

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA

Case: 2:20-cr-20355
Assigned To : Michelson, Laurie J.
Referral Judge: Stafford, Elizabeth A.
Assign. Date : 8/17/2020
Description: INFO USA V. BAKER(NA)

v.

D-1 DARRELL BAKER,

Violations: 18 U.S.C. § 1344
18 U.S.C. § 1957

Defendant.

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INFORMATION

THE UNITED STATES ATTORNEY CHARGES:

GENERAL ALLEGATIONS

At all times relevant to this Information:

1. The “Paycheck Protection Program” (PPP) was a program administered by the U.S. Small Business Association (SBA) designed to help businesses keep their workforces employed during the coronavirus crisis. Enacted on March 27, 2020 as a part of the CARES Act, the program was designed to provide a direct incentive for small businesses to keep their workers on the payroll during the pandemic. The PPP enabled businesses to obtain forgivable loans from participating financial institutions. The SBA would forgive the loans if all employees were kept on the

payroll for eight weeks and the money was used for payroll, rent, mortgage interest, or utilities.

2. Defendant Darrell Baker was a resident of Detroit, Michigan.

3. Darrell Baker was the sole owner, registered agent, and president of Motor City Solar Energy Inc. (Motor City), a domestic corporation registered in the State of Michigan.

4. Customers Bank was a bank based in Phoenixville, Pennsylvania. Customers Bank's deposits were insured by the Federal Deposit Insurance Corporation (FDIC), and Customers Bank was therefore a "financial institution" as defined in 18 U.S.C § 20.

5. Customers Bank was a participating financial institution in the PPP.

6. On April 10, 2020, Darrell Baker applied for a PPP loan on behalf of Motor City. On May 4, 2020, he signed additional documents pertinent to his application, including a certificate of completion and a bank note. In his PPP loan application documents, Baker represented that Motor City had 68 employees and that his 2019 payroll expenses were approximately \$2.8 million.

7. On May 11, 2020, Customers Bank funded a PPP loan for Motor City in the amount of \$590,000. The funds were sent via ACH wire transfer from Customers Bank to Motor City's Account at Michigan First Credit Union.

8. Darrell Baker made several material false representations in the application documents he submitted for this PPP loan. Contrary to the representations he made in the application documents, Motor City had no employees and was not an ongoing business. The documents Darrell Baker submitted that purported to support Motor City's 2019 payroll expenses were fictitious.

9. Darrell Baker managed to withdraw approximately \$172,000 of the \$590,000 he received from this loan before Michigan First Credit Union froze the remaining funds.

10. Darrell Baker engaged in various financial transactions with the fraudulently obtained PPP loan proceeds, including obtaining a cashier's check in the amount of \$37,590 for the purchase of a vehicle.

COUNT 1

Bank Fraud
18 U.S.C. § 1344

11. Paragraphs 1 through 10 of the General Allegations section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

12. Beginning in approximately April 2020 and continuing through approximately May 2020, in the Eastern District of Michigan, defendant Darrell Baker did devise and execute a scheme and artifice to obtain moneys owned by

and under the custody and control of Customers Bank, the deposits of which were insured by the Federal Deposit Insurance Corporation, by means of material false and fraudulent pretenses, representations and promises, all in violation of 18 United States Code Section 1344.

COUNT 2

Money Laundering
18 U.S.C. §1957

13. Paragraphs 1 through 10 of the General Allegations section of this Information are re-alleged and incorporated by reference as though fully set forth herein.

14. On or about May 11, 2020, in the Eastern District of Michigan, defendant Darrell Baker, did knowingly engage and attempt to engage in a monetary transaction by, through, or 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: bank fraud, in violation of 18 United States Code Section 1344, in violation of 18 United States Code Section 1957.

FORFEITURE ALLEGATIONS

18 U.S.C. § 982(a)(1) and/or 18 U.S.C. § 981 with 28 U.S.C. § 2461

15. The above allegations contained in this Information are incorporated by reference as if set forth fully herein for the purpose of alleging forfeiture pursuant to the provisions of 18 U.S.C. §§ 982(a)(1) and (2) and/or 18 U.S.C. § 981 with 28 U.S.C. § 2461.

16. As a result of the violation of 18 U.S.C. § 1344, as set forth in this Information, Defendant shall forfeit to the United States: (a) any property constituting, or derived from, proceeds defendant obtained directly or indirectly, as the result of his violation of 18 U.S.C. § 1344, (b) all property, real and personal, which constitutes or is derived, directly or indirectly, from gross proceeds traceable to Defendant's conspiracy to commit wire fraud, in violation of 18 U.S.C. § 1344

17. As a result of the violation of 18 U.S.C. § 1957, as set forth in this information, Defendant shall forfeit to the United States any property, real or personal, involved in defendant's violation of 18 U.S.C. § 1957, or any property traceable to such property.

18. Specifically, Defendant will forfeit to the United States, his interest in the following:

- 2015 Cadillac Escalade, VIN 1GYS4NKJ7FR587893
- 2018 Dodge Charger, VIN 2C3CDXGJ4JH220865

- 2012 Cadillac Escalade, VIN 1GYS4KEF3CR128099
- 2007 Hummer H2 VIN, 5GRGN23UX7H103219

19. Money Judgment: Such property includes, but is not limited to, forfeiture money judgments in the amount of \$172,000, representing the total value of the property subject to forfeiture for Defendant's violations, as alleged in this Information.

20. Substitute Assets: If the property described above as being 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 that cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek to forfeit any other property of the Defendant up to the value of the forfeitable property described above.

Respectfully submitted,

MATTHEW SCHNEIDER
UNITED STATES ATTORNEY

/s/ John K. Neal

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