

IN THE DISTRICT COURT OF THE UNITED STATES
DISTRICT OF SOUTH CAROLINA
COLUMBIA DIVISION

UNITED STATES OF AMERICA

vs.

KEHINDE MUBARAK LADEPO.

CR. NO.: 3:22-823

18 U.S.C. § 1349

18 U.S.C. § 981(a)(1)(C)

28 U.S.C. § 2461(c)

SEALED INDICTMENT

RECEIVED

THE GRAND JURY CHARGES:

SEP 27 2022

BACKGROUND

FLORENCE, S.C.

At times material to this Indictment:

1.

2.

DEFENDANT KEHINDE MUBARAK LADEPO was stationed in the District of South Carolina as an enlisted member of the United States Air Force stationed at Shaw Air Force Base in Sumter.

3.

4.

The Paycheck Protection Program

5. 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.

6. To obtain a PPP loan, a qualifying business had to submit a PPP loan application, which was supposed to be 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.

7. PPP loan applications were electronically submitted or caused to be submitted by the borrower and received through SBA servers located in Virginia 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.

8. 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.

COUNT 1

(Conspiracy to Commit Wire Fraud Related to PPP Loans)

THE GRAND JURY FURTHER CHARGES:

9. Paragraphs 1 through 8 of this Indictment are incorporated herein by reference.

The Conspiracy

10. That beginning approximately in or about 2020 and continuing up and to the date of this Indictment, in the District of South Carolina and elsewhere, [REDACTED]

[REDACTED] **KEHINDE MUBARAK LADEPO,** [REDACTED]

[REDACTED] did knowingly and willfully combine, conspire, confederate, agree and have a tacit understanding with each other and with others known and unknown to the Grand Jury, to devise and execute a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and during such period, in the course of executing said scheme and artifice, attempted to transmit, transmitted, and caused to be transmitted in interstate commerce, wire communications, including writings, signs, signals, pictures, and sounds, for the purpose of executing the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

Object of the Conspiracy

11. The object of the conspiracy was for **DEFENDANTS**, along with others known and unknown to the Grand Jury, to fraudulently enrich themselves and others by filing, and often receiving, fraudulent PPP loans for businesses that were often fictitious.

Manner and Means of the Conspiracy

12. The manner and means by which **DEFENDANTS**, along with others known and unknown to the Grand Jury, sought to accomplish the object of the conspiracy included the following:

- a. [REDACTED] would create or assist in the creation of PPP loans on behalf of others throughout the United States, including here in the District of South Carolina, using information that was either fabricated by [REDACTED] or that [REDACTED] otherwise knew to be false. PPP applicants were also aware that the information submitted to the SBA was false.

The scheme generally worked as follows:

- i. Putative PPP applicants would send [REDACTED] their personal identifying information ("PII"), which he would use to create or modify already created applications and, often, he would create the purported tax documentation and other paperwork to be submitted with the application.
- ii. [REDACTED] would have the putative PPP applicant e-sign and electronically submit the application, or he would electronically submit the application himself on behalf of the putative PPP applicant.
- iii. [REDACTED] would track the progress of the applications using several alternative phone numbers he created. He would alert the PPP applicants of the loan status.
- iv. In exchange for his services, the putative PPP applicant would remit a portion of the received PPP funds back to [REDACTED]

usually through internet-based cash transaction applications.

- v. [REDACTED] would also assist many of the PPP applicants in successfully applying for forgiveness for their loans.
- b. Understanding that **DEFENDANT KEHINDE LADEPO** wished to acquire PPP funds and had previously been denied, [REDACTED] arranged for [REDACTED] who in turn arranged for [REDACTED] to assist **DEFENDANT KEHINDE LADEPO** in the District of South Carolina.
- c. [REDACTED] had each recently received a fraudulent PPP loan themselves by overstating income and claiming ownership of non-existent businesses.
- d. **DEFENDANT KEHINDE LADEPO** provided [REDACTED] his PII, [REDACTED] completed an online PPP application for a non-existent business with falsified income amounts, and **DEFENDANT KEHINDE LADEPO** submitted the application containing false information on May 7, 2021.
- e. **DEFENDANT KEHINDE LADEPO** received a PPP loan in the amount of \$20,832 on June 10, 2021, and caused payment to be delivered to [REDACTED]. This loan was ultimately forgiven.
- f. **DEFENDANTS** accordingly caused numerous wires to be submitted in furtherance of the fraudulent scheme.
- g. In total, [REDACTED] national scheme attempted to procure nearly \$2 million in PPP loans, and did procure nearly \$1 million in PPP loans.

