

COLIN M. RUBICH
Assistant U.S. Attorney
U.S. Attorney's Office
James F. Battin U.S. Courthouse
2601 Second Ave. N., Ste. 3200
Billings, MT 59101
Phone: (406) 247-4684
Fax: (406) 657-6989
E-mail: Colin.Rubich@usdoj.gov

ATTORNEY FOR PLAINTIFF
UNITED STATES OF AMERICA

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
BILLINGS DIVISION

UNITED STATES OF AMERICA, Plaintiff, vs. MATTHEW JASON WELCH, Defendant.	CR 20-103-BLG-DLC OFFER OF PROOF
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The United States of America, represented by Colin M. Rubich, Assistant United States Attorney for the District of Montana, files its Offer of Proof in anticipation of the Change of Plea hearing scheduled for November 16, 2020.

THE CHARGE

The defendant, Matthew Jason Welch, is charged by indictment in counts I, II, and III with wire fraud, in violation of 18 U.S.C. § 1343

PLEA AGREEMENT

There is no plea agreement and no offer was made to Welch. Welch will plead guilty to the indictment, which is the most favorable resolution of the case for Welch because he will retain his appeal rights. *See Missouri v. Frye*, 566 U.S. 134, 145-46 (2012).

ELEMENTS OF THE CHARGE TO WHICH HE WILL PLEAD

In order for the defendant to be found guilty of the charge of wire fraud, as charged in counts I, II, and III of the Indictment, the United States must prove each of the following elements beyond a reasonable doubt:

First, the defendant knowingly devised a scheme or plan to defraud, or a scheme or plan for obtaining money or property by means of false or fraudulent pretenses, representations, or promises;

Second, the statements made or facts omitted as part of the scheme were material; that is, they had a natural tendency to influence, or were capable of influencing, a person to part with money or property;

Third, the defendant acted with the intent to defraud; that is, the intent to deceive or cheat; and

Fourth, That in advancing, furthering, or carrying out the scheme, the defendant transmitted any writing, signal, or sound by means of a wire, radio, or television communication in interstate commerce or caused the

transmission of any writing, signal, or sound of some kind by means of a wire, radio, or television communication in interstate commerce.

PENALTY

Each count carries a penalty of twenty years imprisonment, a \$250,000 fine, three years supervised release, and a \$100 assessment.

ANTICIPATED EVIDENCE

If this case were tried in United States District Court, the United States would prove the following:

On or about April 23, 2020, Matthew Welch submitted a false Payroll Protection Program (PPP) loan application to one of the participating lender companies in the name of the Welch Sole Proprietorship seeking approximately \$35,000 in PPP funds to support payroll, lease and mortgage interest costs, and utility costs. The PPP Application identified Welch as the 100 percent owner of the Welch Sole Proprietorship and was signed by Welch.

In the PPP Application, Welch falsely certified that he was not “subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction.” Welch was actually subject to a felony criminal charges in Montana and Wyoming. Through email and phone, Welch repeatedly asserted falsely that he did not have any pending criminal charges and was eligible for a PPP loan.

On May 14, 2020, in a phone call with a law enforcement agent posing as a representative of the lender, Welch falsely stated that he did not have any criminal charges pending against him as of the date of the PPP Application, April 23, 2020. It was also later learned that Welch did not plan to use the funds from the loan to maintain his payroll but rather to pay off a restitution obligation in one of his felony cases.

In a telephonic interview with Special Agents with Secret Service and the US Small Business Administration, Welch admitted to submitting the application and materials to the lender. He also confirmed he was in Montana at the time of submission. The servers for the lender were outside the state of Montana and, therefore, both the submission of the application and the submission of the supplemental materials for the loan resulted in interstate wires which occurred on April 23, 2020, and May 12, 2020 respectively.

DATED this 13th day of November, 2020.

KURT G. ALME
United States Attorney

/s/ Colin M. Rubich
COLIN M. RUBICH
Assistant U.S. Attorney