

Application for a Complaint by Telephone or Other Reliable Electronic Means

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America
v.
SHANRIKA SHANTAE DUHART,
Defendant(s)

Case No. 21-6153-Hunt

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of May 22, 2020 - July 30, 2020 in the county of Broward in the Southern District of Florida, the defendant(s) violated:

Table with 2 columns: Code Section and Offense Description. Rows include Wire Fraud (18 U.S.C. §§ 1343, 2), Bank Fraud (18 U.S.C. §§ 1344, 2), and Conspiracy/attempt to commit wire fraud and bank fraud (18 U.S.C. § 1349).

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT.

[X] Continued on the attached sheet.

[Handwritten signature of SA Beatriz Feito]

Complainant's signature

SA Beatriz Feito, Special Agent, IRS-CI

Printed name and title

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone.

Date: 03/16/2021

[Handwritten signature of Judge Patrick M. Hunt]

Judge's signature

City and state: Fort Lauderdale, Florida

Hon. Patrick M. Hunt, United States Magistrate Judge

Printed name and title

AFFIDAVIT

I, Beatriz Feito, being first duly sworn, hereby depose and state as follows:

INTRODUCTION AND AGENT BACKGROUND

1. I make this Affidavit in support of a criminal complaint charging SHANRIKA SHANTAE DUHART (“DUHART” or “Defendant”), with wire fraud, bank fraud, and attempt and conspiracy to commit wire fraud and bank fraud, in violation of 18 U.S.C. §§ 1343, 1344, 1349, and 2, from on or about May 22, 2020, to at least on or about July 30, 2020, in the Southern District of Florida, and elsewhere (the “Target Offenses”).

2. Defendant has participated in a conspiracy and scheme to obtain by fraud millions of dollars in forgivable loans through the Paycheck Protection Program (“PPP”) and other government programs. Defendant committed the Target Offenses with a person now cooperating with the investigation (“CHS 2”) and others. Defendant obtained a fraudulent PPP loan for her own company, Hair She Goes, Inc. (“HSG”), with CHS 2 providing falsified documents and submitting the application on Defendant’s behalf in exchange for a kickback from the loan proceeds. To inflate the size of these PPP loans, and the corresponding kickbacks, the conspirators relied on a variety of false statements, including by submitting falsified bank statements and payroll tax forms. For example, the conspirators used nearly identical versions of the same fabricated bank statements, recycled in the PPP applications for multiple companies, with minor changes.

3. The conspirators in the scheme planned or prepared at least 90 fraudulent applications, most of which were submitted. Based on the evidence investigators have reviewed to date, CHS 2, Defendant, and their co-conspirators applied for PPP loans that are together worth more than \$34 million, with at least approximately 42 of those loans approved and funded for a

total of approximately \$17.6 million. Certain of those loan recipients then wired a kickback of varying amounts, often approximately 25% of the fraudulent loan proceeds, to an account controlled by CHS 2.

4. I am a Special Agent with the United States Department of the Treasury, Internal Revenue Service, Criminal Investigation (“IRS-CI”) and have been employed in this capacity since January 2019. I am presently assigned to the Miami Field Office. My duties as a Special Agent include the investigation of possible criminal violations of the Internal Revenue Code (Title 26 of the United States Code), the Bank Secrecy Act (Title 31 of the United States Code), and the Money Laundering Statutes (Title 18 of the United States Code). I graduated from the Criminal Investigator Training Program at the Federal Law Enforcement Training Center in May 2019 and the Special Agent Investigative Techniques program at the National Criminal Investigation Training Academy in August 2019. In these two programs, I studied a variety of law enforcement tactics and criminal investigator techniques relating to tax and financial crimes. Since becoming an IRS-CI Special Agent, I have personally investigated and assisted in investigations relating to the Internal Revenue Laws and financial crimes. Recently, I have been assigned to work with the U.S. Department of Justice and other law enforcement partners, including the Federal Bureau of Investigation and the Small Business Administration Office of Inspector General, to investigate possible fraud associated with the stimulus and economic assistance programs created by the federal government in response to the COVID-19 pandemic.

5. The facts in this Affidavit come from my personal observations, my training and experience, and information obtained from other members of law enforcement and from witnesses.

This Affidavit is intended to show merely that there is sufficient probable cause and does not set forth all of my knowledge about this matter.¹

PROBABLE CAUSE

The Paycheck Protection Program

6. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and 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 forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”).

