

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

United States of America,

Plaintiff,

Hon. Nancy G. Edmunds

v.

Case No. 2:21-cr-20613

D-1 Antonio George,

Defendant.

Plea Agreement

The United States of America, by and through the United States Attorney's Office for the Eastern District of Michigan and the Department of Justice, Criminal Division, Fraud Section (collectively, the "Offices"); and the defendant, Antonio George (the "defendant" or "George"), have reached a plea agreement under Rule 11 of the Federal Rules of Criminal Procedure. The plea agreement's terms are:

1. Counts of Conviction

George will waive his right to an indictment and will plead guilty to Counts 1 through 4 of the Information. Count 1 charges George with Conspiracy to Commit Wire Fraud in violation of 18 U.S.C. § 1349. Counts 2-4 charge George with Aiding and Assisting in the Preparation and Presentation of False and Fraudulent Returns in violation of 26 U.S.C. § 7206(2).

2. Statutory Maximum Penalties

The defendant understands that his guilty plea carries the following maximum statutory penalties:

Count 1	Term of imprisonment:	20 years
	Fine:	\$250,000 or twice the gross pecuniary gain or the gross pecuniary loss
	Term of supervised release:	3 years
Counts 2-4	Term of imprisonment:	3 years
	Fine:	\$100,000
	Term of supervised release:	3 years

3. Agreement Not to Bring Additional Charges

If the Court accepts this agreement and imposes a sentence consistent with its terms, the Offices will not bring additional charges against the defendant for the conduct reflected in the factual basis of this Rule 11 Plea Agreement.

4. Elements of Counts of Conviction

The elements of Count 1 are:

(A) First, that two or more persons conspired or agree to commit the crime of wire fraud; and

(B) Second, that the defendant knowingly and voluntarily joined the conspiracy.

As set forth in the Information, George is charged with conspiracy to commit wire fraud in violation of 18 U.S.C. 1343 which makes it a Federal offense for anyone to knowingly and willfully advance or further a scheme to commit fraud by transmitting, or causing to transmit any writing, signal, or sound by means of a wire, radio or television communication in interstate commerce.

The elements of Counts 2-4 are:

- (A) First, the defendant aided or assisted in, procured, counseled, or advised the preparation or presentation of a document in connection with a matter arising under the Internal Revenue laws;
- (B) Second, the document was false as to a material matter; and
- (C) Third, the defendant acted willfully.

5. Factual Basis

The parties agree that the following facts are true; accurately describe the defendant's role in the offenses; and provide a sufficient factual basis for the defendant's guilty plea:

COUNT 1

The Payroll Protection Program (“PPP”) is a program administered by the United States Small Business Administration (“SBA”) that helps businesses keep their workforces employed during the coronavirus pandemic. Enacted on March 27, 2020 as part of the CARES Act, the program is designed to provide a direct incentive for small businesses to keep their workforces on the payroll during the pandemic. The PPP allows small businesses to obtain forgivable loans from participating financial institutions. The SBA will forgive the loans if all employees are on payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities.

The PPP loan application requires the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) must state, among other things, the following: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses

The Economic Injury Disaster Loan (“EIDL”) program is an SBA program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The CARES Act authorized the SBA to

provide EIDLs of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL. The amount of the advance is determined by the number of employees the applicant certifies having. The advances do not have to be repaid.

In order to obtain an EIDL and advance, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. The applicant must also certify that all of the information in the application is true and correct to the best of the applicant's knowledge. The amount of the loan, if the application is approved, is determined based, in part, on the information provided in the application about employment, revenue, and cost of goods, as described above. If the applicant also obtains a loan under the PPP, the EIDL funds cannot be used for the same purpose as the Paycheck Protection Program funds.

George was an owner, registered agent, banking signatory, and/or otherwise affiliated with the following entities: (1) DXX Enterprises, LLC; (2) The Kongo Enterprise; (3) SFX Transportation, Inc.; (4) Seven Investment Group, LLC; (5) Cabrejas Renovations, LLC; (6) The Tax Wolf, LLC; (7) Diva Nails & Spa III, LLC;

(8) Orcas, Inc.; (9) S&V Alliance, LLC; (10) Express Property Preservation, LLC; (11) Bless My Grind, LLC; (12) Cercle Interieur, Inc.; (13) The Black Wolf, Inc.; (14) Defined Jewelry, Inc.; (15) AMG Solutions, LLC; and (16) Kwatili, LLC (collectively, the “Defendant Entities”).

