the application about employment, revenue, and costs of goods, as set forth above. Any funds issued under an EIDL or advance are issued directly by the SBA. EIDL funds can be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. If the applicant also obtains a loan under the PPP, the EIDL funds cannot be used for the same purpose as the PPP funds.

6. Beginning no later than on or about April 2, 2020, and continuing through at least January 18, 2022, in the Eastern District of Washington and elsewhere, Defendant devised and intended to devise a scheme to defraud the SBA, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises.

7. EIDL applications are received in cloud-based platforms. The location of the server through which the EIDL application is submitted is based on the date the application was processed by SBA and the application number. During the time period relevant to this Indictment, all EIDL applications were received in a Microsoft cloud-based platform using a Rapid Finance application, through SBA servers located in Des Moines, Iowa.

<u>PPP Loan No. 4870587409</u>

8. On or about May 11, 2020, Defendant submitted an application for PPP loan number 4870587409 through Kabbage, Inc., a PPP servicing lender, to the SBA

under the name of her purportedly active business, Cyra Solar, LLC. Cyra Solar was incorporated in Arizona, on or about November 7, 2019, and also operates in Texas. Kabbage records indicate that Defendant created three separate loan application files, one of which was actually approved and funded. Each of the applications were signed and/or submitted by Defendant.

9. Defendant provided purported 2019 IRS W-3 Forms as supporting documentation for the applications. For each of the three applications, Defendant submitted false and fraudulent IRS W-3 Forms from the 2019 calendar year. Each of these purported 2019 W-3 forms reported inconsistent wage, tips, or other compensation amounts. For example, one of the 2019 W-3s indicated that Cyra Solar purportedly earned $218,124.13, while another W-3 indicated earnings of $318,124.13, and still another W-3 indicated $214,333.28 in earnings. Despite the various earnings figures reported across the multiple the purported W-3 forms, records from Texas Workforce Commission and Arizona Department of Economic Security did not reflect any wages paid by the business for the calendar year 2019.

10. For the loan application that was approved, Defendant also supplied a purported 1099 Form titled "CyraSolar1099Report2019," which showed payments of $262,500 to eight employees from July 1, 2019, to December 30, 2019, from a Chase Bank Account ending in 9371. However, the JP Morgan Chase Bank Account ending in 9371 was not opened until February 18, 2020. Based on the false and fictitious information submitted, Defendant requested a PPP loan for the business in the amount of $45,717 into Defendant's JP Morgan Chase Account ending in 9371.

11. Defendant's representations were materially false and fraudulent. Quarterly wage and earnings records indicate Defendant paid wages to employees only during two quarters between 2017 and 2022. Accordingly, Defendant's reported average monthly payroll, Form 1099, and each of the three W-3 forms were false as Defendant was not paying any employees at the time that she submitted the application.

12. PPP loan number 4870587409 was handled by Cross River Bank, a

federally-insured financial institution located in Fort Lee, New Jersey on a delegated basis from the SBA. On or about May 11, 2020, as a result of the fraudulent scheme described above, and based on the materially false and fraudulent information supplied by Defendant, Cross River Bank disbursed $45,717 into Defendant's JP Morgan Chase Account ending in 9371. On or about January 10, 2022, from and while residing in the Eastern District of Washington, Defendant falsely and fraudulently requested forgiveness of PPP number 4870587409, representing that those proceeds had been used for eligible uses and expenses.

13. Defendant's JP Morgan Chase Account ending in 9371 was opened on or about February 2020, and had a balance of $100 or less before it received the PPP funds on or about May 13, 2020.

<u>EIDL No. 2894447909</u>

14. On or about April 2, 2020, Defendant submitted an application for EIDL loan number 2894447909 to the SBA in the name of her purportedly active business, Cyra Solar. In the EIDL application, Defendant falsely represented that the purportedly active business had earned $236,465 in the calendar year 2019. As supporting documentation for the EIDL application, Defendant submitted a purported board resolution that stated the Cyra Solar board had held a meeting on January 1, 2020, and approved a COVID-19 EIDL loan for $70,900.