7. 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 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 (Small Business Administration (“SBA”) Form 2483), the small business (through its authorized representative) was required to provide, 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 were required to provide documentation confirming their payroll expenses.

¹ The conduct and charges described in this Affidavit are part of a larger investigation that is being conducted in this District and elsewhere. As a result, not all numbered sources and anonymous individuals and entities are described in every filing. I have included in this Affidavit only those individuals and entities I have deemed necessary to explain the particular facts set forth here.

8. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was 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, was transmitted by the lender to the SBA in the course of processing the loan.

9. PPP loan proceeds were required to be used by the business on certain permissible expenses—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 defined portion of the PPP loan proceeds on payroll expenses.

Financial Institutions

10. This Affidavit references financial institutions that are headquartered in the United States and insured by the Federal Deposit Insurance Corporation, including Bank 1, Bank 3, Bank 5, Bank 6, and Bank 7.

The Scheme to Obtain Fraudulent PPP Loans

11. On or about May 13, 2020, Phillip J. Augustin (“Augustin”) and CHS 2 worked together to submit a fraudulent PPP loan application on behalf of a company owned by Augustin. Augustin submitted a PPP loan of \$84,515 to a federally insured bank (hereinafter “Bank 3”), through a third-party company processor (hereinafter “Bank Processor 1”). The application

included bank statements that are clear forgeries, and CHS 2 has admitted that the application was based on documents that he falsified for Augustin.²

12. Following the success of that initial fraudulent PPP application, Augustin and CHS 2 began to work on obtaining more and larger PPP loans for Augustin's associates and others, generally for several hundred thousand dollars for each loan, up to as much as approximately \$1.24 million. Based on the evidence investigators have reviewed so far, CHS 2 and Augustin collectively coordinated applications for PPP loans that are together worth more than \$34 million dollars. The evidence also shows many more PPP loans were attempted but rejected by banks or their partners, or were planned and prepared, but not submitted before CHS 2's arrest. The evidence suggests that all or nearly all of those loan applications were fraudulent, including Defendant's loan application.

13. Investigators have obtained many other PPP loan applications that CHS 2 has admitted he submitted as part of this scheme, based on falsified documents, and have also obtained draft documents used or intended to be used in those applications or others. These applications all follow the same pattern of fraud—many with obviously counterfeit February 2020 bank statements, and all with fabricated IRS Forms 941 (titled, "Employer's Quarterly Federal Tax Return") with the same indicia of fraud found in Augustin's initial application—but generally with

² On June 25, 2020, investigators arrested CHS 2 and another person now cooperating with the investigation ("CHS 3") and executed search warrants at their residences. Following his arrest, CHS 2 chose to cooperate with the investigation in the hope of obtaining favorable consideration in connection with his pending charges. CHS 2 was interviewed on that day, and has continued to cooperate with the investigation after obtaining counsel. Most of his statements related herein have been corroborated by records obtained from third parties or recovered from his electronic devices.

even larger inflated payroll numbers, thus yielding much larger loans.³ CHS 2 has explained to investigators that the figures in the Forms 941 were the product of a formula that allowed him to start with a target loan amount, and then “back into” the payroll figures on the form. He explained how he used figures that would produce an average monthly payroll for 2019 that, when multiplied by 2.5, would yield the requested loan amount. In turn, the number of employees reported was chosen based on fictional payroll figures, chosen to avoid an average employee salary that might raise suspicion.

14. CHS 2 has also explained that he tried to use bank statements showing that the company had a large balance. Because so few companies had such a statement, and likely also because it was easier than keeping track of their true statements, CHS 2 repeatedly submitted near-replicas of the same falsified bank statements. In particular, CHS 2 appears to have recycled one statement each from Bank 1, Bank 6, and Bank 7. In recycling a statement, CHS 2 generally changed only the account number and the account holder’s name and address, such that each version of the statement had identical figures and line items throughout the statement.

15. A review of records for bank accounts controlled by CHS 2 at Bank 5 confirmed CHS 2’s admissions that he received numerous kickbacks, often of approximately 25% of the amount of the loans, and that he regularly wired Augustin a share of that kickback in the early stages of the scheme. CHS 2 explained that they were doing so many loans by the end of May that he changed course, instead wiring larger lump sums, collecting Augustin’s shares of the kickbacks for multiple loans in one wire.

