

ORIGINAL

FILED IN OPEN COURT
U.S.D.C. - Atlanta

FEB 23 2021

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

JAMES N. HATTEN, Clerk

By: *[Signature]*

Deputy Clerk

UNITED STATES OF AMERICA

v.

LAKISHA SWOPE AND
TREISHA PEARSON

Criminal Indictment

No. 1:21CR- 72

THE GRAND JURY CHARGES THAT:

Background

At all times relevant to this Criminal Indictment:

The Small Business Administration

1. The United States Small Business Administration ("SBA") was an executive branch agency of the United States government that provided support to entrepreneurs and small businesses. The mission of the SBA was 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.

2. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and was designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

4. One source of relief that the CARES Act provided was the authorization of up to \$349 billion in forgivable loans to small businesses for payroll, mortgage interest, rent/lease, and utilities, through a program referred to as the Paycheck Protection Program (“PPP”). In April 2020, Congress authorized up to \$310 billion in additional PPP funding.

5. The PPP allowed qualifying small businesses and other organizations to receive PPP loans. Businesses must use PPP loan proceeds for 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 certain percentage of the PPP loan proceeds for payroll expenses.

6. The amount of a PPP loan that a small business may have been entitled to receive was determined by the number of employees employed by the business and the business’s average monthly payroll costs.

7. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was 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 used to calculate the amount of money the small business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

8. The SBA oversaw the PPP. However, individual PPP loans were issued by private, approved lenders who received and processed PPP applications and supporting documentation, and then made loans using the lenders' own funds, which were 100% 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, were transmitted by the lender to the SBA in the course of processing the loan.

Count One

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

9. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 8 of this Criminal Indictment as if fully set forth herein.

10. Beginning in or about May 2020 and continuing until in or about September 2020, the exact dates unknown, the defendants, LAKISHA SWOPE and TREISHA PEARSON, did knowingly and willfully combine, conspire, confederate, agree, and have a tacit understanding with each other and with

other individuals known and unknown to the Grand Jury to 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, and by the omission of material facts, well knowing and having reason to know that said pretenses, representations, and promises were and would be false and fraudulent when made and caused to be made and that said omissions were and would be material, and, in so doing, with the intent to defraud, caused interstate wire communications to be made in furtherance of the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

Manner and Means

11. It was a part of the scheme and artifice to defraud that the defendants and other members of the conspiracy conspired to submit PPP applications containing materially false information to multiple authorized lenders.

12. Throughout the conspiracy, the defendants and other members of the conspiracy submitted false PPP applications for a number of entities controlled by the defendant and other third parties claiming over \$5 million in loans. These PPP applications contained materially false information such as false representations regarding the applicant entities' total number of employees and average monthly payroll. As a result of these false statements, lenders issued over \$3.5 million in PPP loans to these various entities.

13. Throughout the conspiracy, the defendants utilized business information from other individuals to submit multiple PPP loan applications that

contained materially false information. Once the individuals received the PPP loan proceeds, they made payments to the defendants as compensation.

14. It was further a part of the conspiracy that the defendants and other members of the conspiracy then used the fraudulently obtained funds for unauthorized expenditures including luxury clothing, restaurants, personal rent, hotels, and vacation rentals.

Overt Acts

15. In order to carry out the conspiracy and to accomplish the objects thereof, the defendants and known and unknown members of the conspiracy committed various overt acts in the Northern District of Georgia and elsewhere, including, but not limited to, the following:

- a. On or about May 15, 2020, the defendants caused to be submitted a PPP application in the name of Luxe Recovery LLC (“Luxe Recovery”) containing materially false information, including false representations regarding the number of employees and average monthly payroll for Luxe Recovery.
- b. On or about May 26, 2020, the defendants caused to be submitted a PPP application in the name of LP Professional Tax Service LLC (“LP Professional”) containing materially false information, including false representations regarding the number of employees and average monthly payroll for LP Professional.
- c. On or about June 7, 2020, the defendants caused to be submitted a PPP application in the name of A’s Construction CO LLC (“A’s

Construction”) containing materially false information, including false representations regarding the number of employees and average monthly payroll.

- d. On or about June 11, 2020, the defendants caused to be submitted a PPP application in the name of Orbit Home Services LLC (“Orbit Home”) containing materially false information, including false representations regarding the number of employees and average monthly payroll.

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

Counts Two Through Five

Bank Fraud

(18 U.S.C. § 1344 and § 2)

16. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 15 of this Criminal Indictment as if fully set forth herein.