Beginning in April 2020 and continuing through August 2020, George personally submitted, or caused others to submit at least 15 loan applications seeking PPP funds and 14 loan applications seeking EIDL funds. Each of the 29 applications that George submitted, or caused others to submit, contained materially false information. Specifically, George obtained payroll information that was used to support a seemingly legitimate PPP loan application submitted on behalf of an unrelated entity and then used the unrelated entity’s payroll information to support fraudulent PPP and EIDL loan applications. George personally and knowingly prepared and submitted the false and fraudulent PPP and EIDL loan applications on behalf of Seven Investment Group LLC, The Tax Wolf LLC and AMG Solutions LLC. George also knowingly provided falsified payroll and employee information to others and assisted them in preparing and knowingly submitting false and fraudulent PPP and EIDL loan applications on behalf of the other Defendant Entities.

The falsified payroll and employee information used to support the PPP and EIDL loan applications on behalf of the Defendant Entities was material insofar as it induced financial institutions to disburse funds that George and his co-conspirators

were not otherwise entitled to. In total, George sought, or caused to be sought, approximately \$2,420,542 in PPP funds and \$1,734,300 in EIDL funds to which he was not entitled.

COUNTS 2-4

George was the owner and operator of The Tax Wolf, LLC (“Tax Wolf”), a tax-preparation company. The Internal Revenue Service (“IRS”) was an agency of the United States Department of Treasury responsible for administering and enforcing the tax laws of the United States. A Form 1040 was an income tax return filed with the IRS in the name of an individual taxpayer that reported, among other things, the taxpayer’s income, deductions, and credits, to determine the amount of tax owed by, or the amount of tax refund claimed by, the taxpayer. Schedules C, Profit or Loss from Business (Sole Proprietorship) (“Schedule C”) were IRS forms that taxpayers attached to Forms 1040, when applicable, to report, among other items, gross receipts, expenses, and profit or loss from businesses operated by the taxpayers as sole proprietorships.

Through the Tax Wolf LLC, George knowingly prepared and caused to be prepared U.S. Individual Tax Returns, Forms 1040 (“Forms 1040”) and related schedules on behalf of taxpayers for submission to the IRS for the clients of the Tax Wolf for the tax years 2016 through 2019. Specifically, George advised clients of the Tax Wolf to create fictitious business and/or otherwise artificially inflate

business losses or expenditures. George then knowingly prepared, or assisted Tax Wolf clients in preparing, Forms 1040 and Schedules C containing false and fraudulent business losses and expenditures for submission to the IRS. George's knowing preparation, and assistance in preparing, fraudulent Forms 1040 and related schedules generated falsely reported tax credits which resulted in the IRS's issuing \$318,333 in tax refunds to Tax Wolf clients that were not entitled to receive.

6. Advice of Rights

The defendant has read the Information; has discussed the charges and any possible defenses with his attorney; and understands the crime for which he is charged. The defendant understands that, by pleading guilty, he is waiving many important rights, including the following:

- A. The right to plead not guilty and to persist in that plea;
- B. The right to a speedy and public trial by jury;
- C. The right to the assistance of an attorney at every critical stage of the proceedings, including trial;
- D. The right to an appointed attorney, if the defendant cannot afford to retain one;
- E. The right to be presumed innocent and to require the government to prove the defendant guilty beyond a reasonable doubt at trial;
- F. The right to confront and cross-examine adverse witnesses at trial;

G. The right to testify or not to testify at trial, whichever the defendant chooses;

H. If the defendant chooses not to testify, the right to have the jury informed that it may not treat that choice as evidence of guilt;

I. The right to present evidence or not to present evidence at trial, whichever the defendant chooses; and

J. The right to compel the attendance of witnesses at trial.

7. Collateral Consequences of Conviction

The defendant understands that his conviction here may carry additional consequences under federal or state law. The defendant understands that, if he is not a United States citizen, his conviction here may require him to be removed from the United States; denied citizenship; and denied admission to the United States in the future. The defendant further understands that the additional consequences of his conviction here may include, but are not limited to, adverse effects on his immigration status; naturalized citizenship; right to vote; right to carry a firearm; right to serve on a jury; and ability to hold certain licenses or to be employed in certain fields. The defendant understands that no one, including his attorney or the Court, can predict to a certainty what the additional consequences of his conviction might be. The defendant, nevertheless, affirms that he chooses to plead guilty regardless of any immigration or other consequences from his conviction.

