

UNITED STATES DISTRICT COURT

MIDDLE DISTRICT OF LOUISIANA

BILL OF INFORMATION FOR WIRE FRAUD
AND ENGAGING IN AN UNLAWFUL MONETARY TRANSACTION
AND NOTICE OF FORFEITURE

UNITED STATES OF AMERICA	:	CRIMINAL NO. 20- 68-SDD-SDJ
	:	
	:	<u>FILED UNDER SEAL</u>
	:	
<i>versus</i>	:	18 U.S.C. § 1343
	:	18 U.S.C. § 1957
	:	18 U.S.C. § 981
	:	18 U.S.C. § 982
BRIAN CRISS	:	21 U.S.C. § 853(p)

THE UNITED STATES ATTORNEY CHARGES:

At all times relevant to this Bill of Information:

1. The defendant, **BRIAN CRISS**, was a resident of Zachary, Louisiana, and Denham Springs, Louisiana, within the Middle District of Louisiana.
2. Criss Solutions, LLC (“Criss Solutions”) was a Louisiana limited liability company formed in or around April 2020. According to documents filed with the Louisiana Secretary of State, **CRISS** was the sole owner, officer, and registered agent of Criss Solutions.
3. Anderson Criss Construction, LLC (“Criss Construction”) was a Louisiana limited liability company formed in or around June 2020. According to documents filed with the Louisiana Secretary of State, **CRISS** was the sole owner, officer, and registered agent of Criss Construction.

USA Sealed Group
USPO

Small Business Administration

4. 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.

5. As part of this effort, the SBA facilitated loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

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 were 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 forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300 billion in additional PPP funding.

7. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, 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) was required to state its average monthly payroll expenses and its number of employees, among other things. 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 showing their payroll expenses.

8. A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender would fund the loan using its own monies, which were 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, including payroll costs, mortgage interest, rent, and utilities. Under the applicable PPP rules and guidance, the interest and principal on the PPP loan was eligible for forgiveness if the business was eligible for the PPP loan it received, spent the loan proceeds on these permissible expense items within a designated period of time, and used a certain portion of the loan proceeds for payroll expenses.

Relevant Financial Institutions and Related Entities

10. Bank 1 was a financial institution within the meaning of Title 18, United States Code, Section 20, the deposits of which were insured by the Federal Deposit Insurance Corporation (“FDIC”). Bank 1 was based in Fort Lee, New Jersey. Bank 1 participated in the PPP as a lender and, as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

11. Bank 2 was a financial institution within the meaning of Title 18, United States Code, Section 20, the deposits of which were insured by the FDIC. Bank 2 was based in Baton Rouge, Louisiana. **CRISS** held accounts at Bank 2, including account number x9398.

12. Bank 3 was a financial institution within the meaning of Title 18, United States Code, Section 20, the deposits of which were insured by the FDIC. Bank 3 was based in Vienna, Virginia. **CRISS** held accounts at Bank 3, including account number x6524.

13. Bank 4 was a financial institution within the meaning of Title 18, United States Code, Section 20, the deposits of which were insured by the FDIC. Bank 4 was based in McLean, Virginia. **CRISS** held accounts at Bank 4, including account number x2982.

14. Company 1 was a financial technology company based in Atlanta, Georgia. Company 1 provided funding to small businesses and consumers through an automated lending platform and also processed loan applications for loans that would ultimately be transferred to other institutions. Company 1 participated in the SBA's PPP by, among other things, acting as a service provider between applicants and certain banks, including Bank 1. Small businesses seeking PPP loans would apply through Company 1 for PPP loans. Company 1 would review the loan applications, and if a loan application was approved for funding, Company 1 would issue the loan and disburse the loan funds to the applicant, before transferring the loan to another financial institution, such as Bank 1.

The Scheme to Defraud

15. Beginning in or around April 2020, and continuing until at least in or around July 2020, in the Middle District of Louisiana and elsewhere, the defendant, **BRIAN CRISS**, devised a scheme and artifice to defraud Company 1 and the United States, through the SBA, by filing false and fraudulent applications for PPP funds and by using the proceeds of those applications for personal expenses and for the enrichment of himself and others, including paying off the balance of a loan on his personal vehicle and purchasing another vehicle for a family member.

Purpose of the Scheme

16. The purpose of the scheme and artifice was for the defendant to unjustly enrich himself by obtaining PPP loan proceeds under false and misleading pretenses, including by making false statements about his companies' legal status and operations, the number of their employees, their payroll, and the intended use of the loan proceeds.

Manner and Means

17. The manner and means by which **CRISS** sought to accomplish the objects and purpose of the scheme and artifice included, among others:

18. On or about May 8, 2020, **CRISS** electronically submitted a false and misleading PPP application to Company 1 in the name of Criss Solutions seeking approximately \$173,990 in PPP funds (the "Criss Solutions PPP application"). **CRISS** signed the Criss Solutions PPP application and also certified that the application and all of the information provided in all supporting documents and forms was true and accurate. Among other things, **CRISS** certified that the funds would be used "to retain workers and maintain payroll," as well as for making other permissible expenses. **CRISS** electronically submitted the Criss Solutions PPP application from the Middle District of Louisiana to Company 1 servers located outside the State of Louisiana.

