IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Criminal Case No. 23-cr-00074-NYW

UNITED STATES OF AMERICA,

Plaintiff,

v.

1. DEJANE REANIECE LATTANY,

Defendant.

INFORMATION

The UNITED STATES ATTORNEY charges that:

COUNT ONE
18 U.S.C. § 1343

General Allegations

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

2. On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, which provided emergency assistance to small business owners suffering adverse economic effects caused by the Coronavirus ("COVID-19") pandemic. The CARES Act established several new temporary programs and expanded existing programs, including programs created or administered by the SBA. Two sources of funding for small businesses were

the Paycheck Protection Program ("PPP") and the Economic Injury Disaster Loans ("EIDL") program. The CARES Act mandated that only businesses in operation on February 15, 2020, for PPP, or before February 1, 2020, for EIDL, were eligible under the programs.

3. The EIDL program was an SBA program that provided low-interest financing to small businesses in regions affected by declared disasters. The CARES Act authorized the SBA to provide EIDLs to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to $10,000 to small businesses, known as Economic Injury Disaster Grants ("EIDG"). The amount of the EIDG was determined by the number of employees the applicant certified having. The EIDGs did not need to be repaid.

4. Until April 2021, under the EIDL program, a small business could receive a loan from the SBA in an amount of up to six months of working capital with a maximum of $150,000. Thereafter, in April 2021, the SBA increased the EIDL limit to allow small businesses to receive loans in the amount of up to 24 months of working capital with a maximum of $500,000. In order to obtain an EIDL and/or EIDG, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees and the entity's gross business revenues and cost of goods sold in the twelve months prior to January 31, 2020. The amount of the loan, if approved, was determined in part based on the information provided concerning the gross revenue and cost of goods sold. EIDL funds were issued directly by the SBA and were permitted to be used for payroll expenses,

sick leave, production costs, and business obligations, such as debts, rents, and mortgage payments.

5. The CARES Act further authorized the PPP program, which provided forgivable loans to small businesses. To obtain a PPP loan, a qualifying small business was required to submit a PPP loan application, signed by an authorized representative of the business, in which the applicant acknowledged the program rules and made certain affirmative certifications. The applicant was also required to state the business's: (a) average monthly payroll expenses; and (b) number of employees. These figures were used to calculate the loan amount that the business was eligible to receive under the PPP. Businesses were also required to provide documentation showing their payroll expenses, such as filed federal income tax documents.

6. PPP loan applications were received and processed, in the first instance, by a participating lender. If a PPP loan application was approved, the participating lender funded the loan using its own monies, but the loans were 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. The SBA paid participating lenders a processing fee for each funded PPP loan.

7. The proceeds of a PPP loan could be used for certain specified items, such as payroll costs, mortgage interest payments, and utilities. The proceeds of a PPP loan were not permitted to be used by the borrowers to purchase consumer goods, automobiles, real estate, 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.

8. Small businesses could request forgiveness of up to the full amount of the PPP loan by filing a forgiveness application with the same lender. The forgiveness application required the business to certify, among other things, that the loan was used for eligible payroll and other business costs, and that the business had verified the eligible payroll and nonpayroll costs for which the business requested forgiveness. The business also was required to submit documentation to the lender verifying payroll costs.

Individuals and Entities

9. At all times relevant to the Information, DEJANE REANIECE LATTANY ("LATTANY") was a resident of the State and District of Colorado.

10. LATTANY was a purported sole proprietor and purported owner of the following businesses: Aggie's Angel Care Providers, A&L Care Systems, Mind Set Consulting, IGU Management, Open Arms Secure Watch LLC, NB Marketing, and Rocky Ridge Consulting.

The Scheme to Defraud

11. Beginning in or around June 2020 and continuing through in or around January 2022, in the State and District of Colorado and elsewhere, LATTANY devised and intended to devise a scheme to defraud and to obtain money and property from the United States and participating lenders by means of materially false and fraudulent pretenses, representations and promises (hereinafter referred to as the "Scheme"). It was part of the Scheme that:

12. From in or around June 2020 through in or around January 2022, LATTANY prepared and submitted fraudulent EIDL applications to the SBA on behalf of business entities that she purportedly owned.