17. Beginning in or about May 2020 and continuing until in or about September 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendants, LAKISHA SWOPE and TREISHA PEARSON, aided and abetted by each other and others known and unknown to the Grand Jury, did knowingly execute and attempt to execute a scheme and artifice to defraud multiple financial institutions, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, certain moneys, funds, credits, assets, securities, and

other property owned by and under the custody and control of the aforementioned financial institutions.

Executions of the Bank Fraud Scheme

18. On or about the dates set forth below, in the Northern District of Georgia and elsewhere, the defendants, LAKISHA SWOPE and TREISHA PEARSON, aided and abetted by each other and others known and unknown to the Grand Jury, did knowingly execute and attempt to execute the above-described scheme to defraud as follows:

Count	Date (on or about)	Execution and Attempted Execution
Count 2	May 15, 2020	Causing a PPP application containing materially false information in the name of Luxe Recovery LLC to be transmitted to Fifth Third Bank
Count 3	May 26, 2020	Causing a PPP application containing materially false information in the name of LP Professional Tax Service LLC to be transmitted to Regions Bank
Count 4	June 7, 2020	Causing a PPP application containing materially false information in the name of A's Construction CO LLC to be transmitted to Regions Bank
Count 5	June 11, 2020	Causing a PPP application containing materially false information in the name of Orbit Home Services LLC to be transmitted to Wells Fargo Bank

All in violation of Title 18, United States Code, Section 1344 and Section 2.

Counts Six Through Nine

Wire Fraud

(18 U.S.C. § 1343 and § 2)

19. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 18 of this Criminal Indictment as if fully set forth herein.

20. Beginning in or about May 2020 and continuing until in or about September 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendants, LAKISHA SWOPE and TREISHA PEARSON, aided and abetted by each other and others known and unknown to the Grand Jury, knowingly devised and intended 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, and by omission of material facts, well knowing and having reason to know that said pretenses, representations, and promises were false and fraudulent when made and caused to be made and that said omissions were and would be material.

21. On or about the dates listed below for each count, in the Northern District of Georgia and elsewhere, the defendants, LAKISHA SWOPE and TREISHA PEARSON, aided and abetted by each other and others known and unknown to the Grand Jury, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, did, with intent to defraud, cause to be transmitted by means of a wire communication in

interstate and foreign commerce certain writings, signs, signals, and sounds, namely, the following Paycheck Protection Program applications containing materially false information:

Count	Date (on or about)	Execution and Attempted Execution
Count 6	May 15, 2020	Causing a PPP application containing materially false information in the name of Luxe Recovery LLC to be transmitted to Bluevine Capital, Inc.
Count 7	May 26, 2020	Causing a PPP application containing materially false information in the name of LP Professional Tax Service LLC to be transmitted to Bluevine Capital, Inc.
Count 8	June 7, 2020	Causing a PPP application containing materially false information in the name of A's Construction CO LLC to be transmitted to Bluevine Capital, Inc.
Count 9	June 11, 2020	Causing a PPP application containing materially false information in the name of Orbit Home Services LLC to be transmitted to Bluevine Capital, Inc.

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

Count Ten

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

22. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 21 of this Criminal Indictment as if fully set forth herein.

23. Beginning in or about May 2020 and continuing until in or about September 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendants, LAKISHA SWOPE and TREISHA PEARSON, did knowingly combine, conspire, confederate, agree, and have a tacit understanding with each other and with other individuals known and unknown to the Grand Jury to commit offenses against the United States in violation of Title 18, United States Code, Section 1957, to wit: to knowingly engage and attempt to engage in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, to wit: wire fraud, in violation of Title 18, United States Code, Section 1343.

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

Forfeiture

24. Upon conviction of any of the offenses alleged in Counts 1 through 9 of this Criminal Indictment, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United

States Code, Section 2461(c), any property constituting or derived from proceeds obtained directly or indirectly as a result of said violations.

25. Upon conviction of the offense alleged in Count 10 of this Criminal Indictment, the defendants shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(1), all property real or personal, involved in such offense and all property traceable to such offenses.

26. If, as a result of any act or omission of the defendants, any property subject to forfeiture:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third person;
- 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 intends, pursuant to Title 18, United States Code, Section 982(b) and Title 21, United States Code, Section 853(p), and Title 28, United States Code, Section 2461(c), to seek forfeiture of any property of the defendants

up to the value of the forfeitable property.

A TRUE BILL


FOREPERSON

KURT R. ERSKINE
Acting United States Attorney

Thomas J. Krepp

THOMAS J. KREPP
Assistant United States Attorney
Georgia Bar No. 346781

600 U.S. Courthouse
75 Ted Turner Drive SW
Atlanta, GA 30303
404-581-6000; Fax: 404-581-6181