8. Defendant's Guideline Range

A. Court's Determination

The Court will determine the defendant's guideline range at sentencing.

B. Acceptance of Responsibility

The government recommends under Federal Rule of Criminal Procedure 11(c)(1)(B) that the defendant receive a two-level reduction for acceptance of responsibility under USSG § 3E1.1(a). Further, if his offense level is 16 or greater and he is awarded the two-level reduction under USSG § 3E1.1(a), the government recommends that the defendant receive an additional one-level reduction for his acceptance of responsibility under USSG § 3E1.1(b). If, however, the government learns that the defendant has engaged in any conduct inconsistent with acceptance of responsibility—including, but not limited to, making any false statement to, or withholding information from, his probation officer; obstructing justice in any way; denying his guilt on the offense to which he is pleading guilty; committing additional crimes after pleading guilty; or otherwise demonstrating a lack of acceptance of responsibility as defined in USSG § 3E1.1—the government will be released from its obligations under this paragraph; will be free to argue that the defendant not receive *any* reduction for acceptance of responsibility under USSG § 3E1.1; and will be free to argue that the defendant receive an enhancement for obstruction of justice under USSG § 3C1.1.

C. Other Guideline Recommendations

The parties recommend that the following guideline provisions apply to the defendant's guideline calculation on Count 1:

- USSG Section 2B1.1(a)(1): Base Offense Level of 7
- USSG Section 2B1.1(b)(1)(J): Loss Greater than \$3,500,000 (add 18 Levels)
- USSG Section 3B1.1(a): Aggravating Role (add 4 levels)
- USSG Section 4A1.1(b) Criminal History Category II

The parties have no other recommendations as to the defendant's guideline calculation.

D. Factual Stipulations for Sentencing Purposes

The parties stipulate and agree that, for purposes of determining the applicable sentencing guidelines range, the loss amount attributable to the defendant's conduct is \$4,154,842.

E. Parties' Obligations

Both the defendant and the government agree not to take any position or make any statement that is inconsistent with any of the guideline recommendations or factual stipulations in paragraphs 8.B, 8.C or 8.D. Other than the guideline recommendations and stipulations in those paragraphs, however, neither party is restricted in what it may argue or present to the Court as to the defendant's guideline calculation.

E. Not a Basis to Withdraw

The defendant understands that he will have no right to withdraw from this agreement or withdraw his guilty plea if he disagrees, in any way, with the guideline range determined by the Court, even if that guideline range does not incorporate the parties' recommendations in paragraphs 8.B or 8.C. Likewise, the government has no right to withdraw from this agreement if it disagrees with the guideline range determined by the Court.

9. Imposition of Sentence

A. Court's Obligation

Defendant George understands that in determining his sentence, the Court must calculate the applicable guideline range at sentencing and must consider that range, any possible departures under the sentencing guidelines, and the sentencing factors listed in 18 U.S.C. § 3553(a); and apply any applicable mandatory minimums.

B. Imprisonment

1. Recommendation

Under Federal Rule of Criminal Procedure 11(c)(1)(B), the government recommends that the defendant's sentence of imprisonment not exceed the low-end of the defendant's guideline range as determined by the Court.

2. No Right to Withdraw

The government's recommendation in paragraph 9.B.1 is not binding on the Court. The defendant understands that he will have no right to withdraw from this agreement or withdraw his guilty plea if the Court decides not to follow the government's recommendation. Likewise, the government has no right to withdraw from this agreement if the Court decides not to follow the government's recommendation. If, however, the Court rejects or purports to reject any other term or terms of this plea agreement, the government will be permitted to withdraw from the agreement.

C. Supervised Release

1. Recommendation

Under Federal Rule of Criminal Procedure 11(c)(1)(B), the parties recommend that the Court impose a three-year term of supervised release.