13. In these fraudulent EIDL applications, LATTANY made material false statements regarding the entities' number of employees, gross revenues, and cost of goods sold; she further falsely certified that the information provided in the EIDL applications was true and accurate and that the funds would be used to pay payroll and other permissible expenses when, in fact, she used the bulk of the proceeds for her personal benefit.

14. The SBA approved and funded five EIDL applications and three EIDGs for a total of $430,000 in EIDLs and $20,000 in EIDGs.

15. From in or around June 2020 through December 2021, LATTANY submitted fraudulent PPP applications to participating lenders on behalf of business entities that she purportedly controlled and obtained $2,887,976.94 in PPP loans as a result of the Scheme.

16. These PPP applications contained a number of materially false and fraudulent certifications and representations regarding, *inter alia*, LATTANY'S ownership of other businesses, as well as the businesses' average monthly payroll and number of employees. LATTANY further falsely represented that all PPP funds would be used to pay eligible business expenses, when, in fact, the bulk of the proceeds were used for LATTANY'S personal benefit. LATTANY also submitted false and fraudulent documentation in support of the PPP applications to the participating lenders.

17. LATTANY also sought loan forgiveness for PPP loans by submitting loan

forgiveness applications in which she made materially false representations and certifications regarding her businesses and her compliance with the PPP program rules, including rules related to the eligible uses of PPP loan proceeds.

18. In total, $3,337,976.94 of PPP, EIDL, and EIDG proceeds were paid out as a result of the Scheme.

19. In addition to the PPPs, EIDLs, and EIDGs that were funded by third-party lenders and the SBA, LATTANY submitted additional fraudulent PPP, EIDL and EDIG applications that were declined or rejected prior to funding. The SBA had quoted loan amounts totaling $3,071,200 during the initial loan application process for ten additional fraudulent EIDL applications and two additional fraudulent EIDL modifications that were ultimately declined, and the SBA declined LATTANY's request for an additional $34,000 of EIDGs. Third-party lenders likewise quoted loan amounts totaling $895,832 during the initial loan application process for two fraudulent PPP loans that were ultimately declined.

Execution of the Scheme

20. For the purpose of executing the Scheme described in paragraphs 11–19 above, defendant LATTANY caused to be transmitted the following interstate wire communication pertaining to an EIDL that LATTANY applied for on behalf of Aggies Angel Care Provider: on or about June 19, 2020, the SBA in Denver, Colorado created and certified the payment file for a loan to Aggies Angel Care Provider and transmitted it via interstate wire communication from Colorado to the U.S. Treasury processing site located in the Kansas City Regional Operations Center in Kansas City, Missouri.

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

Forfeiture Allegation

21. The allegations contained in Count One of this Information are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c).

22. Upon conviction of the violation alleged in Count One of this Information involving the commission of violation of Title 18, United States Code, Section 1343, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), and Title 28, United States Code, Section 2461(c) any and all of the defendant's right, title and interest in all property constituting and derived from any proceeds the defendant obtained directly and indirectly as a result of such offense, including, but not limited to:

a) 11125 Quintero Court, Commerce City, Colorado, 80022;
b) $17,344.39 seized from Sunflower Bank Checking Account #1100035300;
c) 2009 Hummer Sut Luxury, VIN: 5GRGN02279H100429;
d) 2008 Hummer Utility Passenger Vehicle, VIN: 5GRGN23828H101341;
e) $945,572.89 seized from Canvas Credit Union Checking Account # 626207; and
f) a money judgment in the amount of proceeds obtained by the scheme and by the defendant.

23. 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 which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c), to seek forfeiture of any other property of said defendant up to the value of the forfeitable property.

COLE FINEGAN
UNITED STATES ATTORNEY

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