

**FILED**  
U.S. DISTRICT COURT  
EASTERN DISTRICT ARKANSAS

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF ARKANSAS  
CENTRAL DIVISION

JUL 07 2020  
By: JAMES W. MCCORMACK, CLERK  
DEP CLERK

UNITED STATES OF AMERICA	)	No. 4:20CR <u>00193 BSM</u>
	)	
v.	)	Title 18, U.S.C. § 1344(1)
	)	Title 18, U.S.C. § 1014
GANELL TUBBS	)	Title 18, U.S.C. § 1957

**INDICTMENT**

THE GRAND JURY CHARGES THAT:

**COUNT 1**

A. **INTRODUCTION**

At all times material herein:

1. The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 27, 2020, 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 up to \$349 billion in United States Small Business Administration (SBA) guaranteed forgivable loans to small businesses through the Paycheck Protection Program (PPP). In April 2020, Congress authorized over \$300 billion in additional PPP funding.

2. In order to obtain a PPP loan, a qualifying business submitted a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application is SBA Form 2483. 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) stated, among other things, its: (a) average monthly payroll expense; 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.

3. The PPP allowed qualifying small-businesses and other organizations to receive loans with a maturity of two years, and an interest rate of 1 percent. PPP loan proceeds had to be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal to be forgiven if businesses spent the proceeds on these expenses within eight weeks of receipt, and used at least 75 percent of the forgiven amount for payroll.

4. GANELL TUBBS owns two businesses: The Little Piglet Soap Company, LLC, and Suga Girl Customs LLC. According to the Arkansas Secretary of State, TUBBS registered The Little Piglet Soap Company, LLC, on August 2, 2013, and registered Suga Girl Customs, LLC, on January 15, 2018. Neither business was in good standing with the Arkansas Secretary of State. Both businesses list the residence of GANELL TUBBS, 9711 Herndon Road, Little Rock, Arkansas, as the main address for the business. Both businesses list 501-316-7266 as the main company phone number, which is TUBBS' personal phone number.

5. Celtic Bank and Cross River Bank are insured by the Federal Deposit Insurance Corporation (FDIC).

## B. THE SCHEME

1. On April 30, 2020, TUBBS submitted a PPP Borrower Application Form (SBA Form 2483) to Celtic Bank, which was processed by BlueVine for her company, Suga Girl Customs, LLC.

2. The PPP Application listed TUBBS as the owner of the company, the business address as 9711 Herndon Road, Little Rock, Arkansas, and the business phone as 501-316-7266.

3. Based on the representations that TUBBS made and caused to be made on the SBA Form 2483, Suga Girl Customs, LLC, received a PPP loan for \$1,518,887 from Celtic Bank, and the loan was guaranteed by the SBA. The loan proceeds were deposited into a checking account at Navy Federal Credit Union (NFCU) ending in 6748 in the name of GANELL TUBBS with an address of 9711 Herndon Road, Little Rock, Arkansas, on May 5, 2020.

4. Page two of SBA Form 2483 includes a list of certification statements that must be initialed by the borrower. TUBBS initialed all of the certifications, including the one that reads as follows: "I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law...and, if submitted to a federally insured institution, under 18 USC §1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000." TUBBS signed and dated SBA Form 2483 on April 30, 2020, for Suga Girl Customs, LLC.

5. The PPP Application submitted to Celtic Bank stated that Suga Girl Customs, LLC's average monthly payroll was \$607,555. As additional support to the PPP Application, TUBBS submitted what she claimed to be an Employer's Quarterly Federal Tax Return (IRS Form 941) for Quarter 1 of 2020, which included the months of January, February, and March 2020. On the submitted Form 941, TUBBS claimed that she had paid \$1,385,903 in wages, tips, and other compensation during the first quarter of 2020.

6. The PPP Application submitted to Celtic Bank stated that Suga Girl Customs, LLC had 210 employees, while the submitted Form 941 stated that Suga Girl Customs, LLC had 105 employees.

