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CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA
BY s/ STN DEPUTY

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF CALIFORNIA

February 2023 Grand Jury

UNITED STATES OF AMERICA, Plaintiff, v. LERONCE SUEL, Defendant.	Case No. 23CR0965-RBM I N D I C T M E N T (Superseding) Title 18, U.S.C., Sec. 1349 - Conspiracy to Commit Wire Fraud; Title 18, U.S.C., Sec. 1343 - Wire Fraud; Title 18, U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C., Sec. 1956(h) - Money Laundering Conspiracy; Title 18, U.S.C., Sec. 371 - Conspiracy to Defraud the United States; Title 26, U.S.C., Sec. 7201 - Tax Evasion; Title 26, U.S.C., Sec. 7206(1) - Filing False Tax Return; Title 26, U.S.C., Sec. 7203 - Failing to File a Tax Return; Title 18, U.S.C., Secs. 982(a)(1)(C), 982(a)(1), and 982(a)(2), and Title 28, U.S.C., Sec. 2461(c) - Criminal Forfeiture

The grand jury charges, at all times relevant herein:

Persons, Entities, and Background

1. Defendant LERONCE SUEL ("SUEL") was a United States citizen residing in or around San Diego, California, within the Southern District of California.

2. SUEL and UNINDICTED CO-CONSPIRATOR 1 ("UCC-1") were the owners of Rockstar Dough LLC and Chicken Feed LLC, which operated a series of

restaurants in or around San Diego, California, hereinafter the "Restaurant Group."

3. SUEL had an 85 percent ownership share of Rockstar Dough LLC. UCC-1 had a 15 percent ownership share of Rockstar Dough LLC.

4. SUEL had a 70 percent ownership share of Chicken Feed LLC. UCC-1 had a 15 percent ownership share of Chicken Feed LLC. A trust was a 15 percent owner of Chicken Feed LLC.

5. The Paycheck Protection Program (PPP) was a Small Business Administration (SBA) backed loan that helped businesses keep their workforce employed during the COVID-19 crisis. One version of a PPP loan was known as the "First Draw" PPP loan, which could be used to help fund payroll costs, including benefits, and could also be used to pay for mortgage interest, rent, utilities, worker protection costs related to COVID-19, uninsured property damage costs caused by looting or vandalism during 2020, and certain supplier costs and expenses for operations.

6. SBA forgave loans if all employee retention criteria were met, and the funds were used for eligible expenses. First draw PPP loans made to eligible borrowers qualified for full loan forgiveness if during the 8- to 24- week covered period following loan disbursement: employee and compensation levels were maintained, loan proceeds were spent on payroll costs and other eligible expenses, and at least 60 percent if the proceeds were spent on payroll costs.

7. PPP allowed certain eligible borrowers that previously received a PPP loan to apply for a "Second Draw" PPP loan with the same general loan terms as their Frist Draw PPP loan.

8. The Restaurant Revitalization Fund (RRF) was an SBA program that provided emergency assistance for eligible restaurants, bars, and other qualifying businesses impacted by COVID-19. This program provided

restaurants with funding equal to their pandemic-related revenue loss up to $10 million per business and no more than $5 million per physical location. Recipients were not required to repay the funding so long as the funds were used for eligible uses no later than March 11, 2023.

9. The Employee Retention Credit (ERC) was a refundable tax credit against certain employment taxes equal to 50 percent of the qualified wages an eligible employer paid to employees after March 12, 2020 and through December 2020. For 2021, the ERC was a refundable tax credit against certain employment taxes equal to 70 percent of the qualified wages an eligible employer paid to employees after December 31, 2020 and through September 2021. For purposes of the ERC, an eligible employer was a business with operations that were partially or fully suspended due to government orders due to COVID-19 or a business that had a 50 percent decline in gross receipts as compared to the same quarter in 2019.

10. The Internal Revenue Service ("IRS") was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States Department of the Treasury.

11. IRS Form 1040, U.S. Individual Income Tax Return ("Form 1040") was a form that could be used by taxpayers to file their individual income tax return.

12. IRS Form 1065, U.S. Return for Partnership Income "Form 1065" was used by businesses that elected to be treated as a partnership to report information such as income, gains, losses, deductions, and credits. A partnership does not pay tax on its income but any profits or losses flow-through to its partners. Partners must include partnership items on their tax or information returns.