15. These representations were materially false and fraudulent. In fact, Cyra Solar's income represented on the EIDL application was false, and no board existed for the purportedly active business. Additionally, Cyra Solar did not have six employees at the time of the submission of the EIDL application.

16. Using this false information, Defendant requested an EIDL loan for the business in the amount of $70,900. The SBA approved the EIDL loan and $70,900 was subsequently disbursed, via interstate wires, into the JP Morgan Chase Checking Account ending in 9371. On or about June 22, 2020, and based on the false information provided by Defendant, an EIDL advance of an additional $6,000 was approved and

disbursed, via interstate wires, into Defendant's JP Morgan Chase Checking Account ending in 9371.

EIDL No. 3307378506

17. On or about June 29, 2020, Defendant submitted another application for EIDL number 3307378506 for her purported business Cyra Solar, LLC using a different TIN identification from the previously disbursed EIDL loan. On or about July 8, 2020, an advance of $6,000 for EIDL number 3307378506 was disbursed into JP Morgan Chase Checking Account ending in 6861. In this application, Defendant falsely claimed $895,125 in gross revenues for the 2019 calendar year. On or about July 14, 2020, Defendant received a letter from SBA denying Defendant's application for EIDL loan number 3307378506 for $150,000.

PPP No. 6764178101

18. On or about July 22, 2020, Defendant submitted an application for PPP number 6764178101 to the SBA under the name of her purportedly active business Beck 'N Call Landscape, LLC, based in Arizona. Defendant falsely stated that that the purportedly active company had six employees. Defendant provided a purported 2019 IRS Form W-3 as supporting documentation for the application for PPP number 6764178101. The purported W-3 documentation falsely stated that the company had paid $324,152.25 in wages, tips, and other compensation during the 2019 calendar year. Defendant fraudulently completed and signed the loan application, resolution to borrow, and SBA note using her husband's information and signature. The Defendant also certified that the business was in operation on February 15, 2020. However, the Arizona Corporation Commission indicated that the purportedly active business's most recent activity last occurred on, or around, December 30, 2013. The Arizona Department of Economic Security also certified that there were no records associated with the purportedly active business between January 1, 2017, and September 9, 2022.

19. Based on the false information she provided, Defendant requested a PPP loan for the purportedly active business in the amount of $69,012. Defendant provided

Defendant's Joint Navy Federal Credit Union Savings Account ending in 5774, a federally-insured financial institution through the National Credit Union Administration, as the account for the purported business, and the account into which funds would be deposited. Defendant certified that the information in the application was true and correct to the best of her knowledge, under penalty of perjury and of other criminal penalties for false information.

20. These representations were materially false and fraudulent. First, Defendant acknowledges that she fraudulently signed the PPP application on behalf of her husband, without his knowledge or consent. Moreover, neither Defendant nor her purportedly active business had paid $324,125.25 in wages, tips, or other compensation for the 2019 calendar year. Accordingly, neither the purportedly active business nor Defendant were eligible for PPP funding. On or about July 22, 2020, as a result of the fraudulent scheme, and the materially false and fraudulent information supplied by Defendant, $69,102 in PPP funding was disbursed, via interstate wires, into Defendant's Joint Navy Federal Credit Union Savings Account ending in 5774, into which it was deposited on July 24, 2022. At the time of the transfer, the account had a balance of $5.00.

21. As part of the fraudulent scheme and from and while residing in the Eastern District of Washington, on or about January 18, 2022, Defendant fraudulently requested forgiveness of the entire PPP loan amount. Defendant represented that $60,000 of the was spent on payroll costs for six employees of the purportedly active business. Based on the false and fraudulent representations made by Defendant in the forgiveness application, the SBA granted forgiveness of the full amount of PPP loan number 6764178101.