6. As additional support to the PPP Application for Suga Girl Customs, LLC, TUBBS submitted a bank statement purported to be from NFCU with a monthly ending date of February 29, 2020. The “Summary of Accounts” section lists a “Free Business Checking” account with account number ending in 6748, but the section below that titled “Account Summary” lists a “Free Business Checking” account with account number ending in 6977. The statement submitted by TUBBS shows an electronic debit for \$615,192.60 on February 23, 2020.

7. TUBBS’ NFCU membership was established on December 18, 2019, via the NFCU website. TUBBS’ NFCU account ending in 6748 was not opened until April 28, 2020, using the IP address: 71.238.128.165.

8. On the PPP application for Suga Girl Customs, LLC, TUBBS indicated that the business EIN was 83-2947056.

9. After receiving the deposit of \$1,518,887 from Celtic Bank via BlueVine on May 5, 2020, TUBBS moved money to other accounts including:

On May 5, 2020:

\$5,000 to NFCU joint account with Nyla Henderson ending in 2232;

\$10,000 to NFCU joint account with Nyla Henderson ending in 6532; and

\$999,999.95 to TUBBS’ NFCU account ending in 2182.

On May 13, 2020:

\$150,000 to Bank of America account ending in 9203 in the name of Mercedes Smith.

10. TUBBS used the proceeds of the loans on the following personal purchases:

On May 7, 2020:

TUBBS sent a cashier's check for \$8,000 to UAMS Student Financial Services.

On May 12, 2020, and May 13, 2020:

TUBBS made online debit card purchases totaling approximately \$6,000 at Apple.com, MCM E-Commerce, Pandora Ecommerce, Michael Kors, Sephora, Northface, Nike, Fashionnova, Aramark, Deckers\*Ugg, Stadium Goods, Kendra's Boutique, Door Dash, and Go Henry prepaid card.

C. THE EXECUTION OF THE SCHEME

On or about April 30, 2020, in the Eastern District of Arkansas and elsewhere, the defendant,

GANELL TUBBS

knowingly executed the above described scheme and artifice to defraud a financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, TUBBS submitted a false PPP Borrower Application Form (SBA Form 2483) on behalf of her company, Suga Girl Customs, LLC in order to receive a loan in the amount of \$1,518,887 from Celtic Bank, a bank insured by the FDIC, which loan was guaranteed by the SBA.

All in violation of Title 18 U.S.C. § 1344(1).

**COUNT 2**

The Grand Jury hereby incorporates Count 1, paragraphs A1 through A5, into Count 2 as if written here word for word.

A. THE SCHEME

1. On May 5, 2020, TUBBS submitted a PPP Borrower Application Form (SBA Form 2483) to Cross River Bank, which was processed by Kabbage for TUBBS' company, The Little Piglet Soap Company, LLC.

2. The application listed TUBBS as the owner of the company, the business address as 9711 Herndon Road, Little Rock, Arkansas, and the business phone as 501-316-7266.

3. Based on the representations that TUBBS made and caused to be made on the SBA Form 2483, The Little Piglet Soap Company, LLC received a PPP loan for \$414,375 from Cross River Bank, and the loan was guaranteed by the SBA. The loan proceeds were deposited into the checking account at NFCU ending in 6748 in the name of GANELL TUBBS on May 7, 2020.

4. Page two of the SBA Form 2483 includes a list of certification statements that must be initialed by the borrower. TUBBS initialed all of the certifications, including the one that reads as follows: "I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law...and, if submitted to a federally insured institution, under 18 USC §1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000." TUBBS signed and dated SBA Form 2483 on May 5, 2020, for The Little Piglet Soap Company, LLC.

5. The PPP Application submitted to Cross River Bank stated that The Little Piglet Soap Company, LLC averaged a monthly payroll of \$165,750. As additional support to the PPP Application, TUBBS submitted what she claimed was a Transmittal of Wage and Tax Statements (IRS Form W-3) for 2020. The 2020 W-3 which TUBBS used was dated March 1, 2020.