13. IRS Form 1120-S, U.S. Income Tax Return for an S Corporation ("Form 1120-S") was used by businesses that elected to be treated as an S Corporation to report information such as income, deductions, and dividends paid to shareholders. An S Corporation does not pay taxes on its income but any profits or losses flow-through to its shareholder. Shareholders must include S Corporation items on their tax or information returns.

14. Schedule K-1 (Form 1065 or 1120-S), Partner's or Shareholder's Share of Income, Deductions, Credits, etc. ("Schedule K-1") was used to report a partner's or shareholder's share of a Partnership or S corporation's income, deductions, credits, and other items. The partnership or corporation was required to issue the Schedule K-1 to both the IRS and its partners or shareholders.

15. For tax year 2020, Rockstar Dough LLC filed a tax return with the IRS using Form 1120-S for S-corporations.

16. For every quarter from at least on or around December 2014 until at least on or around December 2021, Rockstar Dough LLC had employees. Rockstar Dough LLC was required to withhold taxes from its employee's paychecks. These taxes included federal income taxes, as well as Social Security and Medicare taxes (often referred to as Federal Insurance Contribution Act "FICA" taxes). Collectively, these three components are commonly referred to as "trust fund taxes."

17. In addition to the trust fund taxes, Rockstar Dough LLC was separately required to make contributions for Social Security and Medicare in amounts matching the amounts withheld from its employees' pay. Collectively, the trust fund taxes, and the matching Social Security and Medicare contributions are commonly referred to as "employment taxes."

18. Rockstar Dough LLC was required to make deposits of the withheld employment taxes to the IRS for each quarter that it paid wages to employees. Additionally, Rockstar Dough LLC was required to file with the IRS, following the end of each calendar quarter, an IRS Form 941, Employer's Quarterly Federal Income Tax Return ("Form 941"), setting forth the total amount of trust fund taxes withheld, the total amount of Medicare and Social Security taxes due, and the total tax deposits. The deadline to file a Form 941 is the last day of the month following the last day of each quarter.

Count 1

[Conspiracy to Commit Wire Fraud - 18 U.S.C. § 1349]

19. Paragraphs 1 through 18 of the Superseding Indictment are re-alleged and incorporated by reference.

20. Beginning in or about March 2020 and continuing until at least June 2022, within the Southern District of California, and elsewhere, defendant LERONCE SUEL and UCC-1 knowingly conspired and agreed with each other, to commit the offense of wire fraud, in violation of Title 18, United States Code, Section 1343, that is, defendant devised and intended to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing and attempting to execute such scheme and artifice, transmitted and caused to be transmitted in interstate and foreign commerce certain wire communications.

A. Object of the Conspiracy

21. It was the object of the conspiracy that SUEL and UCC-1 would unjustly enrich themselves by submitting intentionally false loan and loan forgiveness applications to the SBA.

B. Manner and Means

22. It was a part of the conspiracy that SUEL and UCC-1 devised a scheme through which they under reported gross receipts of Rockstar Dough LLC for tax year 2020 on Form 1120-S filed with the IRS to show a false financial loss so that Rockstar Dough LLC could qualify for Paycheck Protection Program loans and loan forgiveness and Restaurant Revitalization Funding program loans.

23. It was also a part of the conspiracy that SUEL and UCC-1 made materially false representations on loan and loan forgiveness applications submitted to the SBA so that Rockstar Dough LLC and Chicken Feed LLC would receive Paycheck Protection Program loans and Restaurant Revitalization Funding loans.

C. Overt Acts

24. The following overt acts in furtherance of the conspiracy, among others, were committed within the Southern District of California, and elsewhere:

a. For tax year 2020, UCC-1 sent a fraudulent profit and loss statement to Accountant 1 for Rockstar Dough LLC, who relied upon this fraudulent profit and loss statement to prepare Rockstar Dough LLC's Form 1120-S titled "U.S. Income Tax Return for an S Corporation."