EIDL No. 2254048208

22. On or about July 14, 2020, Defendant submitted an application for EIDL loan number 2254048208 to the SBA in the name of Beck 'N Call Landscaping, LLC. Defendant also falsely stated that the purportedly active business had six employees and

earned $875,325 in gross revenue for the 2019 calendar year. Documents obtained from the IRS, however, indicated that Beck 'N Call Landscape, LLC did not file a tax return or claim any income for calendar year 2019. Supporting document for the application for EIDL loan number 2254048208 included a "Resolution of the Board" that indicated that the board of Beck 'N Call Landscaping, LLC purportedly held a meeting on February 1, 2019, and approved the EIDL loan for $150,000. However, records obtained from DocuSign indicated that the purported resolution document was signed on March 1, 2021. Defendant falsely and fraudulently completed and certified the application with her husband's name and signature without his consent or knowledge.

23. Based on that information, Defendant requested the EIDL loan for the purportedly active business in the amount of $150,000 into Defendant's Joint Navy Federal Credit Union Savings Account ending in 5774. On or about August 1, 2020, as a result of the fraudulent scheme and the materially false and fraudulent information supplied by Defendant, the EIDL in the amount of $149,900 (the $150,000 EIDL amount less a $100 processing fee) was disbursed via interstate wires to Defendant's Joint Navy Federal Credit Union Savings Account ending in 5774, into which it was deposited on August 4, 2020.

EIDL No. 1125447910

24. On or about June 10, 2020, Defendant submitted an application for EIDL number 1125447910 for her business, Value in People Consulting, LLC, requesting $20,200. In her application, Defendant falsely and fraudulently stated that Value in People Consulting earned $65,000 in revenue for the calendar year 2019. However, in support of her application, Defendant submitted a 2019 IRS Schedule C indicating the business only earned $10,000. Defendant certified that the funds for Value in People Consulting would be used for authorized purposes and legitimate business expenses, and that all information and documentation provided in her application was truthful and accurate.

25. Defendant's representations and certifications were materially false and

fraudulent. Defendant falsely claimed that the business earned $65,000 in gross revenue in 2019, but Defendant's IRS 2019 Schedule C form indicated only $10,000 in gross receipts and sales. An email correspondence between the SBA and Defendant also submitted a purported signed resolution from Value in People Consulting's board alleging approval for the loan for $20,000 on or about February 1, 2019.

26. EIDL number 1125447910 was handled by Itria Ventures LLC, a federally-insured financial institution located in New York, New York on a delegated basis from the SBA. Itria Ventures submitted disbursement details from this loan into the SBA E-Tran system located in Fresno, California. On or about June 10, 2020, as a result of the fraudulent scheme described above, and based on the materially false and fraudulent information supplied by Defendant, Itria Ventures disbursed, via interstate wires, $20,200 into Defendant's Navy Federal Credit Union Account ending in 2723, into which it was deposited on July 11, 2020. On or about June 23, 2020, an advance of $1,000 was disbursed in Defendant's Navy Federal Credit Union Account ending in 2723 by Itria Venture via interstate wires. By May 31, 2021, the Navy Federal Credit Union Account ending in 2723 had a balance of $0.71 with minimal account activity.

27. In total, Defendant's false and fraudulent PPP and EIDL applications resulted in a loss of $368,829 in CARES Act funding to Beck N' Call Landscape, Cyra Solar, and Value in People Consulting.

COUNT 1

28. The allegations set forth in paragraphs 1 through 27 are realleged and incorporated herein.

29. On or about January 18, 2022 in the Eastern District of Washington, the Defendant, MARISA BECK, made and presented to the United States Small Business Administration, a claim upon the United States for forgiveness of PPP No. 6764178101 in the name of Beck N' Call Landscape, LLC, knowing that the claim was false and fraudulent in that Beck N' Call Landscape, LLC was not an active business eligible for any PPP funding, that the business, tax, and financial information submitted by

Defendant MARISA BECK in support of her application for PPP No. 6764178101 was materially false and fraudulent; and that none of the PPP funds had been spent on payroll for Beck N' Call Landscape, LLC; all in violation of 18 U.S.C. § 287.

Dated this 12th day of May, 2023.

Vanessa R. Waldref
United States Attorney

s/Dan Fruchter
Dan Fruchter
Assistant United States Attorney

s/Tyler H.L. Tornabene
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