6. The PPP Application submitted to Cross River Bank stated that The Little Piglet Soap Company, LLC had 36 employees. The other document submitted, titled “Paycheck Protection Program Addendum A”, stated that The Little Piglet Soap Company, LLC had 56 employees.

7. As additional support to the PPP Application for The Little Piglet Soap Company, LLC, TUBBS submitted records from the Arkansas Secretary of State which listed the status of the business as “Good Standing.”

8. According to documents included in the PPP Application, TUBBS utilized “docusign”, which was managed by Kabbage, to sign her PPP Application documents for The Little Piglet Soap Company, LLC using a mobile device with the IP address: 99.203.97.69.

9. On the PPP Application for The Little Piglet Soap Company, LLC, TUBBS indicated that the business EIN was 81-4842407.

#### B. THE EXECUTION OF THE SCHEME

On or about May 5, 2020, in the Eastern District of Arkansas and elsewhere, the defendant,

GANELL TUBBS,

knowingly executed the above described scheme and artifice to defraud a financial institution, by means of false and fraudulent pretenses, representations and promises, to wit, TUBBS submitted a false PPP Borrower Application Form (SBA Form 2483) on behalf of her company, The Little Piglet Soap Company, LLC, in order to receive a loan in the amount of \$414,375 from Cross River Bank, a bank insured by the FDIC, which loan was guaranteed by the SBA.

All in violation of Title 18 U.S.C. § 1344(1).

**COUNT 3**

On or about April 30, 2020, in the Eastern District of Arkansas, and elsewhere, the defendant,

GANELL TUBBS,

knowingly made a false statement and report for the purpose of influencing the actions of Celtic Bank, an institution the accounts of which were insured by the FDIC, and the SBA in connection with an application for a loan, in that GANELL TUBBS, the defendant, stated in her PPP Application that Suga Girl Customs, LLC had 210 employees, with an average monthly payroll of \$607,555, when in truth and fact, as the defendant well knew, there were not 210 employees of Suga Girl Customs, LLC, and there was not an average monthly payroll of \$607,555.

All in violation of Title 18, U.S.C. § 1014.

**COUNT 4**

On or about May 5, 2020, in the Eastern District of Arkansas, and elsewhere, the defendant,

GANELL TUBBS,

knowingly made a false statement and report for the purpose of influencing the actions of Cross River Bank, an institution the accounts of which were insured by the FDIC, and the SBA in connection with an application for a loan, in that GANELL TUBBS, the defendant, stated in her PPP Application that The Little Piglet Soap Company, LLC had 36 employees and 56 employees with an average monthly payroll of \$165,750, when in truth and fact, as the defendant well knew, there were not 36 or 56 employees of The Little Piglet Soap Company, LLC, and there was not an average monthly payroll of \$165,750.

All in violation of Title 18, U.S.C. § 1014.



**COUNT 5**

On or about May 13, 2020, in the Eastern District of Arkansas and elsewhere, the defendant,

GANELL TUBBS,

knowingly engaged and attempted to engage in a monetary transaction by and through a financial institution, affecting interstate commerce, in a criminally derived property of a value greater than \$10,000, that is, transfer of funds in the amount of \$150,000, such property having been derived from a specified unlawful activity, that is, a fraudulent loan application, a violation of Title 18 U.S.C. § 1014, as set forth in Counts Three and Four .

All in violation of Title 18, U.S.C. § 1957.

**FORFEITURE ALLEGATION 1**

Upon conviction of one or more of the offenses charged in Counts 1 through 4 of this indictment, the defendant, GANELL TUBBS, shall forfeit to the United States, under Title 18, United States Code, Section 982(a)(2), all property constituting, or derived from, proceeds the person obtained directly or indirectly, as a result of the offense.

**FORFEITURE ALLEGATION 2**

Upon conviction of the offense charged in Count 5 of this indictment, the defendant, GANELL TUBBS, shall forfeit to the United States, under Title 18, United States Code, Section 982(a)(1), all property, real or personal, involved in the offense, and all property that is traceable to the property involved in the offense.