2. No Right to Withdraw

The parties' recommendation is not binding on the Court. Defendant George understands that he will have no right to withdraw from this agreement or withdraw his guilty plea if the Court decides not to follow the parties' recommendation. The defendant also understands that the government's recommendation concerning the length of the defendant's sentence of imprisonment, as described above in paragraph

9.B.1, will not apply to or limit any term of imprisonment that results from any later revocation of the Defendant George's supervised release.

D. Fines

There is no recommendation or agreement as to a fine.

E. Restitution

The Court must order restitution to every identifiable victim of the defendant's offense. The parties agree that restitution in this case shall total \$2,602,349.29.

F. Forfeiture

The defendant agrees, pursuant to 18 U.S.C. § 982(a)(2)(A), to forfeit all property constituting, or derived from, proceeds he obtained, directly or indirectly, as the result of his violation of 18 U.S.C. § 1349 including, but not limited to:

1. \$58,195.54 seized from Fifth Third Bank Account #XXXXXX0387 held in the name of DXX Enterprise, LLC;
2. \$100,000 seized from Fifth Third Bank Account #XXXXXX1521 held in the name of DXX Enterprise, LLC;
3. \$128,176.66 seized from Fifth Third Bank Account #XXXXXX3765 held in the name of Seven Investment Group, LLC;
4. \$73,760.34 seized from Fifth Third Bank Account #XXXXXX2465 held in the name of ATX, Inc.;

5. \$240,223.90 seized from Fifth Third Bank Account #XXXXXX6859 held in the name of Bless My Grind, LLC;
6. \$65,072.73 seized from Fifth Third Bank Account #XXXXXX9374 held in the name of DXX Enterprise, LLC;
7. \$119,994.36 seized from Fifth Third Bank Account #XXXXXX7635 held in the name of Cercle Interieur, Inc;
8. \$178,067.51 seized from Fifth Third Bank Account #XXXXXX5487 held in the name of The Black Wolf Incorporation;
9. \$211,233.93 seized from Fifth Third Bank Account #XXXXXX2192 held in the name of AMG Solutions LLC;
10. \$159,900.00 seized from Fifth Third Bank Account #XXXXXX3882 held in the name of Orcas, Inc.;
11. \$104,200.00 seized from Fifth Third Bank Account #XXXXXX9324 held in the name of Defined Jewelry, Inc.;
12. \$149,900.00 seized from Fifth Third Bank Account #XXXXXX7741 held in the name of Cabrejas Renovations LLC; and
13. a forfeiture money judgment in an amount to be determined at sentencing, representing the total value of the property subject to forfeiture, to the extent such value is not satisfied by the specific forfeitures set forth above.

The defendant agrees to the entry of one or more orders of forfeiture, including the entry of a Preliminary Order of Forfeiture, incorporating the forfeiture of the above referenced property following his guilty plea, upon application by the United States as mandated by Federal Rule of Criminal Procedure 32.2. The defendant agrees that the forfeiture order will become final as to him at the time entered by the Court.

The defendant knowingly, voluntarily, and intelligently waives any challenge to the above-described forfeiture based upon the Excessive Fines Clause of the Eighth Amendment to the United States Constitution.

The defendant acknowledges that he understands that the forfeiture of assets is part of the sentence that may be imposed in this case and waives his right to challenge any failure by the court to advise him of his rights with respect to forfeiture, set forth in Federal Rule of Criminal Procedure 11(b)(1)(J). The defendant also expressly waives his right to have a jury determine the forfeitability of his interest in the above identified property, as provided by Rule 32.2(b)(5).

The defendant further waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding notice of the forfeiture in the charging instrument, pronouncement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment.

The defendant agrees to hold the United States and its agents and employees harmless from any claims whatsoever in connection with the seizure and forfeiture of any property referenced above.

