IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA

v.

GEORGE MENSAH, JR.,
Also known as "Flexheem,"
Also known as "Flexxheem,"
Also known as "Flex,"

Defendant.

Case No. 1:23-cr-168

STATEMENT OF FACTS

1. The United States and the defendant, GEORGE MENSAH, JR. (hereinafter, "defendant" or "Mensah"), agree that at trial, the United States would have proven the following facts beyond a reasonable doubt with admissible and credible evidence:

2. As background, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 and designed to provide emergency financial assistance expeditiously to 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 billions of dollars in forgivable loans to small businesses through a program referred to as the Paycheck Protection Program ("PPP"). The recipients of the PPP loans were supposed to use the loans on specific permissible business expenses, such as making payroll payments.

3. Several federal programs also expanded unemployment insurance eligibility and increased unemployment benefits during the pandemic. The purpose of the expanded unemployment insurance ("UI") benefits was to assist those who lost their jobs through no-fault

of their own and that pandemic unemployment benefits ("pandemic benefits") were to assist individuals whose employment, or self-employment, was negatively impacted by COVID-19.

4. The defendant went by other names including, "Flexheem," "Flexxheem," and "Flex."

5. From October 2020 through May 2021, the defendant lived in different places within Fairfax County, Virginia, which is within the Eastern District of Virginia. Specifically, the defendant used a property on Meteor Place in Springfield, Virginia (hereinafter, the "Meteor Place address") and resided at an address in Tysons Central Street, in McLean, Virginia (hereinafter, the "Tysons Central address.")

6. During this time, the defendant's parents lived in Alexandria, Virginia on Beechcliff Drive (hereinafter, the "Beechcliff address.") The defendant also spent time at the Beechcliff address.

The Wire Fraud and Mail Fraud Conspiracy

7. From at least in or around October 2020 through at least in or about September 2021, the defendant conspired with Coconspirator-1, Coconspirator-2, and others to commit wire fraud and mail fraud. Specifically, the defendant agreed with Coconspirator-1, Coconspirator-2, and others to submit materially false applications for PPP funded loans and caused to be transmitted by means of wire communication in interstate commerce writings, signs, signals, pictures, and sounds for the purpose of executing the scheme and artifice to defraud. The defendant also knowingly and willfully agreed with Coconspirator-1, Coconspirator-2, and others to commit mail fraud. The defendant and his coconspirators agreed to use the U.S. mail to execute this scheme and enrich themselves by obtaining UI and pandemic benefits that they were not entitled to receive.

PPP Loan Fraud Scheme

8. The defendant knew that one of the objects of the conspiracy was for him and his coconspirators to enrich themselves by obtaining PPP loan funds for purported "businesses," even though these businesses did not actually exist and were not entitled to receive PPP loans. Another purpose of the conspiracy was for the defendant and his coconspirators to obtain fees. Specifically, the defendant charged the individuals or the purported "business owners" who received the fraudulent PPP loans a fee, often between $4,000 to $6,000, for preparing the PPP loan applications.

9. The defendant and his conspirator's recruited others to have PPP loan applications prepared in others' names. The defendant approached at least one person in a club to prepare a PPP loan application on their behalf. The defendant also communicated with individuals over social media and text messaging about preparing PPP loan applications. The defendant worked with others, including Coconspirator-2, to recruit applicants for the PPP loans.

10. The defendant and his coconspirators prepared at least 47 fraudulent PPP loan applications for fake businesses. Further, the defendant knew that the businesses were not real and therefore were not entitled to the PPP loan proceeds. While the defendant did not submit every application, he assisted others in their submission of the applications. In total, at least 21 applications were successfully submitted and caused and actual loss of at least $583,172. Of these 21 fraudulent PPP loan applications, at least 19 of the fraudulent applications were submitted from the Meteor Place address between April 11, 2021 and May 20, 2021.

11. The defendant and his coconspirators created false tax returns, including Schedule C forms, and fake bank statements to accompany the fraudulent PPP loan applications.

12. The defendant and his coconspirators used at least two laptops to fabricate the tax returns and bank statements. At least 39 fabricated documents for PPP loan applications were found on the "Flexheem" profile on the defendant's laptop (the "Flexheem laptop"). Additionally, the defendant or a coconspirator also used the Flexheem laptop to visit the website of Blueacorn, a PPP loan provider. False documents for five other PPP loan applications were found on another laptop at the Beechcliff address (the "Beechcliff laptop").

13. The fraudulent PPP loan applications and underlying fabricated records were very similar. Most of these fraudulent PPP loan applications resulted in a payout of exactly $20,832. Further, many of the fraudulent loan applications were submitted on the same day. For example, five applications were electronically signed on or about May 14, 2021 all within two hours of each other. Then on or about April 29, 2021, five other applications were electronically signed within three hours of each other; some of which were signed within minutes of each other. Each application in these groupings used the same IP address to electronically sign the loan document. As to the fabricated supporting records, the Forms Schedule C on the two laptops also had similarities. For example, 20 of the false Forms Schedule C listed the loan applicants' gross income as $107,990.