³ Some loan applications also included voided checks that appear to be falsified, such as a purported check from a bank (“Bank 5”) that appears to have been produced on a computer and, as the subject line of an email transmitting the voided check read, “Converted to PDF[.]” rather than a scan of an authentic check.

16. Investigators are still receiving and analyzing records, but based on a preliminary analysis, as of August 31, 2020, investigators had identified a total of approximately \$2,367,765.82 in transfers to CHS 2's accounts from entities that each obtained a sizable PPP loan and that were identified in the PPP files seized from CHS 2's and another co-conspirator's residences, as described below—or from individuals associated with those entities.

17. The PPP loans identified above as implicated in the foregoing kickback payments to CHS 2 represent only a fraction of the overall scheme. In executing search warrants at the respective residences of CHS 2 and CHS 3, federal agents found stacks of paper printed out and organized by entity, containing an "intake form," fabricated Forms 941, or both for each entity. The intake forms contained fields for the information needed to fabricate the documents and fill out other aspects of the PPP application: identifying information about the owner and company, as well as bank account information for receiving the loan. A section at the end marked "BELOW IS OFFICE USE ONLY" included blank fields for the "Number of Employees[.]" "Monthly Payroll Expense[.]" and "SBA Loan Pre-Approval Amount." Between CHS 2's and CHS 3's residences, investigators seized paper files for PPP loan applications for approximately 80 different entities.

18. Data obtained from the SBA showed additional PPP loan applications from additional entities that text message and email records show had been referred to CHS 2 by members of the conspiracy.

The Fraudulent PPP Loan Disbursed to HSG

19. According to Florida's Division of Corporations website ("Sunbiz"), Hair She Goes, Inc. ("HSG") was established as a Florida for-profit corporation on or about March 20, 2015; DUHART is listed as the company's incorporator and president; and the principal address of HSG

is 5379 Lyons Rd., Unit 1561, Coconut Creek, Florida 33073. A check of this business address revealed it was the address for Pak Mail of Coconut Creek.⁴

20. On or about May 26, 2020, a PPP loan application package on behalf of HSG was electronically submitted to Bank 3 through Bank Processor 1. The loan application package included, among other documents: (1) four purported Forms 941 for each quarter of 2019 in the name of HSG; (2) a purported company bank statement for HSG from Bank 6; and (3) a Borrower Application Form for a PPP loan request of \$388,790 for HSG based upon a purported average monthly payroll of \$155,516 for 20 employees (the “PPP Application Form”). The PPP Application Form listed DUHART as the 100% owner of HSG, and also listed DUHART’s address as located in Miami-Dade County, Florida.

21. The purported Forms 941 submitted with HSG’s PPP loan application package show quarterly payroll of over \$300,000 each quarter, and do not state the number of employees who were paid wages. That quarterly payroll figure yielded the PPP loan application’s “Average Monthly Payroll” figure of \$155,516, which determined the \$388,790 amount of the loan. Each Form 941 was signed by hand with the name “Shanrika Duhart” as the company owner, and also listed “Shanrika Duhart” as the company’s designee and as a “Paid Preparer,” although DUHART is not a paid tax preparer.⁵

⁴ Pak Mail is a business that offers a wide variety of services such as: mailbox services; copying, printing and faxing services; packing and moving services; as well as notary services, office supplies and document shredding.

⁵ CHS 2 admitted during interviews with law enforcement that CHS 2 signed many of the Forms 941 included in the PPP applications. When CHS 2 was shown the four Forms 941 for HSG, CHS 2 admitted that he signed all of them.

22. The purported Forms 941 submitted with HSG's PPP loan application package follow the same style and pattern, including the indicia of fraud, as the many other Forms 941 that CHS 2 acknowledged that he helped create and submit in the course of the scheme, as described above.⁶ Moreover, IRS records show that HSG did not, in fact, file any Forms 941 for any quarter of 2019 or the first quarter of 2020, and Florida Department of Revenue records show that HSG did not report any wages or employees for that same period.

23. The purported company bank statement for HSG submitted with its PPP loan application package, which was submitted in electronic format as a PDF, has indicia of forgery. According to the PDF file "properties," the February 2020 statement was created using "PDFFILLER," a program used to edit electronic PDF files, and was "modified using iText." The metadata shows that the file was created on or about May 14, 2020, and modified on May 23, 2020. Further, the statement is a recycled version of the same falsified Bank 6 statement used in other fraudulent applications submitted as part of this scheme.