Upon entry by the Court of an Order of Restitution as part of the Judgment of Conviction in this criminal case, the United States Attorney's Office for the Eastern District of Michigan agrees to prepare a Request for Restoration of Forfeited Assets to Known Victim(s) if such a request is appropriate at that time. The Request for Restoration, if appropriate, will be submitted to the Department of Justice, Criminal Division, Money Laundering and Asset Recovery Section (MLARS) for determination. The defendant acknowledges that no representation has been made to him, however, as to the outcome of such a Request for Restoration, and understands that the MLARS may grant the Request for Restoration, may grant in-part the Request for Restoration, or may deny the Request for Restoration. The defendant expressly acknowledges that the Request for Restoration may be denied and that no representations have been made to him by or on behalf of the United States Attorney's Office or the Department of Justice as to the likelihood that such a Request will or would be granted.

G. Special Assessment

The defendant understands that he will be required to pay a special assessment of \$100, due immediately upon sentencing.

10. Appeal Waiver

The defendant waives any right he may have to appeal his conviction on any grounds. If his sentence of imprisonment does not exceed the top of the guideline range determined by the Court, the defendant also waives any right he may have to appeal his sentence on any grounds.

11. Collateral Review Waiver

The defendant retains the right to raise claims alleging ineffective assistance of counsel, as long as the defendant properly raises those claims by collateral review under 28 U.S.C. § 2255. The defendant also retains the right to pursue any relief permitted under 18 U.S.C. § 3582(c), as long as the defendant properly files a motion under that section. The defendant, however, waives any other right he may have to challenge his conviction or sentence by collateral review, including, but not limited to, any right he may have to challenge his conviction or sentence on any grounds under 28 U.S.C. § 2255, 28 U.S.C. § 2241, or Federal Rule of Civil Procedure 59 or 60.

12. Consequences of Withdrawal of Guilty Plea or Vacation of Judgment

If the defendant is allowed to withdraw his guilty plea, or if his conviction or sentence under this agreement is vacated, the government may reinstate any charges against the defendant that were dismissed as part of this agreement and may file additional charges against the defendant relating, directly or indirectly, to any of the

conduct underlying his guilty plea or any relevant conduct. If the government reinstates any charges or files any additional charges as permitted by this paragraph, the defendant waives his right to challenge those charges on the ground that they were not filed in a timely manner, including any claim that they were filed after the limitations period expired.

13. Use of Withdrawn Guilty Plea

The defendant agrees that if he is permitted to withdraw his guilty plea for any reason, he waives all of his rights under Federal Rule of Evidence 410, and the government may use his guilty plea, any statement that he made at his guilty plea hearing, and the factual basis set forth in this agreement, against him in any proceeding.

14. Parties to Plea Agreement

This agreement does not bind any government agency except the Offices, as defined herein.

15. Scope of Plea Agreement

This plea agreement is the complete agreement between the parties and supersedes any other promises, representations, understandings, or agreements between the parties concerning the subject matter of this agreement that were made at any time before the guilty plea is entered in court. Thus, no oral or written promises made by the government to the defendant, or to his attorney, at any time

before the defendant pleads guilty are binding, except to the extent that they have been explicitly incorporated into this plea agreement. If the parties have entered, or subsequently enter, into a written proffer or cooperation agreement, this plea agreement does not supersede or abrogate the terms of that agreement. This plea agreement also does not prevent any civil or administrative action against the defendant, or any forfeiture claim against any property, by the United States or any other party.

16. Acceptance of Agreement by Defendant

Unless this agreement has been fully signed by the defendant and received by the United States Attorney's Office before 5:00 PM on August 12, 2021, the government may withdraw from this agreement at any time before the defendant pleads guilty.

SAIMA MOHSIN
Acting United States Attorney
Eastern District of Michigan



JOHN K. NEAL
Chief, White Collar Crime Unit
Assistant United States Attorney
Eastern District of Michigan

JOSEPH S. BEEMSTERBOER
Acting Chief
Fraud Section, Criminal Division
United States Department of Justice



PATRICK J. SUTER
Trial Attorney

Dated: October 19, 2021

By signing below, the defendant and his attorney agree that the defendant has read or been read this entire document, has discussed it with his attorney, and has had a full and complete opportunity to confer with his attorney. The defendant further agrees that he understands this entire document, agrees to its terms, has had all his questions answered by his attorney, and is satisfied with his attorney's advice and representation.



Richard Shulman
Attorney for Defendant

Dated: 9/13/2021



Antonio George
Defendant

09/13/2021