b. SUEL and UCC-1 then caused Rockstar Dough LLC to file a Form 1120-S with the IRS for tax year 2020. On that form, Rockstar Dough LLC reported its gross receipts were $675,026 and that its ordinary business loss was $619,896. However, SUEL and UCC-1 knew Rockstar Dough LLC received gross receipts totaling at least $2,452,511 from various merchant processers—such as UberEats, Postmates, DoorDash, and Square, among others—as reported on Forms 1099-K mailed to SUEL and UCC-1 and filed with the IRS by those merchant processors. Thus, SUEL and UCC-1 caused at least $1,777,785 of Rockstar Dough LLC's revenue not be reported to the Internal Revenue Service for tax year 2020.

c. On May 12, 2020, Rockstar Dough LLC received a First Draw Paycheck Protection Program loan in the amount of $82,850 deposited into its Wells Fargo business bank account ending in -9744. On July 15, 2021, SUEL knowingly filed via the Internet an application seeking forgiveness of the $82,850 loan to the SBA by falsely certifying that Rockstar Dough LLC spent the entire loan on payroll costs between May 12, 2020 and July 11, 2020. However, this certification was false, as shown on Rockstar Dough LLC's Forms 941, which show total wages of $0 for the second quarter of 2020 and total wages of $29,408 for the third quarter of 2020.

d. On May 13, 2020, Chicken Feed LLC received a First Draw Paycheck Protection Program loan in the amount of $142,345 deposited into its Wells Fargo business bank account ending in -7285. On July 15, 2021, SUEL knowingly filed via the Internet an application seeking forgiveness of the $142,345 loan to the SBA by falsely certifying that Chicken Feed LLC used the loan for approved expenses such as wages and rent, even though, in truth, Chicken Feed LLC was not in operation during the relevant time, paid $0 in wages, and did not pay its landlord any rent during the relevant period.

e. On January 14, 2021, SUEL submitted via the Internet a Second Draw Paycheck Protection Program loan application to the SBA on behalf of Chicken Feed LLC in which SUEL falsely certified that, among other things, Chicken Feed LLC used its First Draw Paycheck Protection Program loan for "eligible expenses" when it had in fact not done so. On March 29, 2021, Chicken Feed LLC received a Second Draw Paycheck

Protection Program loan in the amount of $181,455 deposited into its Wells Fargo business bank account ending in -7285.

f. On January 14, 2021, SUEL submitted via the Internet a Second Draw Paycheck Protection Program loan application to the SBA on behalf of Rockstar Dough LLC in which SUEL falsely certified that Rockstar Dough LLC had realized a reduction in gross receipts in excess of 25% between tax years 2019 and 2020 when in fact SUEL knew Rockstar Dough LLC increased gross receipts between tax years 2019 and 2020. On April 16, 2021, Rockstar Dough LLC received a Second Draw Paycheck Protection Program loan in the amount of $105,728 deposited into its Wells Fargo business bank account ending in -9744.

g. On May 3, 2021, UCC-1 submitted a false Restaurant Revitalization Fund loan application to the SBA via the Internet on behalf of Rockstar Dough LLC. As part of that application's supporting documents, UCC-1 submitted Rockstar Dough LLC's Form 1120-S for tax year 2020 that intentionally and falsely underreported Rockstar Dough LLC's gross receipts to qualify for the loan. On May 26, 2021, Rockstar Dough LLC received a deposit of $526,000 from SBA's Restaurant Revitalization Fund into its Wells Fargo business bank account ending in -7285.

h. On May 3, 2021, UCC-1 submitted a false Restaurant Revitalization Fund loan application to the SBA via the Internet on behalf of Chicken Feed LLC. As part of that application's supporting documents, UCC-1 made materially false representations in the loan application to qualify for the funds. For instance, UCC-1 stated that the loan would be used for "business payroll costs," "business rent," and "business food and beverage expenses." On May 24, 2021, Chicken Feed LLC received a deposit of $734,867 from the SBA's Restaurant Revitalization Fund into its Wells Fargo business bank account ending in -7285. Instead of using the money for the stated purpose, on May 26, 2021, UCC-1 withdrew $734,000 from the account ending in -7285 via a cashier's check payable to UCC-1 and SUEL.

i. On June 23, 2022, SUEL and UCC-1 concealed $2,421,345 in U.S. currency in their residence.

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

Counts 2-5

[Wire Fraud - 18 U.S.C. §§ 1343 & 2]

25. Paragraphs 1 through 18 and 21 through 24 of the Superseding Indictment are re-alleged and incorporated by reference.