⁶ As noted above, DUHART was listed as both owner and paid preparer. Dozens of other Forms 941 submitted in this scheme evidence the same error. CHS 2 has admitted that these documents share that feature because he misunderstood the form, and he (or someone following his instructions) prepared the Forms 941 at issue. The content of the forms also indicate falsification. HSG submitted four identical 941s, down to the penny in reported figures. They also evidence a pattern of payroll spending that is likely false: each of the quarters shows significant (but identical quarter over quarter) increases from the first to second to third month of the quarter. For each identical form, the same figures are reported for the tax liability incurred in the first month of each quarter, the same figure for the second month of each quarter (increased substantially from the first month), and the same figure for the third month of the quarter (increased substantially from the second month). The result is that the company reports a perfectly repeating cycle of ascending payroll costs within each quarter. CHS 2 has explained that this was due to a formula he used, allocating different percentages of the quarterly payroll tax liability to each month of each quarter.

24. The PPP Application Form required the borrower to electronically initial and/or sign (via DocuSign, as explained below) a number of “certifications,” including: (1) that the applicant business was in operation on February 15, 2020, and had employees to whom it paid salaries/payroll taxes or paid independent contractors, as reported on Form(s) 1099; (2) that the funds would be used to retain workers, maintain payroll, or make mortgage/interest/lease/utility payments as specified by the PPP rule and that unauthorized use could result in charges for fraud; and (3) that the information provided in the application, including in supporting documents, was “true and accurate in all material respects,” and that making false statements could result in criminal charges. Each certification was electronically initialed “SD,” the loan application was electronically signed “Shanrika Duhart,” and the printed name on the loan application was “Shanrika Duhart[.]”

25. The promissory note, labeled at the top “Paycheck Protection Program Loan[.]” set forth the amount of the loan (\$388,790) and its terms (including that the proceeds could only be used for business purposes). The terms also specified that the borrower may apply for loan forgiveness only in an amount equal to the sum of certain specified costs: payroll costs, interest on mortgage obligations, rent obligations, and utility payments. The promissory note further specified that not more than 25% of the amount of forgiveness could be attributable to non-payroll costs. Additionally, the promissory note contained a “Representations and Warranties” section for the borrower to acknowledge, among other things, that “the information provided in all supporting documents and forms to obtain this Loan” were true and accurate. The promissory note was electronically signed “Shanrika Duhart” and the printed name on the promissory note was “Shanrika Duhart[.]”

26. Bank Processor 1's Internet protocol ("IP") address records for the HSG loan application show that a computer with an IP address (ending in 170) associated with CHS 2's residence in Broward County, Florida, logged into the HSG loan account as early as on or about May 23, 2020, as well as subsequently on or about May 26, 2020, May 28, 2020, and June 2, 2020. The session records also reveal that a computer with IP address (ending in 104), associated with a residential address in Miami, Florida, logged onto the HSG loan account to view and sign the PPP loan application on or about May 26, 2020. I interviewed the occupant of this residence, who stated that he/she knew DUHART and that DUHART has stayed at his/her residence in the past. The occupant of this residence also stated that it is common for him/her to share his/her internet password with his/her visitors because the cell phone reception in the apartment is not very good.

27. Records received from DocuSign indicated that, on or about May 26, 2020, at 6:55 a.m. (UTC), Bank Processor 1 sent the PPP Application Form to the DocuSign user "Shanrika Duhart" at the email address "hairshergoesinc@yahoo.com." Records obtained from Yahoo show that "Shanrika Duhart" is the account holder for the email address "hairshergoesinc@yahoo.com." DUHART also provided this email address to a co-conspirator who has separately been charged as part of the scheme, Keyaira Bostic ("Bostic"),⁷ via text message when DUHART was applying for the PPP loan on behalf of her company HSG. Records received from DocuSign also indicated that on or about May 27, 2020, user "Shanrika Duhart" logged onto the HSG loan account with a computer with an IP address (ending in 120). This IP address was assigned to DUHART at an address where DUHART lived at the time.

⁷ On December 8, 2020, Bostic was indicted in the Southern District of Florida with wire fraud, bank fraud, and conspiracy to commit wire fraud and bank fraud for her role in this scheme. See Case No. 20-cr-60139-WPD.

