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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

3-26CR-689 X

UNITED STATES OF AMERICA

v.

APRIL WATSON
a.k.a. "April Watson Horton"
a.k.a. "April Shawnette Watson"

No.
FILED UNDER SEAL

INDICTMENT

The Grand Jury charges:

At times material to this Indictment:

Background

1. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted on or about March 27, 2020, to provide emergency financial assistance to Americans suffering economic harms from the COVID-19 pandemic.

2. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain other expenses, through the Paycheck Protection Program ("PPP"). The PPP loan application required that businesses acknowledge, through authorized representatives, the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan.

3. PPP loan applications were submitted through the U.S. Small Business Administration ("SBA") website portal for initial review and sent to financial institutions for processing. The SBA would preliminarily approve the loan packet and forward it to a

designated financial institution. After the SBA approval, the financial institution would review and process the packet, fund the loan, and deposit the proceeds into the applicant's bank account. The SBA, however, guaranteed the loans.

4. In 2020, the CARES Act expanded the SBA's long-standing Economic Injury Disaster Loans ("EIDL") by recognizing a nationwide COVID EIDL. Unlike PPP loans, which were made through private and nonprofit lenders and guaranteed through the federal government, the SBA EIDL were made directly by the federal government through the SBA website portal.

5. In order to obtain a COVID-19 EIDL, a qualifying business was required to submit an EIDL application to the SBA and provide information about its operations. The amount of the advance and the loan, if the application was approved, was determined based, in part, on the information provided in the application concerning the number of employees, gross revenues, and cost of goods sold for the 12-month period preceding January 31, 2020. The borrower signed an agreement that it would use all of the proceeds "solely as working capital to alleviate economic injury caused by" the COVID-19 pandemic.

The Defendant, Related Entities, and Individuals

6. Defendant **April Watson**, also known as April Watson Horton and April Shawnette Watson ("**Watson**"), was a resident of Dallas and DeSoto and later of Arlington and Cedar Hill, all within the Northern District of Texas. **Watson** was the owner and manager of the following entities:

a. Exotic Bliss Beauty LLC ("Exotic Bliss"), a Texas limited liability company located in Dallas;

b. Brain Evolution LLC ("Brain Evolution"), a Texas limited liability company located in Duncanville, Texas.

7. Southern Home Ventures, LLC ("Southern Home Ventures") was a Texas Limited Liability Company located in Dallas that remodeled residential homes. Southern Home Ventures was co-owned by **Watson** and another individual known to the grand jury.

Financial Institutions

8. JPMorgan Chase ("JPMC") was a financial institution as defined in 18 U.S.C. § 20 whose deposits were insured by the Federal Deposit Insurance Corporation ("FDIC").

9. Kabbage, Inc. ("Kabbage'') was a financial institution headquartered in Atlanta, Georgia that participated in the Paycheck Protection Program as a third-party lender and disbursed PPP loans to Exotic Bliss and Southern Home Ventures.

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Counts One Through Four
Wire Fraud
(18 U.S.C. § 1343)

10. The Grand Jury realleges paragraphs 1 through 9 of this indictment as though fully set forth herein.

Scheme

11. From in or around April 2020 and continuing to at least on or about June 22, 2020, in the Northern District of Texas and elsewhere, the defendant, **April Watson**, knowingly and with intent to defraud, devised and intended to devise a scheme and artifice to defraud the SBA, and to obtain money and property from the SBA by means of materially false and fraudulent pretenses, representations, and promises.

12. The scheme to defraud operated, in substance, as follows:

a. In or around May 2020, in support of PPP loan applications for Exotic Bliss and Southern Home Ventures, **Watson** caused to be prepared and submitted to Kabbage false Internal Revenue Service ("IRS") and payroll documents, such as IRS Form W-2s and W-3s, purportedly prepared by a payroll company. In fact, no business tax returns related to the wages of Southern Home Ventures or Exotic Bliss were ever filed with the IRS for 2019 or 2020, and no payroll forms were prepared by the company purportedly used.

b. In order to obtain EIDL funds from the SBA, **Watson** prepared and caused the submission of applications on behalf of Exotic Bliss and Southern Home Ventures that falsely inflated each entity's gross revenues for the 12-month period ending

January 31, 2020. In reality, no business tax returns related to the gross revenues for Exotic Bliss or Southern Home Ventures were ever filed with the IRS for 2019 or 2020.

13. As a result of **Watson**'s scheme to defraud, Kabbage disbursed approximately $210,698.00 in PPP funds to accounts **Watson** controlled, and the SBA disbursed approximately $299,800.00 in EIDL funds to accounts **Watson** controlled.

Use of the Wires

14. On or about the following dates, in the Northern District of Texas and elsewhere, for the purpose of executing the scheme and artifice described above, **Watson** transmitted and caused to be transmitted, by means of wire communication in interstate commerce, the following writings, signs, signals, pictures, and sounds:

Count	Date	Description of Wire
1	05/20/2020	Wire transfer in the amount of $66,221.00 from Kabbage through servers outside of Texas to an Exotic Bliss JMPC account ending in 8401 in the Northern District of Texas.
2	05/28/2020	Electronic transmission of the Southern Home Ventures PPP application from the Northern District of Texas to Kabbage through servers outside of Texas.
3	06/18/2020	Electronic transmission of the Exotic Bliss EIDL application from the Northern District of Texas to the SBA through servers outside of Texas.
4	06/19/2020	Electronic transmission of the Southern Home Ventures EIDL application from the Northern District of Texas to the SBA through servers outside of Texas.

All in violation of 18 U.S.C. § 1343.

