UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA

v. CASE NO. 6:25-cr-161-JSS-NWH

VERLYNN HORNE

UNITED STATES' SENTENCING MEMORANDUM

The United States of America seeks a sentence of 51 months of imprisonment for the defendant Verlynn Horne, which is on the high end of her guidelines range. For the reasons below, such a sentence is sufficient but not greater than necessary to comply with the purposes of 18 U.S.C. § 3553(a).

BACKGROUND

During the summer of 2020, the defendant fraudulently applied for and obtained multiple COVID-19 Economic Injury Disaster Loans ("EIDLs") and Paycheck Protection Program ("PPP") loans. *See* ECF No. 65 at 18–19.

On July 23, 2020, the defendant fraudulently applied for a PPP loan on behalf of Platinum Status Consulting Inc. ("PSC"). *Id.* at 18. The defendant was the Chief Executive Officer of PSC, which was incorporated in Florida on June 9, 2020, after the COVID-19 pandemic began. *Id.* PSC had no business operations or payroll prior to the pandemic. *Id.* The application falsely claimed that PSC had eleven employees and a monthly payroll of $70,000. *Id.* In support of the application, the defendant submitted false documents, including a false 2019 tax return and false Form 1099-MISCs. *Id.* at 19. One of the Form 1099-MISCs falsely represented that E.L. was an employee of PSC. *Id.* However, during an interview with law enforcement, E.L. stated that she was not an employee of PSC and had not received any income from PSC. *Id.* Fifth Third Bank granted the application and transferred $175,000 into a PSC bank account controlled by the defendant. *Id.*

On August 3, 2020, the defendant fraudulently applied for a PPP loan on behalf of Good Neighbor Tax Service Inc. ("GNTS"). *Id.* The defendant was the Chief Financial Officer of GNTS, which was incorporated before the COVID-19 pandemic but had no business operations, employees, or payroll. *Id.* In July 2020, after the pandemic began, the defendant reinstated GNTS, listing herself and her spouse as officers. *Id.* The application falsely claimed that GNTS had $941,152 in gross receipts, $56,220 in net income, and twelve employees with a monthly payroll of $65,166. *Id.* In support of the application, the defendant submitted false documents, including a false 2019 tax return. *Id.* Fifth Third Bank granted the application and transferred $162,915 into a GNTS bank account controlled by the defendant. *Id.*

The defendant also helped prepare and submit fraudulent COVID-19 loan applications on behalf of at least 35 other entities and individuals, who collectively received $4,476,437 in total. *Id.* at 18. In exchange for her work on the other individuals' fraudulent applications, the defendant received a cut of their loan proceeds, totaling $2,180,015. *Id.* As a result of her scheme, the defendant received a total of $2,517,930, and used a portion of those funds to pay for a residence in Winter Garden, Florida. *Id.* at 18, 20.

Despite receiving over $2.5 million in COVID-19 loan funds, the defendant did not submit a tax return for herself or her entities that reported income for the years 2020 or 2021. *Id.* at 21. For those two years, the defendant owed a total of $766,707.20 to the Internal Revenue Service ("IRS"). ECF No. 85 (Presentence Investigation Report ("PSR")) ¶ 40.

On June 4, 2025, a federal grand jury returned a thirteen-count indictment charging the defendant with nine counts of wire fraud, in violation of 18 U.S.C. § 1343 (Counts One through Nine); one count of aggravated identity theft, in violation of 18 U.S.C. § 1028A(a)(1) (Count Ten); one count of transactional money laundering, in violation of 18 U.S.C. § 1957 (Count Eleven); and two counts of willful failure to file tax returns, in violation of 26 U.S.C. § 7203 (Counts Twelve and Thirteen) (the "Indictment"). ECF No. 1.