26. Between in or about March 2020 and July 2021, within the Southern District of California, and elsewhere, defendant LERONCE SUEL and UCC-1, did knowingly devise and intend to devise a scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and for the purpose of executing a scheme for obtaining money by means of false and fraudulent pretenses, representations, and promises, did knowingly transmit and cause to be transmitted by means of a wire communication into interstate commerce certain writings, signs, signals, and pictures as more particularly described in the following table:

Count	Date	Interstate Wire
2	January 14, 2021	Submission of a Second Draw Paycheck Protection Program Loan Application on behalf of Rockstar Dough LLC, causing an interstate wire.
3	January 14, 2021	Submission of a Second Draw Paycheck Protection Program Loan Application on behalf of Chicken Feed LLC, causing an interstate wire.
4	July 15, 2021	Submission of a First Draw Paycheck Protection Program Loan Forgiveness Application on behalf of Rockstar Dough LLC, causing an interstate wire.

Count	Date	Interstate Wire
5	July 15, 2021	Submission of a First Draw Paycheck Protection Program Loan Forgiveness Application on behalf of Chicken Feed LLC, causing an interstate wire.

All in violation of Title 18, United States Code, Sections 1343 and 2.

Count 6

[Money Laundering Conspiracy - 18 U.S.C. § 1956(h)]

27. Paragraphs 1 through 18, 12 through 24 of the Superseding Indictment are re-alleged and incorporated by reference.

28. From on or about May 12, 2020 through May 27, 2021, within the Southern District of California, and elsewhere, defendant LERONCE SUEL and UCC-1 did knowingly combine, conspire, and agree with each other to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit: to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, Title 18, United States Code, Section 1349 and 1343, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

29. The manner and means used to accomplish the objectives of the conspiracy included, among others, the following individual financial transactions:

Date	Monetary Transaction
May 12, 2020	$20,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 18, 2020	$20,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 21, 2020	$20,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
June 1, 2020	$20,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
June 29, 2020	$45,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
July 7, 2020	$45,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
March 22, 2021	$957,966 cash deposit into Rockstar Dough LLC's Wells Fargo account -9744
March 22, 2021	$972,792 wire transfer from Rockstar Dough LLC's Wells Fargo account -9744 to City Title N Closing escrow account for the purchase of real property located 3899 N Dogwood Canyon Loop, Fayetteville, AR 72704
March 30, 2021	$181,498 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
March 30, 2021	$181,498 cash deposit into Rockstar Dough LLC's Wells Fargo account -9744
April 26, 2021	$150,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 26, 2021	$734,000 withdrawal from Chicken Feed LLC's Wells Fargo account -7285
May 27, 2021	$600,000 withdrawal from Rockstar Dough LLC's Wells Fargo account -9744.

All in violation of Title 18, United States Code, Sections 1956(h).

Count 7

[Money Laundering Conspiracy – 18 U.S.C. § 1956(h)]

30. Paragraphs 1 through 18, 21 through 24 of the Superseding Indictment are re-alleged and incorporated by reference.

31. From on or about May 12, 2020 through May 27, 2021, within the Southern District of California, and elsewhere, defendant LERONCE SUEL and UCC-1 did knowingly combine, conspire, and agree with each other to commit offenses against the United States in violation of Title 18, United States Code, Section 1956 and Section 1957, to wit: to knowingly engage and attempt to engage, in monetary transactions by, through or to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than $10,000, that is the deposit, withdrawal, and transfer of U.S. currency or monetary instruments, such property having been derived from a specified unlawful activity, that is, Title 18, United States Code, Sections 1343 and 1349, in violation of Title 18, United States Code, Section 1957.