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

Total Funds Attempted: \$1,853,219
 Total Funds Disbursed: \$936,611

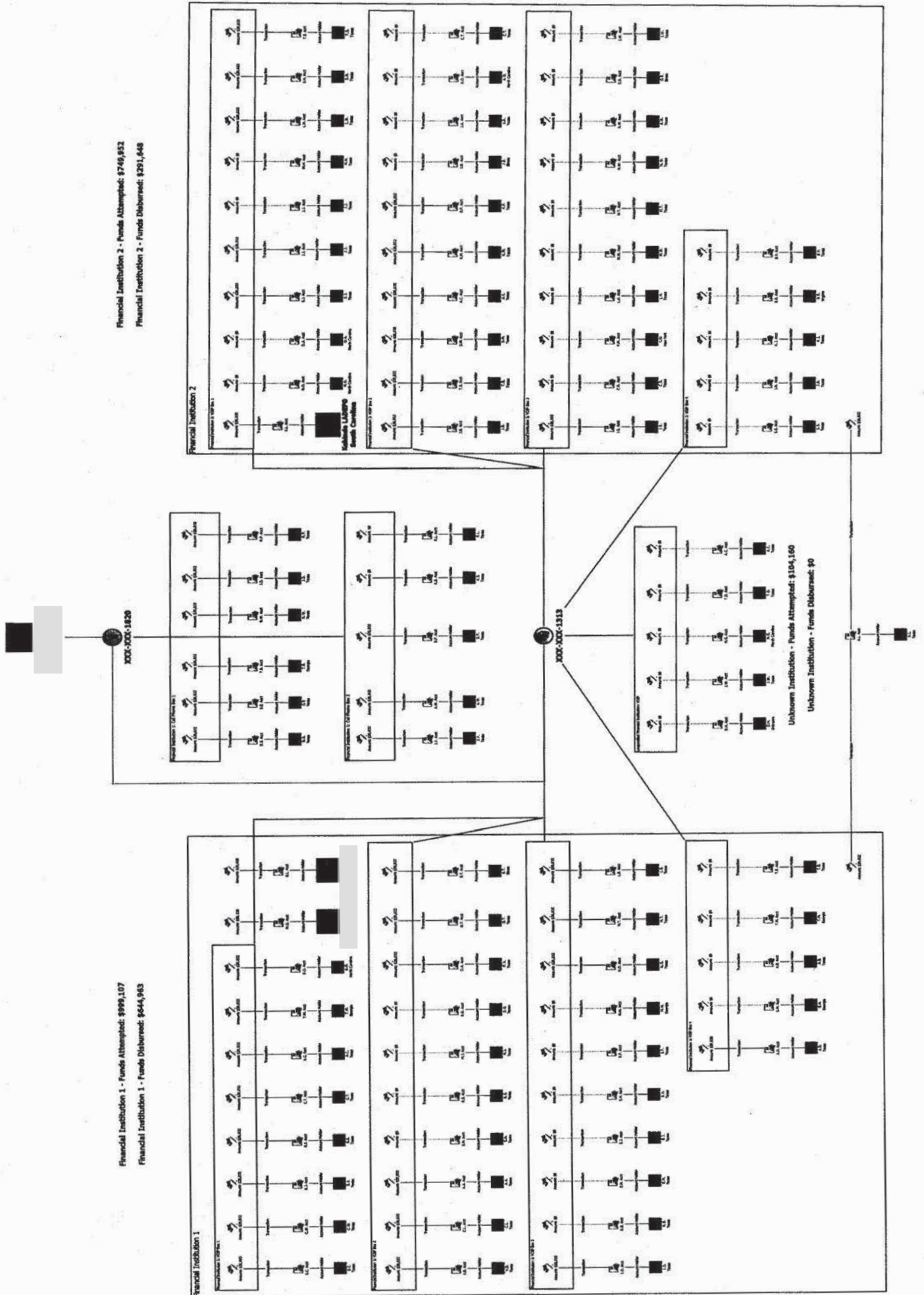


Figure 1: DEFENDANT National Scheme

FORFEITURE

FRAUD/CONSPIRACY:

Upon conviction to violate Title 18, United States Code, Sections 1343 and 1349 as charged in this Indictment, [REDACTED] **KEHINDE MUBARAK LADEPO**, [REDACTED]

[REDACTED] shall forfeit to the United States any property, real or personal, constituting, derived from, or traceable to proceeds the Defendants obtained directly or indirectly as a result of such offenses.

PROPERTY:

Pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), the property which is subject to forfeiture upon conviction of the Defendants for the offenses charged in this Indictment includes, but is not limited to, the following:

Cash Proceeds/Forfeiture Judgment:

A sum of money equal to all property the Defendants obtained as a result of the wire fraud conspiracy offense charged in this Indictment, and all interest and proceeds traceable thereto as a result of their violations of 18 U.S.C. §§ 1343 and 1349.

SUBSTITUTION OF ASSETS:

If any of the property described above as being subject to forfeiture, 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 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 intent of the United States, pursuant to Title 21, United States Code, Section 853(p), as incorporated by 18 U.S.C. § 982(b)(1) to seek forfeiture of any other property of Defendants up to an amount equivalent to the value of the above-described 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

FOREPERSON

ADAIR F. BOROUGHS
UNITED STATES ATTORNEY

By: 
Derek A. Shoemake (#10825)
Assistant U.S. Attorney
401 West Evans Street, Suite 222
Florence, South Carolina 29501
Tel.: (843) 665-6688
Fax: (843) 678-8809
Email: Derek.Shoemake@usdoj.gov