On April 7, 2026, the defendant pleaded guilty to Counts Six and Twelve of the Indictment pursuant to a plea agreement. ECF Nos. 65, 67. As noted in the PSR, if the defendant were convicted of Count Ten of the Indictment, she would have faced a mandatory consecutive two-year term of imprisonment. PSR ¶ 88.

The Court adjudicated the defendant guilty on April 23, 2026. ECF No. 73.

The defendant's sentencing hearing is set for August 17, 2026. ECF No. 84.

ARGUMENT

The United States of America seeks a sentence of 51 months of imprisonment, which is on the high end of the defendant's guidelines range of 41 to 51 months. PSR ¶ 87. Under 18 U.S.C. § 3553(a), the factors that the Court should consider when imposing a sentence include:

> (1) the nature and circumstances of the offense and the history and characteristics of the defendant;
>
> (2) the need for the sentence imposed—
>
> > (A) to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense;
> >
> > (B) to afford adequate deterrence to criminal conduct;
> >
> > (C) to protect the public from further crimes of the defendant; and
> >
> > (D) to provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner . . . .

18 U.S.C. § 3553(a)(1)–(2).

First, the nature and circumstances of the defendant's offenses are serious. The defendant took advantage of and profited from the Small Business Administration's COVID-19 economic assistance programs, which were intended to help businesses and employees negatively impacted by the pandemic. The defendant not only submitted multiple fraudulent loan applications on behalf of her own non-operational businesses, but she also helped prepare and submit fraudulent applications on behalf of at least 35 other entities and individuals, in exchange for a portion of the loan proceeds. These applications listed false figures regarding the businesses' number of employees, income, and expenses, and included falsified tax documents. In particular, the defendant's application on behalf of PSC included a tax document falsely representing that an individual, E.L., was an employee. But E.L. told law enforcement that she was not a PSC employee, had not received any income from PSC, and was not aware that her identity had been used in connection with a PPP loan application.

In sum, the defendant's role in the submission of numerous fraudulent loan applications—which involved the use of at least one individual's personal identifiable information without their authorization—resulted in the disbursement of over $4.8 million in loan proceeds to the defendant and her clients. *See* PSR ¶ 40. Despite not having any real business entitled to COVID-19 relief, the defendant in essence created a business out of filing fraudulent loan applications, as she personally received over $2.5 million from the scheme. These millions of taxpayer dollars were required to be spent on legitimate businesses' payroll and other expenses. Instead, the defendant used a portion of her proceeds to purchase a home for her and her spouse. Furthermore, the defendant failed to file tax returns or report any of her earnings from her fraudulent scheme for the years 2020 and 2021. The defendant owed but failed to pay the IRS $766,707.20, causing a significant loss to another federal government agency.

With respect to the defendant's history and characteristics, the government recognizes that the defendant is the caretaker of her fifteen-year-old son, and that she has physical and mental health issues. Those physical health issues were the primary basis for the numerous continuances of trial in this case. The government also acknowledges that the defendant has no criminal history and ultimately accepted responsibility, as reflected in the two-level adjustment for being a zero-point offender and three-level adjustment for acceptance of responsibility. PSR ¶¶ 55–57. However, taking everything into consideration—particularly the circumstances of the offense involving the unauthorized use of another person's personal information, and resulting in a significant loss to two government agencies—a sentence of 51 months is warranted. Such a sentence is sufficient, but not greater than necessary, to comply with the purposes of 18 U.S.C. § 3553(a)—specifically, to reflect the seriousness of the defendant's offense, promote respect for the law, provide just punishment, and deter her from committing similar conduct in the future.

CONCLUSION

For the foregoing reasons, the United States respectfully requests that the Court sentence the defendant to a term of imprisonment of 51 months.

Respectfully submitted,

GREGORY W. KEHOE
United States Attorney

/s/ Diane S. Hu
Diane S. Hu
Assistant United States Attorney
United States Attorney No. 220
400 W. Washington Street, Suite 3100
Orlando, Florida 32801
(407) 648-7500
diane.hu@usdoj.gov