28. Based upon these records from DocuSign and Yahoo, it is reasonable to infer that DUHART viewed the PPP Application Form on or about May 26, 2020, at 6:56 a.m. (UTC), and that DUHART signed the PPP Application Form on or about May 26, 2020, at 6:57 a.m. (UTC).

29. Based on the representations made in the loan application paperwork and supporting documents, the PPP loan application for HSG was approved, and on or about June 1, 2020, Bank 3 wired approximately \$388,790.00 in loan proceeds into the HSG bank account at Bank 12.

Emails, Text Messages, and Bank Records Confirm DUHART's Knowing Participation in the Fraud

30. As part of the investigation, law enforcement obtained communications between Bostic and DUHART, and between Bostic and CHS 2, including text messages and emails. I have reviewed a number of these communications, which discussed, among other things, the PPP loan for HSG. These communications occurred between on or about May 22, 2020, and on or about July 2, 2020. Bostic communicated with DUHART at DUHART's phone number, 305-915-2006, the same phone number associated with HSG.

31. I have also reviewed Bank 12 records for HSG and Bank 5 records for a company controlled by CHS 2, which confirmed DUHART's receipt of the HSG PPP loan proceeds and the subsequent kickback payment to CHS 2. Bank records show that HSG had an account at Bank 12 ending in *3256 ("Bank 12 *3256"). A signature card for the Bank 12 *3256 account shows that DUHART opened the account on or about April 30, 2020, listed her position as "dancer," had 100% ownership over HSG, and was the only signer for the Bank 12 *3256 account. The signature card also shows a mailing address in Miami-Dade County, Florida, and a physical address in Miami, Florida. On or about June 1, 2020, the Bank 12 *3256 account received via bank wire

approximately \$388,790 in loan proceeds from Bank 3 as a result of HSG's fraudulent PPP loan application.

32. Text messages indicate that DUHART made misrepresentations to Bank 3 about how DUHART intended to use the PPP loan money. Specifically, on or about June 3, 2020, two days after DUHART received the PPP loan money, Bostic sent wire instructions via text message to DUHART. The wire instructions included CHS 2's bank name, company name, home address, account number, and routing number. DUHART was supposed to follow these instructions in order to wire approximately 25% of HSG's PPP loan to an account CHS 2 controlled at Bank 5. After Bostic sent the wire instructions to DUHART, Bostic sent a text message to CHS 2 which confirmed that DUHART had received the PPP loan money, and which informed CHS 2 that Bostic had sent the wire instructions to DUHART. The text message that Bostic sent CHS 2 read as follows: "[DUHART] got her deposit in today I sent her the instructions as well." CHS 2 replied, "Great."

33. In response to the wire instructions from Bostic, DUHART sent a text message to Bostic, which said: "U want me to wire that to a business that looks like I'm buying a home." In response, Bostic texted DUHART: "He said add to notes for remodeling for Business; Or covid business upgrade; I mean on the instructions for wire."

34. A review of DUHART's bank records showed that on or about June 4, 2020, DUHART wired \$47,000 to CHS 2 by going to a Bank 12 branch location in Miami-Dade County, Florida. DUHART wired this money from the Bank 12 *3256 account to an account controlled by CHS 2 at Bank 5. The memo line for the wire indicated it was for "COVID business upgrading/Hair She Goes – Shanrika Duhart." In interviews with law enforcement, CHS 2 confirmed that this money was part of his kickback payment. In addition, on or about June 9,

2020, DUHART wired \$40,000 to CHS 2 by going to a Bank 12 branch location in Miami-Dade County, Florida. DUHART wired this money from the Bank 12 *3256 account to an account controlled by CHS 2 at Bank 5. The memo line for the wire indicated it was for “COVID Business Upgrading.” CHS 2 confirmed that this money was also part of his kickback payment.

35. As mentioned above, a check of HSG’s business address, which was provided on the PPP loan application, showed that it was not an address for a business storefront, and instead it was the address for Pak Mail of Coconut Creek. In addition, CHS 2 did not perform or agree to perform any business upgrading services for DUHART.