14. The defendant and his coconspirators collected fees through CashApp accounts and bank transfers. For example, Individual-1 was approved for a PPP loan in the amount of $20,832 on May 12, 2021. Individual-1 made multiple payments to the defendant through Zelle, an electronic platform for bank transfers, before and after he received the PPP loan. Specifically, Individual-1 sent the defendant the following electronic payments: $200 on April 12, 2021, $3,200 on May 24, 2021, and $400 on October 22, 2021.

Unemployment Fraud Scheme

15. The defendant knew that another object of the conspiracy was to obtain funds by submitting false and fraudulent UI and pandemic benefit applications with the Virginia Employment Commissions ("VEC") and other state agencies, (referred to as state workforce agencies "SWA") that administer UI for their particular states. The defendant and his coconspirators obtained the personal identifying information ("PII"), including names, social security numbers and dates of birth, of real people and used that information to make fraudulent UI and pandemic claims. The defendant knew that as a result of the fraudulent UI and pandemic claims, and at his conspirators' request, the VEC would send the UI and pandemic benefits on prepaid debit cards mailed to the addresses directed by the conspirators. Specifically, as a result of the claims, the VEC would send, via US mail, the benefits on Way2Go prepaid debit cards. Future claims, which were made through weekly certifications, were then paid on the prepaid cards.

16. The defendant and his coconspirators submitted many UI and pandemic claims to VEC. The defendant and his coconspirators listed the Beechcliff address on at least 26 of their fraudulent applications to the VEC, and the VEC funded 21 of those fraudulent applications. At least 10 of the UI applications were submitted from the same IP address. The UI and/or pandemic benefit claims were in the names of many others. Some of the PII used for the claims was from identity theft victims. All of the claims submitted by the defendant and his coconspirators were fraudulent.

17. The defendant and his coconspirators also fraudulently obtained UI funds from other states, including Ohio, Texas, California, and others. Some of these funds were paid via checks that were sent through the mail and others were received via ACH bank transfer.

18. Coconspirator-1 and others notified the coconspirators when certain SWAs were accepting UI and pandemic benefit applications.

19. The defendant and his conspirators used internet-connected devices, including their phones, to complete and submit applications for UI and pandemic benefits to the VEC and other SWAs.

20. The defendant, and his conspirators, used various addresses to make claims and to receive through the mail VEC PINs, Way2Go cards, and other VEC correspondence. The defendant and his coconspirators shared different addresses among themselves to make these claims and asked each other for different addresses when submitting UI and pandemic benefits claims.

21. Along with using real persons' PII the defendant and his conspirators included materially false information in the applications and certifications. Among other such information, conspirators provided false employment and wage history, as well as false contact information, including addresses, email addresses, and phone numbers.

22. The defendant and his conspirators falsely certified the truth and accuracy of all information included in the UI and pandemic benefit applications, as well as the purported claimants' eligibility to receive those benefits, when—in truth and fact, as the defendant and his conspirators then and there well knew—such information was not true and accurate and neither the defendant, his conspirators nor the individuals identified as claimants were then eligible to receive the benefits sought through these applications.

23. The defendant and his conspirators thereby caused the VEC, and financial institutions on behalf of the VEC, to send the Way2Go prepaid debit cards through the U.S. mail

and by private and commercial interstate carriers to the addresses that the defendant and conspirators identified in the corresponding applications for UI benefits and pandemic benefits.

24. As a result of the false UI and/or pandemic claims submitted by the defendant and his coconspirators, at least 20 Way2Go cards were mailed to the Beechcliff address where the defendant's parents lived. For example, a Way2Go card in the name of B.J. was mailed to the Beechcliff address. This particular Way2Go card was then used to purchase several items from the defendant's Uber Eats, a technology-based food delivery company, account in November 2020 and July 2021.

25. The defendant and his coconspirators shared details regarding the Way2Go cards as to facilitate the retrieval of the cards. For example, on or about October 16, 2020, the defendant texted Coconspirator-1 the PII of the 20 individuals, including B.J., whose names were used to obtain Way2Go cards that ware mailed to the Beechcliff address. The defendant also mentioned the Beechcliff address in the text chain.

26. Once the VEC, or other SWAs, authorized UI and pandemic benefits in connection with false and fraudulent applications, in order to continue to receive additional benefits, the defendant and his conspirators continued to file claims by submitting false weekly certifications that the purported claimant remained eligible to receive those benefits.

27. The defendant and his conspirators disbursed the UI and pandemic benefit funds deposited on the Way2Go cards through various transactions, including ATM cash withdrawals, some of which included large sums of cash.