Counts Five Through Six
Bank Fraud
[Violation of 18 U.S.C. § 1344(2)]

15. The Grand Jury realleges paragraphs 1 through 9 of this indictment as though fully set forth herein.

The Scheme

16. Beginning no later than on or about March 5, 2021, and continuing through on or about October 12, 2021, in the Northern District of Texas and elsewhere, defendant **Watson**, knowingly and with intent to defraud, executed a scheme and artifice to obtain moneys, funds, credits, assets, securities, and other property owned by, and under the custody and control of, JPMC, by means of materially false and fraudulent pretenses, representations, and promises.

17. The scheme operated, in substance, as follows:

a. Defendant **Watson** submitted, and caused to be submitted, PPP loan applications to JPMC on behalf of Exotic Beauty Bliss and Brain Evolution that provided false information concerning the businesses' average monthly payroll.

b. In support of the fraudulent loan applications, **Watson** prepared and caused to be submitted to JPMC false IRS documentation and false payroll summaries.

18. As a result of her scheme to defraud, **Watson** caused JPMC to disburse approximately $169,994.00 in PPP funds to accounts she controlled.

Executions

19. On or about the following dates, in the Northern District of Texas and elsewhere, defendant **April Watson**, caused the following acts to be committed, each of which constituted an execution of the fraudulent scheme:

Count	Application Date	Entity	Amount Requested	Amount Funded
5	3/05/2021	**Exotic Bliss**	$74,432	$74,432
6	3/26/2021	**Brain Evolution**	$95,562	$95,562

All in violation of 18 U.S.C. § 1344(2).

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Counts Seven Through Ten
Engaging in Monetary Transactions in Property
Derived from a Specified Unlawful Activity
(Violation of 18 U.S.C. § 1957)

20. The Grand Jury realleges paragraphs 1 through 9 of this indictment as though fully set forth herein.

21. On or about the dates set forth below, in the Northern District of Texas and elsewhere, defendant **April Watson**, knowing that the property involved represented the proceeds of some form of unlawful activity, knowingly engaged in the following monetary transactions in criminally derived property of a value greater than $10,000, such property having been derived from specified unlawful activity, that is wire fraud, in violation of 18 U.S.C. § 1343:

Count	Date	Transaction
7	11/03/2020	Wire transfer of $50,000 from Exotic Bliss' JPMC account ending in 8401 to Perry and Legacy Acres Development LLC for the construction of a personal residence
8	11/27/2020	Wire transfer of $50,000 from Exotic Bliss' JPMC account ending in 8401 to Perry and Legacy Acres Development LLC for the construction of a personal residence
9	12/03/2020	Wire transfer of $14,850 from Exotic Bliss' JPMC account ending in 8401 to Perry and Legacy Acres Development LLC for the construction of a personal residence
10	12/04/2020	Wire transfer of $40,000 from Exotic Bliss' JPMC account ending in 8401 to Max Horton

Each in violation of 18 U.S.C. § 1957.

Notice of Criminal Forfeiture
(18 U.S.C. § 981(a)(1)(C), (1)(2), and 28 U.S.C. § 2461(c))

Upon conviction of any of Counts One through Four, the defendant, **April Watson**, shall forfeit to the United States, pursuant to 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c), any property, real or personal, that constitutes or is derived from proceeds traceable to the offenses, including, but not limited to, a forfeiture money judgment representing the amount of proceeds traceable to the offenses.

Pursuant to 18 U.S.C. § 982(a)(2), upon conviction of either Count Five or Count Six, the defendant, **April Watson**, shall forfeit to the United States any property constituting, or derived from, proceeds the defendant obtained directly or indirectly, as the result of such violation.

Pursuant to 18 U.S.C. § 982(a)(1), upon conviction of any of Counts Seven through Ten, the defendant, **April Watson**, shall forfeit to the United States any property, real or personal, involved in such offense, or any property traceable to such property.

The property subject to forfeiture includes but is not limited to all that lot or parcel of land, together with buildings, improvements, fixtures, attachments, and easements located at 324 Terrace Lane, Cedar Hill, Texas 75104 owned by **April Shawnette Watson**, more fully described as follows:

> Lot 13, Block A, The Terraces, an addition to the City of Cedar Hill, Dallas County, Texas, according to the map or plat thereof recorded in/under Volume 2005158, Page 61, Pat Records, Dallas County, Texas.

The property to be forfeited includes, but is not limited to, a "money judgment" in the amount of U.S. currency constituting the gross proceeds traceable to the offense.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c), 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 divided without difficulty,

the United States intends to seek forfeiture of any property of the defendant up to the value of the forfeitable property described above.

A TRUE BILL

FOREPERSON

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UNITED STATES ATTORNEY

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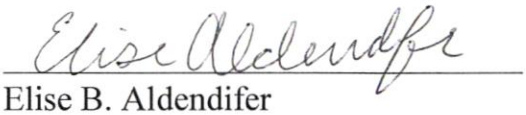
GOVERNMENT'S MOTION TO SEAL INDICTMENT

The United States of America ("the Government"), by and through the United States Attorney for the Northern District of Texas and the undersigned Assistant United States Attorney, moves for an order sealing the indictment returned by the grand jury in the above-captioned criminal case. The Government requests that the indictment remain sealed until such time as the defendant is apprehended, or until further order of the Court. The Government believes that the public release of the name of the indicted defendants before they have been apprehended would undermine the pursuit of justice. The Government, however, requests that the case against each defendant be unsealed upon the apprehension and appearance of that defendant.

[NO FURTHER INFORMATION ON THIS PAGE]

Respectfully submitted,

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