



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
21-20264-CR-COOKE/O'SULLIVAN
CASE NO. _____

18 U.S.C. § 371
18 U.S.C. § 1957(a)
18 U.S.C. § 981(a)(1)(C)

UNITED STATES OF AMERICA

vs.

GIRALDO CARABALLO,

Defendant.

_____ /

INFORMATION

The Acting United States Attorney charges that:

GENERAL ALLEGATIONS

At all times material to this Information:

The Paycheck Protection Program

1. 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 to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. 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 a program referred to as the Paycheck Protection Program (“PPP”).

2. The types of business eligible for a PPP loan included sole proprietorships. Sole proprietorships were eligible to receive a maximum PPP loan of up to \$20,833 to cover lost income. In order to obtain a PPP loan, a qualifying sole proprietor submitted a PPP loan

application (Small Business Administration (“SBA”) Form 2483), signed by the sole proprietor. The PPP loan application required the sole proprietor to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In addition, the sole proprietor had to report and document the sole proprietorship’s income and expenses, as typically reported to the Internal Revenue Service (“IRS”) on Form 1040, Schedule C. The lending institution used this report and documentation to calculate the amount of money the applicant was entitled to receive under the PPP.

3. A PPP loan application had to be processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was fully guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

4. PPP loan proceeds were required to be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time and used a defined portion of the PPP loan proceeds on payroll expenses.

The Defendant and Relevant Entities

5. The defendant, **GIRALDO CARABALLO**, was a resident of Miami-Dade County, Florida.

6. The defendant, **GIRALDO CARABALLO**, served as President of Professional

Skills Inc. (“PSI”).

7. Loan Processor 1 was a third-party company processor based in Redwood City, California, that processed PPP loan applications for Bank 1.

8. Bank 1, headquartered in Salt Lake City, Utah, was a participating lender of funds to small businesses under the PPP in 2020.

9. Both the defendant, **GIRALDO CARABALLO**, and PSI maintained Miami, Florida-based accounts at Bank 2, which was insured by the Federal Deposit Insurance Corporation (“FDIC”).

10. Co-Conspirator 1 was a co-conspirator of the defendant, **GIRALDO CARABALLO**.

COUNT 1
Conspiracy to Commit Wire Fraud
(18 U.S.C. § 371)

1. Paragraphs 1 through 10 of the General Allegations section of this Information are realleged and incorporated by reference as if fully set forth herein.

2. From on or about June 23, 2020, through on or about July 7, 2020, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant,

GIRALDO CARABALLO,

did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with another person known and others unknown to the Acting United States Attorney, to commit offenses against the United States, that is, to knowingly, and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses,

representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and, for the purpose of executing the scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communication in interstate and foreign commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343.

PURPOSE OF THE CONSPIRACY

3. It was the purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by submitting and causing the submission of false and fraudulent applications for loans and grants made available through the SBA to provide relief for the economic effects caused by the COVID-19 pandemic, including PPP loans.

MANNER AND MEANS OF THE SCHEME AND ARTIFICE

The manner and means by which the defendant, **GIRALDO CARABALLO**, sought to accomplish the scheme and artifice to defraud included, among others, the following:

4. In or around June 2020, **GIRALDO CARABALLO** and his co-conspirators submitted and caused the submission of an online PPP loan application, using interstate wires, to Loan Processor 1, on behalf of PSI, in which **GIRALDO CARABALLO** and his co-conspirators falsely certified that all representations in the application were true.

5. In the PPP loan application for PSI, **GIRALDO CARABALLO** and his co-conspirators made false and fraudulent representations regarding the number of employees and payroll for PSI, and submitted false and fraudulent purported tax records in support thereof. Contrary to these representations, as **GIRALDO CARABALLO** and his co-conspirators then and there well knew, PSI did not have any employees or monthly payroll at that time.

6. As a result of his false and fraudulent loan application, **GIRALDO CARABALLO** and his co-conspirators caused Bank 1, working with Loan Processor 1, to disburse approximately \$420,000 in PPP funds to an account in name of PSI that **GIRALDO CARABALLO** controlled.

7. In or around approximately June and July 2020, **GIRALDO CARABALLO** and his co-conspirators transferred and distributed the loan proceeds.

OVERT ACTS

In furtherance of the conspiracy and to achieve the object and purpose thereof, at least one conspirator committed and caused to be committed in the Southern District of Florida, and elsewhere, at least one of the following over acts, among others:

1. On or about June 23, 2020, **GIRALDO CARABALLO** and his co-conspirators caused the submission of a PPP loan application to Loan Processor 1 on behalf of PSI, through interstate wire, using an online portal.

2. On or about June 26, 2020, **GIRALDO CARABALLO** opened an account at Bank 2 in his name and ending in 7455 (“Account 7455”).

3. On or about June 27, 2020, **GIRALDO CARABALLO** transferred, via a book transfer, \$239,000 of the PPP loan proceeds from an account in the name of PSI at Bank 2 to Account 7455.

4. On or about July 7, 2020, **GIRALDO CARABALLO** wire transferred \$168,000 of the PPP loan proceeds to Co-Conspirator 1.

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

COUNT 2
Engaging in Transactions in Unlawful Proceeds
(18 U.S.C. § 1957(a))

1. The General Allegations section of this Indictment is re-alleged and incorporated by reference as though fully set forth herein.