32. The manner and means used to accomplish the objectives of the conspiracy included, among others, the following individual financial transactions:

Date	Monetary Transaction
May 12, 2020	$20,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 18, 2020	$20,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 21, 2020	$20,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
June 1, 2020	$20,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
June 29, 2020	$45,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
July 7, 2020	$45,000 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
March 22, 2021	$957,966 cash deposit into Rockstar Dough LLC's Wells Fargo account -9744

Date	Monetary Transaction
March 22, 2021	$972,792 wire transfer from Rockstar Dough LLC's Wells Fargo account -9744 to City Title N Closing escrow account for the purchase of real property located 3899 N Dogwood Canyon Loop, Fayetteville, AR 72704
March 30, 2021	$181,498 cash withdrawal from Chicken Feed LLC's Wells Fargo account -7285
March 30, 2021	$181,498 cash deposit into Rockstar Dough LLC's Wells Fargo account -9744
April 26, 2021	$150,000 cash withdrawal from Rockstar Dough LLC's Wells Fargo account -9744
May 26, 2021	$734,000 withdrawal from Chicken Feed LLC's Wells Fargo account -7285
May 27, 2021	$600,000 withdrawal from Rockstar Dough LLC's Wells Fargo account -9744.

All in violation of Title 18, United States Code, Section 1956(h).

Count 8
[Conspiracy to Defraud the United States - 18 U.S.C. § 371]

33. Paragraphs 1 through 18, and 21 through 24 of the Superseding Indictment are re-alleged and incorporated by reference.

34. From in or about March, 2020, and continuing until in or about March, 2023, within the Southern District of California, and elsewhere, defendant LERONCE SUEL and UCC-1, did unlawfully, voluntarily, intentionally, and knowingly conspire, combine, confederate, with other individuals known and unknown to the Grand Jury to defraud the United States by impeding, impairing, obstructing, and defeating the lawful government functions of the Internal Revenue Service of the Department of Treasury in the ascertainment, computation, assessment, and collection of the revenue: namely, personal income tax and employment taxes of Rockstar Dough LLC and Chicken Feed LLC.

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Manner and Means:

35. The defendant sought to accomplish the objects of the conspiracy through the following manner and means, among others:

a. UCC-1 underreported the business gross receipts for years 2020 and 2021 on financial statements relied upon by Accountant 1. SUEL and UCC-1 then filed and caused to be filed Forms 1120-S for 2020 with false gross receipts figures.

b. In addition to false gross receipts figures, SUEL gave Accountant 1 false information about his personal pay and employment taxes. When filing amended and original returns in 2023, SUEL gave Accountant 2 false information about business expenses and depreciable assets affecting tax years 2014 through 2021.

c. SUEL paid or cause to be paid personal expenses out of the business bank accounts. SUEL also paid himself in cash and withdrew and caused to be withdrawn cash from business accounts which was then stored in his personal residence. SUEL failed to keep contemporaneous records of these transactions and to the extent they created taxable income, SUEL did not report his income on his individual income tax returns.

d. The Restaurant Group paid certain employee wages in cash and cashier's checks. SUEL and UCC-1 failed to withhold and pay over employment taxes from these wages.

Overt Acts:

36. In furtherance of the conspiracy, and to effect the objects thereof, the defendant and UCC-1 committed or caused to be committed the following overt acts within the Southern District of California, and elsewhere:

a. For tax year 2020, UCC-1 sent a fraudulent profit and loss statement to Accountant 1 for Rockstar Dough LLC, who relied upon this fraudulent profit and loss statement to prepare Rockstar Dough LLC's Form 1120-S.

b. On or around April 14, 2021, SUEL and UCC-1 caused Rockstar Dough LLC to file a Form 1120-S with the IRS for tax year 2020. On that form, Rockstar Dough LLC reported its gross receipts were $675,026 and that its ordinary business loss was $619,896. However, SUEL knew that Rockstar Dough LLC received gross receipts totaling at least $2,452,511 as reported on Forms 1099-K or at least $2,354,482 as reported on Rockstar Dough LLC's point of sales (POS) system.

c. For tax year 2021, UCC-1 sent a fraudulent profit and loss statement to Accountant 1 for Rockstar Dough LLC, who relied upon this fraudulent profit and loss statement to prepare Rockstar Dough's Form 1120-S.

d. On or about June 20, 2022, SUEL and UCC-1 approved a draft Rockstar Dough LLC Form 1120-S for tax year 2021 that reported gross receipts of $805,828 and that its ordinary business loss was $727,636. However, SUEL knew that Rockstar Dough LLC received gross receipts totaling at least $2,315,819 as reported on Forms 1099-K or at least $2,256,430 as reported on Rockstar Dough LLC's POS system.