28. For example, on or about October 2020, the defendant and his conspirators filed multiple pandemic benefit claims in the name of an identity theft victim, S.G. The defendant and his coconspirators used S.G.'s real social security number and date of birth and claimed that S.G.

was entitled to pandemic benefits because her place of employment was closed as a direct result of the COVID-19 public health emergency. The defendant and his coconspirators certified that all the information given in the applications was correct, when in fact S.G. did not work in Virginia and was not entitled to receive Virginia UI. The address, phone number, and email address listed on the S.G. VEC application for UI and pandemic benefits was also incorrect. The defendant did not know S.G. and had no legitimate reason to apply for claims in S.G.'s name. The UI and pandemic benefit claims were funded on a Way2Go card in S.G.'s name that was originally mailed to the Beechcliff address. The funds on the S.G. Way2Go card were used to pay a Cox Communication bill for a Meteor Place address. The defendant possessed the S.G. Way2Go card at his Tysons Corner address.

29. The defendant possessed at least 22 Way2Go cards in his Tysons Central address which were obtained unlawfully by making fraudulent UI and/or pandemic benefit claims. Specifically, the defendant kept the Way2Go cards in his bedroom and the armrest of the living room couch. None of the 22 Way2Go cards were in the defendant's name. Five of the Way2Go cards had previously been mailed to the Beechcliff address in Alexandria.

30. The defendant also received unemployment assistance from Ohio. On or about February 23, 2021, the defendant received Ohio unemployment assistance funds in a brokerage account in his name. The unemployment claim was made in the name of an Ohio resident, G.H. The defendant did not know G.H. and had no legitimate reason to apply for claims in G.H.'s name. After receiving $6,804 from the Ohio SWA, the defendant then transferred these funds to his personal checking account.

31. Through the course of the conspiracy, the defendant and his coconspirators obtained at least $658,952 in fraudulently obtained UI and pandemic benefits, including at least 10 applications which were submitted in the names of identity theft victims.

32. The parties agree that the total actual loss, for the PPP loan fraud and unemployment insurance fraud, is between $550,000 and $1,500,000.

Other Relevant Conduct

33. The defendant and Coconspirator-1 possessed stolen checks, fraudulent identity documents, and blank check stock in the Tysons Corner apartment. Specifically, the defendant and Coconspirator-1 possessed 111 stolen Treasury Checks at that apartment. The defendant and his coconspirators sometimes altered the checks before depositing them.

34. Furthermore, the defendant, Coconspirator-1, and others would recruit individuals so as to use their bank accounts. The defendant and his conspirators instructed the individuals to provide the login credentials to their bank accounts or to open new bank accounts. The bank accounts would be used to receive fraudulent proceeds, including stolen Treasury checks and UI fraud proceeds. Once the funds were deposited and cleared the account, the funds would be transferred via CashApp or other electronic payment platforms or withdrawn in cash. The cash would then be delivered to the to the defendant and his coconspirators.

35. For example, in and around December 2021, one of the defendant's coconspirators approached Individual-3 and asked Individual-3 to provide access to his Wells Fargo bank account and debit card to the conspirators. Individual-3 agreed to share this information with the conspirators. On or about December 11, 2021, two non-Treasury counterfeit checks written for a combined value of $61,625.91 were deposited into Individual-3's and Individual-4's Wells Fargo

bank accounts. The defendant withdrew funds from Individual-3's account after the counterfeit checks cleared.

36. The defendant and his coconspirators also sometimes created new bank accounts using their own or fabricated identities. The defendant and his coconspirators received fraud proceeds in the new bank accounts. They then withdrew those funds as cash or electronically transferred them elsewhere.

37. For example, the defendant and Coconspirator-1 created a bank account under the fabricated identity "F.W." This account received UI funds from multiple states, as well as funds from a Treasury Check stolen from the mail. The defendant transferred these funds to his personal bank account and Coconspirator-1 withdrew apportion of the funds in cash.

38. As another example, the defendant opened a brokerage account in his own name. This account received UI funds from Ohio, from an application that was fraudulently submitted in an identity theft victim's name. The funds were then transferred to the defendant's personal bank account.

39. The defendant possessed three fraudulent passport cards in the top drawer of his bedside nightstand. One of the passport cards used an assumed identity but contained a photograph of the defendant. The defendant also possessed two counterfeit identification cards in an envelope labeled "Flex."

40. This statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not include each and every fact known to the defendant or to the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case.

41. The actions of the defendant, as recounted above, were in all respects knowing and deliberate, and were not committed by mistake, accident, or other innocent reason.

Respectfully submitted,

Jessica D. Aber
United States Attorney

Date: 10/18/2023

By: _____
Kathleen Robeson
Kimberly M. Shartar
Assistant United States Attorneys
Ezra Spiro
Special Assistant United States Attorney

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, GEORGE MENSAH, JR., and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

GEORGE MENSAH, JR.

I am George Mensah, Jr.'s defense attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

David Smith, Esq.
Attorney for GEORGE MENSAH, JR.