2. On or about June 26, 2020, in Miami-Dade County, in the Southern District of Florida, and elsewhere, the defendant, **GIRALDO CARABALLO**, did knowingly engage and attempt to engage in a monetary transaction affecting interstate commerce in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, and knowing that the property involved in the financial transaction represented the proceeds of some form of unlawful activity, to wit: a book transfer of \$239,000 from Bank B account ending in 2039 to Bank B account ending in 7455.

It is further alleged that the specified unlawful activity is wire fraud, in violation of Title 18, United States Code, Sections 1343.

In violation of Title 18, United States Code, Sections 1957(a) and 2.

FORFEITURE ALLEGATIONS

1. The allegations of this Information are hereby re-alleged and by this reference fully incorporated herein for the purpose of alleging forfeiture to the United States of America of certain property in which the defendant, **GIRALDO CARABALLO**, has an interest.

2. Upon conviction of a violation of Title 18, United States Code, Section 371, as alleged in this Information, the defendant shall forfeit to the United States any property, real and personal, which constitutes or is derived from proceeds traceable to the offense, pursuant to Title 18, United States Code, Section 981(a)(1)(C).

3. The property subject to forfeiture includes, but is not limited to, the following:
 - (i) a forfeiture money judgment in the sum of \$470,900.00 in U.S. currency, which sum represents the value of the property subject to forfeiture;
 - (ii) approximately \$119,966.14 formerly on deposit in account number 6929597455 at Wells Fargo Bank, N.A. held in the name of **GIRALDO CARABALLO**;

4. If any of the property subject to forfeiture, 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 subdivided without difficulty;

the United States shall be entitled to forfeiture of substitute property under the provisions of Title 21, United States Code, Section 853(p), which substitute property includes but is not limited to, the following:

- (i) Real property located at 15550 SW 109th Avenue, Miami, Florida 33157; and
- (ii) Real property located at 13234 SW 200 Terrace, Miami, Florida 33177.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C), and the procedures set forth in Title 21, United States Code, Section 853, as incorporated by Title 28, United States Code, Section 2461(c).

A TRUE BILL

FOREPERSON

 for: _____
JUAN ANTONIO GONZALEZ
ACTING UNITED STATES ATTORNEY

 _____
ELI S. RUBIN
ASSISTANT UNITED STATES ATTORNEY

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

UNITED STATES OF AMERICA

CASE NO. _____

v.

CERTIFICATE OF TRIAL ATTORNEY*

GIRALDO CARABALLO,
Defendant/

Superseding Case Information:

Court Division: (Select One)

- Miami Key West FTL
- WPB FTP

New defendant(s) Yes No

Number of new defendants _____

Total number of counts _____

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. Section 3161.

3. Interpreter: (Yes or No) **Yes** _____
 List language and/or dialect Spanish

4. This case will take Zero days for the parties to try.

5. Please check appropriate category and type of offense listed below:

- | | | |
|--------------------|-------------------------------------|--|
| (Check only one) | | (Check only one) |
| I 0 to 5 days | <input checked="" type="checkbox"/> | Petty <input type="checkbox"/> |
| II 6 to 10 days | <input type="checkbox"/> | Minor <input type="checkbox"/> |
| III 11 to 20 days | <input type="checkbox"/> | Misdemeanor <input type="checkbox"/> |
| IV 21 to 60 days | <input type="checkbox"/> | Felony <input checked="" type="checkbox"/> |
| V 61 days and over | <input type="checkbox"/> | |

6. Has this case previously been filed in this District Court? (Yes or No) **No** _____

If yes: Judge _____ Case No. _____

(Attach copy of dispositive order)

Has a complaint been filed in this matter? (Yes or No) **Yes** _____

If yes: Magistrate Case No. 21-mj-02014-Becerra

Related miscellaneous numbers: _____

Defendant(s) in federal custody as of _____

Defendant(s) in state custody as of _____

Rule 20 from the District of _____

Is this a potential death penalty case? (Yes or No) **No** _____

7. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to August 9, 2013 (Mag. Judge Alicia O. Valle)? (Yes or No) **No** _____
8. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard)? (Yes or No) **No** _____
9. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss)? (Yes or No) **No** _____

Eli S. Rubin

AUSA Eli S. Rubin
Assistant United States Attorney
Court ID No. A5502535

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: GIRALDO CARABALLO

Case No: _____

Count #: 1

Conspiracy to Commit Wire Fraud

18 U.S.C. § 371

***Max. Penalty:** 5 Years' Imprisonment

Count #: 2

Engaging in Transactions in Unlawful Proceeds

18 U.S.C. § 1957(a)

***Max. Penalty:** 10 Years' Imprisonment

***Refers only to possible term of incarceration, does not include possible fines, restitution, special assessments, parole terms, or forfeitures that may be applicable.**

AO 455 (Rev. 01/09) Waiver of an Indictment

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America)
v.) Case No.
Giraldo Caraballo,)
Defendant)

WAIVER OF AN INDICTMENT

I understand that I have been accused of one or more offenses punishable by imprisonment for more than one year. I was advised in open court of my rights and the nature of the proposed charges against me.

After receiving this advice, I waive my right to prosecution by indictment and consent to prosecution by information.

Date: _____

Defendant's signature

Signature of defendant's attorney

Philip Horowitz, Esq.

Printed name of defendant's attorney

Judge's signature

Judge's printed name and title