e. In or around September 2022, SUEL and UCC-1 engaged Accountant 2 to prepare amended and original business and individual tax returns. SUEL and UCC-1 provided false information to Accountant 2. In or around March 2023, SUEL signed the Rockstar Dough LLC and Chicken Feed LLC tax returns and filed and caused to be filed false tax returns, including, but not limited to:

i. The Rockstar Dough LLC amended Form 1065 for tax year 2014 that listed over $285,000 in unknown expenses, including over $178,000 in false construction expenses.

ii. The Chicken Feed LLC Form 1065 for tax year 2016 and amended Form 1065 for tax year 2017 that included approximately $840,834 of false depreciable assets.

iii. The Chicken Feed LLC Form 1065 for tax year 2016 and amended Forms 1065 for tax years 2017 and 2018 that claimed false depreciation expenses and losses.

iv. The Chicken Feed LLC amended Form 1120-S for tax year 2020 and Form 1120-S for tax year 2021 that included $111,289 and $146,528, respectively, in false rent deductions.

f. As a result of the false business tax returns set forth in paragraph 36(e), in or around March 2023, SUEL filed and caused to be filed Forms 1040 for tax years 2014 through 2021 that included underreported flow-through income from the Restaurant Group and false net-operating losses.

g. SUEL and UCC-1 withdrew millions of dollars in cash from the Restaurant Group bank accounts, including, but not limited to:

i. During tax year 2020, approximately $696,330.

ii. During tax year 2021, approximately $1,984,840.

iii. During tax year 2022, approximately $140,000.

h. SUEL paid himself in cash from the Restaurant Group and did not process the pay through payroll or report it on the Restaurant Group financial statements.

i. SUEL and UCC-1 used Restaurant Group funds for personal purposes and failed to report it as income, including, but not limited to:

i. On March 22, 2021, SUEL and UCC-1 deposited approximately $957,966 in cash into the Rockstar Dough LLC bank account ending in -9744. The same day, a $972,792 wire transfer from bank account ending in -9744 purchased the real property titled in SUEL's name located 3899 N Dogwood Canyon Loop, Fayetteville, AR 72704.

ii. Between July 2021 and March 2023, SUEL paid $58,100 in rent expenses for his personal residence from Rockstar Dough LLC bank account ending in -9744.

iii. Between August 2021 and May 2023, SUEL and UCC-1 paid $22,000 in car payments for the vehicle driven by SUEL from Rockstar Dough LLC bank account ending in -9744.

iv. On June 23, 2022, SUEL and UCC-1 concealed $2,421,345 in U.S. currency in their residence.

v. On October 12, 2022, SUEL withdrew approximately $9,187.74 from Chicken Feed LLC account ending in -7285 and deposited it into his personal bank account ending in -3785. On October 13, 2022, SUEL paid $9,187.75 in property taxes from his personal account.

j. In or around April 2020, UCC-1 began paying some employees by cashier's check and cash instead of processing their pay through the payroll service.

k. For the following quarters, SUEL and UCC-1 caused the payroll service to file false Forms 941 and failed to withhold and pay over to the IRS the employment taxes due on the cash wages paid during these quarters.

Quarter	Form 941 Due Date	Cash Wages
2Q 2020	July 31, 2021	$97,673
3Q 2020	October 31, 2021	$97,103
4Q 2020	January 31, 2021	$30,060
1Q 2021	April 30, 2021	$32,963
2Q 2021	July 31, 2021	$27,647
3Q 2021	October 31, 2021	$21,385
4Q 2021	January 31, 2022	$8,490

l. On or around April 5, 2021, SUEL entered an engagement with Accountant 1 to apply for the Employee Retention Credit (ERC). SUEL made false statements about the Restaurant Group's revenue and receipt of COVID-19 relief funds to make it appear that they qualified for the ERC program.

All in violation of Title 18, United States Code, Section 371.

Count 9

[Tax Evasion - 26 U.S.C. § 7201]

37. Paragraphs 1 through 18, 21 through 24, and 35 through 36 of the Superseding Indictment are re-alleged and incorporated by reference.

