

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF GEORGIA
AUGUSTA DIVISION

UNITED STATES OF AMERICA)

v.)

DARRYL T. WILLIAMS, SR.)

) INDICTMENT NO. **CR 120 105**

) Counts 1-2
) 18 U.S.C. § 1343
) Wire Fraud

THE GRAND JURY CHARGES THAT:

At times relevant to this Indictment:

1. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or about March 2020 designed to provide emergency financial assistance to the millions who are suffering the economic effects caused by the COVID-19 pandemic.

2. Among other relief efforts, the United States sought to provide financial support to eligible businesses that could be used to offset certain business expenses.

3. **DARRYL T. WILLIAMS, SR.** fraudulently sought thousands of dollars in relief payments by making false and fraudulent representations to the Small Business Administration ("SBA") and others.

The Defendant and His Related Businesses

4. **WILLIAMS** was an individual residing in the Southern District of Georgia, Augusta Division.

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5. WILLIAMS claimed ownership of a construction business called “Darryl Williams” and an agricultural business called “Darryl.” Both businesses are purportedly located at the same residence in Augusta, Georgia. Neither business is registered to do business with the State of Georgia.

The Coronavirus Aid, Relief and Economic Security Act

6. The SBA is an executive branch agency of the United States government that provides support to entrepreneurs and small businesses. The SBA is headquartered in Washington, DC and maintains its computer servers outside of the State of Georgia. The SBA’s mission is to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and by assisting in the economic recovery of communities after disasters.

7. As part of this effort, the SBA enables and provides for loans through banks, credit unions, and other lenders. These loans have government-backed guarantees. In addition, the SBA provides loans that come directly from the U.S. Government.

8. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

9. In order to obtain a PPP loan, a qualifying business had to submit a PPP loan application signed by an authorized representative of the business. The PPP loan

application required 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) had to state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures were then used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, a business applying for a PPP loan had to provide documentation showing its payroll expenses.

10. A PPP loan application must be processed by a participating lender, such as a financial institution. If a PPP loan is approved, the participating lender funds the PPP loan using its own monies, which are 100% guaranteed by the SBA. Data from the application, including the information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

11. The PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal of the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain percentage of the PPP loan proceeds on payroll expenses.

12. Another source of relief provided by the CARES Act was the authorization for the SBA to provide Economic Injury Disaster Loans (“EIDL”) to

eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic.

13. 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 "EIDL Advance.") The amount of the EIDL Advance was determined by the number of employees the applicant certifies having.

14. In order to obtain an EIDL and/or EIDL Advance, a qualifying business had to submit an online application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the twelve-month period preceding the disaster, and the cost of goods the business sold in the twelve-month period preceding the disaster. In the case of EIDLs and EIDL Advances for COVID-19 relief, the twelve-month period was that preceding January 31, 2020. The applicant also had to certify that all the information in its application was true and correct to the best of the applicant's knowledge.

15. EIDL applications were submitted directly to the SBA online at <https://covid19relief.sba.gov/#/> and processed by the agency with support from a government contractor, Rapid Finance. The amount of each loan was determined, in part, on the information provided by the application about employment, revenue, and cost of goods, as described above. Any funds issued under an EIDL or EIDL Advance were issued directly by the SBA. EIDL funds could be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

COUNTS ONE AND TWO

Wire Fraud

18 U.S.C. § 1343

16. The Grand Jury re-alleges and incorporates by reference the allegations in the proceeding paragraphs.

17. Beginning in about June 2020 until in or about August 2020, in the Southern District of Georgia, and elsewhere, Defendant

DARRYL T. WILLIAMS, SR.,

did knowingly 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.

Object of the Scheme

18. The object of the scheme described in Paragraph 17 for Defendant **WILLIAMS** was to unjustly enrich himself by obtaining EIDL and PPP proceeds under false and misleading pretenses, including by making false statements about the number of individuals his company employed, gross revenue, and the intended use of the loan proceeds.

Means and Manner

19. On or about June 24, 2020, **WILLIAMS** submitted, or caused to be submitted, an electronic application for an EIDL from the SBA (“EIDL Application – 1753”) on behalf an agricultural business called “Darryl.” In connection with EIDL Application 1753, **WILLIAMS** falsely affirmed, among other information, that “Darryl” had eight employees, and that in the twelve months prior to the disaster the

business had \$99,000 in gross revenue. EIDL Application 1753 listed **WILLIAMS'** Augusta, Georgia residence as its business address.

20. On or about July 17, 2020, **WILLIAMS** submitted, or caused to be submitted, an electronic PPP SBA loan application to "Bank 1" (the "PPP Application"). In connection with the PPP Application, **WILLIAMS** falsely affirmed, among other information, that he had a construction business called "Darryl Williams" that was in operation on February 15, 2020 and had an average monthly payroll of \$8,333.00. **WILLIAMS** represented that "Darryl Williams" had zero employees beyond himself and also listed **WILLIAMS'** Augusta, Georgia residence as the business's address. In connection with his PPP Application, **WILLIAMS** provided the lender with a Schedule C tax form that purported to show a profit of \$129,100 for 2019.

21. Both the EIDL and PPP applications submitted by **WILLIAMS** contained representations that **WILLIAMS** well knew were false.

22. On or about June 29, 2020, in reliance on false representations made in EIDL Application 1753, the SBA deposited money into a bank account in **WILLIAMS'** name in the form of an EIDL Advance at "Bank 2."

23. On or about July 21, 2020, in reliance on false representations made in **WILLIAMS'** PPP application, "Bank 1" deposited money into the same bank account at "Bank 2" into which the EIDL Advance had been deposited.

The Wirings

24. On or about the dates specified as to each count below, in the Southern District of Georgia, and elsewhere,

DARRYL T. WILLIAMS, SR.,

for the purpose of executing the scheme and artifice described above, and attempting to do so, caused to be transmitted by means of wire communication from the Southern District of Georgia to a location outside the state of Georgia the signals and sounds described below for each count, each transmission constituting a separate count:

<u>Count</u>	<u>Date of Wire</u>	<u>Description</u>
1	June 24, 2020	Online submission of EIDL Application *****1753 on behalf of "Darryl."
2	July 7, 2020	Online submission of PPP Application on behalf of "Darryl Williams."

All in violation of Title 18, United States Code, Section 1343.

FORFEITURE ALLEGATIONS

The allegations contained in Counts One through Two of this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

Upon conviction of the Title 18 offense set forth in Counts One through Two of this Indictment, the Defendant **Darryl T. Williams, Sr.** shall forfeit to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C), any property, real or personal, which constitutes or is derived from proceeds traceable to the charged offense.

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 that cannot be divided without difficulty,

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 28 U.S.C. § 2461(c).

True Bill,



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