36. On or about June 9, 2020, DUHART and Bostic communicated about the remaining funds owed to CHS 2. On or about June 9, 2020, Bostic sent a text message to DUHART, which stated: “He said it’s 7k more was supposed to be 94 in total.” DUHART responded: “Man; I’m not going back in right now. That’s almost a hr wait every time I go.” In response, Bostic sent DUHART a text message, which said: “Just write a check ima just give it to him at point.” Bostic then sent DUHART a follow-up text stating: “Just write him a check he will be ok.”

37. On or about June 2, 2020, the day after DUHART received the PPP loan proceeds, DUHART created an account at Intuit, a software company that offers various products and services including payroll. Intuit records show that DUHART listed only seven purported HSG employees, including herself, her mother, her sister, her brother, and her daughter.⁸

38. Text messages between DUHART and Bostic appear to show that DUHART was concerned about having to repay the PPP loan and, as a result, began to make payroll payments to different individuals in order to qualify for PPP loan forgiveness. On or about June 4, 2020,

⁸ As described above, the PPP loan application for DUHART’s business listed 20 purported employees.

DUHART sent a text message to Bostic that said: “Hey I sent 47000 tell h[im] I’m call me if there is a[n] issue. Cause he can get the rest when he helps me forgive this. Cause even now I have questions about the cap of 100k on payroll. I got into this with the knowledge of it being forgive. Not of me struggling trying to figure out how to get it forgiven.” Approximately one minute later, DUHART sent another text message to Bostic that said: “I have to start running payroll tomorrow and still not sure of the amount to do and stay within forgiveness.”

39. A review of DUHART’s bank records show that from approximately on or about June 10, 2020, through approximately on or about July 24, 2020, DUHART paid approximately \$40,300 in purported payroll to different individuals, including herself, her mother, her sister, her brother, and her daughter.⁹ For example, on or about June 19, 2020, DUHART wrote a \$4,000 check made payable to her mother for “payroll.” Subsequently, on or about July 24, 2020, DUHART wrote a \$1,000 check made payable to her mother for “payroll.” On October 5, 2020, law enforcement agents interviewed DUHART’s mother, who stated, among other things, that she has never worked for DUHART and that DUHART gave her this money in order to help her start a business and to purchase a printer. On or about June 26, 2020, DUHART wrote a \$2,000 check made payable to her sister for “payroll.” On October 9, 2020, I interviewed DUHART’s sister, who stated, among other things, that she has never worked for DUHART, and that DUHART gave her this money in order to help her with her bills and other expenses. A review of DUHART’s bank records also show that no evidence of these types of payroll expenses existed prior to the date when DUHART obtained the PPP loan. In addition, as previously mentioned, IRS records show

⁹ A review of these bank records also show that in the month of June 2020, DUHART made various transactions and withdrawals from the Bank 12 *3256 account at branch locations located in Miami-Dade County, Florida.

that HSG did not, in fact, file any Forms 941 for any quarter of 2019 or the first quarter of 2020, and Florida Department of Revenue records show that HSG did not report any wages or employees for that same period.

40. According to my review of bank records, in just two months, from on or about June 3, 2020, through on or about July 31, 2020, DUHART spent the approximately \$388,790 in PPP funding that DUHART had received. She appears to have spent very little of this money, if any, on actual business-related or legitimate payroll-related expenses. Specifically, during this time period, approximately \$396,394 was debited from the Bank 12 *3256 where the PPP loan proceeds had been deposited. Besides paying CHS 2 his kickback and making purported payroll payments to herself and others, DUHART also withdrew approximately \$56,900 in cash, transferred approximately \$122,027 to other businesses that DUHART owns, paid her personal apartment rent, made a car payment, and made other personal debit card payments.

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CONCLUSION

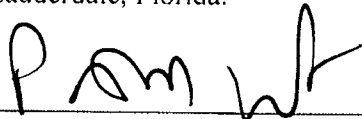
41. Based on the forgoing, I respectfully submit that there is probable cause to believe that SHANRIKA SHANTAE DUHART committed the Target Offenses, from on or about May 22, 2020, to at least on or about July 30, 2020, in the Southern District of Florida, and elsewhere.

FURTHER YOUR AFFIANT SAYETH NAUGHT.



Beatriz Feito
Special Agent
IRS-CI

Attested to by the applicant in accordance with the requirements of Fed. R. Crim. P. 4.1 by telephone, on this 16 day of March, 2021, at Fort Lauderdale, Florida.



HONORABLE PATRICK M. HUNT
UNITED STATES MAGISTRATE JUDGE