38. During the calendar year 2020, defendant LERONCE SUEL, a resident of San Diego, California, received taxable income, upon which there was income tax due and owing to the United States of America. Knowing the foregoing facts and failing to make an income tax return on

or before May 17, 2021, and to pay the income tax to the Internal Revenue Service, defendant LERONCE SUEL, from on or about January 1, 2020 to March 16, 2023 within the Southern District of California, and elsewhere, willfully attempted to evade and defeat income tax due and owing by him to the United States of America for the calendar year 2020, by committing the following affirmative acts, among others:

a. The acts described in paragraphs 36b, 36e, 36f, 36g 36h, and 36i of this Indictment.

All in violation of Title 26, United States Code, Section 7201.

Counts 10-11

[Filing a False Tax Return - 26 U.S.C. § 7206(1)]

39. Paragraphs 1 through 18, 21 through 24, 35 through 36 of the Superseding Indictment are re-alleged and incorporated by reference.

40. On or about the dates set forth below, within the Southern District of California, and elsewhere, defendant LERONCE SUEL willfully made and subscribed and filed and caused to be filed with the Internal Revenue Service, the following false U.S. Individual Income Tax Returns, Forms 1040, for the calendar years set forth below, which were verified by a written declaration that they were made under penalties of perjury and which defendant LERONCE SUEL did not believe to be true and correct as to every material matter. The tax returns reported false losses from Chicken Feed LLC and false taxable income in the amounts set forth below, whereas, defendant LERONCE SUEL knew, the losses that reduced his taxable income were false, and his taxable income was greater than the amount reported.

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Count	Approximate Filing Date	Year	False Items
10	July 3, 2023	2016	a. Line 17, Rental real estate, royalties, partnerships, S corporations, trusts, $-217,932 b. Line 22, Total income, $-217,914
11	June 19, 2023	2017	a. Line 21, Other income, $-189,042 b. Line 22, Total income, $-451,822

All in violation of Title 26, United States Code, Section 7206(1).

Count 12

[Failure to File - 26 U.S.C. § 7203]

41. During the calendar year 2018, defendant LERONCE SUEL, a resident of San Diego, California, had and received gross income in excess of $12,000. By reason of such income, he was required by law, following the close of calendar year 2018, and on or before April 17, 2019, to make an income tax return to the Internal Revenue Service, stating specifically the items of his gross income and any deductions and credits to which he was entitled. Knowing and believing all of the foregoing, he did willfully fail, on or about April 17, 2019, within the Southern District of California, to make an income tax return.

All in violation of Title 26, United States Code, Section 7203.

Count 13

[Failure to File - 26 U.S.C. § 7203]

42. During the calendar year 2019, defendant LERONCE SUEL, a resident of San Diego, California, had and received gross income in excess of $12,200. By reason of such income, he was required by law, following the close of calendar year 2019, and on or before July 15, 2020, to make an income tax return to the Internal Revenue Service, stating specifically the items of his gross income and any deductions and credits to which he was entitled. Knowing and believing all of the

foregoing, he did willfully fail, on or about July 15, 2020, within the Southern District of California, to make an income tax return.

All in violation of Title 26, United States Code, Section 7203.

FORFEITURE ALLEGATION

43. The allegations contained in Counts 1 through 7 of this Superseding Indictment are hereby realleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Sections 981(a)(1), 982(a)(1), and 982(a)(2) and Title 28, United States Code, Section 2461(c).

44. Upon conviction of the offenses in violation of Title 18, United States Code, Sections 1343, 1349, or 1956 set forth in Counts 1 through 7 of this Indictment, defendant LERONCE SUEL, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Sections 981(a)(1), 982(a)(1), and 982(a)(2), and Title 28, United States Code, Section 2461(c), any property, real or personal, which constitutes or is derived from proceeds traceable to the offense(s). The property to be forfeited includes, but is not limited to, the following:

a. Real property located at 3899 N Dogwood Canyon Loop, Fayetteville, AR 72704 with parcel number 177-00050-000.

b. $2,421,345.00 in U.S. currency seized from defendant's residence on June 23, 2022.

45. 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;

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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 divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

All pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(1), and 982(a)(2), and Title 28, United States Code, Section 2461(c).

DATED: February 2, 2024.

A TRUE BILL:

[redacted]

TARA K. McGRATH
United States Attorney

By:
E. CHRISTOPHER BEELER
Assistant U.S. Attorney
JULIA M. RUGG
Special Assistant U.S. Attorney