19. In the Criss Solutions PPP application, **CRISS** falsely stated that Criss Solutions had 23 employees and that its average monthly payroll was \$69,596. In addition, **CRISS** submitted a document that purported to be the Criss Solutions' Transmittal of Wage and Tax Statements ("IRS Form W-3") for 2019. On the purported IRS Form W-3, **CRISS** falsely represented that, in 2019, he had paid Criss Solutions' employees more than \$745,000 in wages, tips, and other compensation and that he had withheld more than \$240,000 in federal income, Social Security, and Medicare taxes. Moreover, **CRISS** submitted a document that purported to

be a Louisiana Secretary of State (the “Secretary”) certificate, which reflected that the Secretary had issued a Certificate of Organization to Criss Solutions on July 11, 2019.

20. As **CRISS** knew at the time he submitted the Criss Solutions PPP application, Criss Solutions did not have the employees or the monthly payroll expenses reported in the application. In fact, Criss Solutions did not register with the Secretary of State until April 2020, mere weeks before **CRISS** filed the Criss Solutions PPP application, nor had Criss Solutions filed any IRS Form W-3 in 2019 or paid the wages or withheld the taxes reflected thereon. The purported Secretary certificate and IRS Form W-3 that **CRISS** provided in support of the Criss Solutions PPP application were fraudulent.

21. Based on **CRISS**’ representations and the documents submitted in support of the Criss Solutions PPP application, on or about May 8, 2020, Company 1 approved the Criss Solutions’ PPP application. On May 12, 2020, Company 1 disbursed \$173,995.49 in loan proceeds to account x9398, held by **CRISS** at Bank 2.

22. On or about June 13, 2020, **CRISS** electronically submitted another false and misleading application to Company 1 in the name of Criss Construction seeking approximately \$250,533 in PPP funds (the “Criss Construction PPP application”). **CRISS** signed the Criss Construction PPP application and again certified that the application and all of the information provided in the supporting documents was true and accurate. Among other things, **CRISS** certified that the funds would be used “to retain workers and maintain payroll,” as well as for making other permissible expenses. **CRISS** electronically submitted the Criss Construction PPP application from the Middle District of Louisiana to Company 1 servers located outside the State of Louisiana.

23. In the Criss Construction PPP application, **CRISS** falsely stated that he did not own any other business and that he had not received any other PPP loan. **CRISS** falsely stated that

Criss Construction had 11 employees and that its average monthly payroll was \$100,214. In addition, **CRISS** submitted a document that purported to be Criss Construction's IRS Form W-3 for 2019. On the purported IRS Form W-3, **CRISS** falsely represented that, in 2019, he had paid Criss Construction employees more than \$189,000 in wages, tips, and other compensation and that he had withheld more than \$59,000 in federal income, Social Security, and Medicare taxes. Finally, **CRISS** submitted a document that purported to be from the Louisiana Secretary of State and reflected that the Secretary had issued a Certificate of Organization to Criss Construction on November 10, 2019.

24. As **CRISS** well knew at the time, just weeks before falsely certifying that he had not received any other PPP funds, he had already received more than \$170,000 based on his submission of the Criss Solutions PPP application. Moreover, as the defendant knew, Criss Construction did not have the employees or monthly payroll expenses reported in the Criss Construction PPP application. Criss Construction had not registered with the Secretary of State in November 2019; in fact, Criss Construction did not register until June 10, 2020 – three days prior to the filing of the Criss Construction PPP application. The purported Secretary certificate and IRS Form W-3 that **CRISS** provided in support of the Criss Construction PPP application were fraudulent.

25. Based on **CRISS**' representations and the supporting documents described above, on or about June 16, 2020, Company 1 approved the Criss Construction PPP application. On June 16, 2020, Company 1 disbursed \$250,533 in loan proceeds to account x6524, held by **CRISS** at Bank 3.

26. Between May 12, 2020 and June 29, 2020, after gaining control of the PPP loan funds described above totaling over \$423,000, **CRISS** withdrew nearly all of the funds and used them for personal expenses and for the personal enrichment of himself and others. For instance:

- a. Within two days of receiving the Criss Solutions PPP loan funds on May 12, 2020, **CRISS** withdrew from account x9398, held by **CRISS** at Bank 2, \$23,995 in cash and withdrew an additional \$30,000 in cashier's checks payable to himself and another individual. On June 2, 2020, **CRISS** transferred \$130,000 of the funds to account x2982, held by **CRISS** at Bank 4, from which he spent the funds on automobiles, including a 2019 Audi A6 and a 2017 Nissan Altima, and personal expenses.
- b. Within two weeks of receiving the Criss Construction PPP loan funds on June 15, 2020, **CRISS** withdrew from account x6524, held by **CRISS** at Bank 3, more than \$265,000 in cash and cashier's checks payable to himself.

27. Eventually, Company 1 sold the loans to Bank 1, which continues to hold the loans as of the date of this Bill of Information.

COUNT ONE
Wire Fraud
18 U.S.C. § 1343

28. Paragraphs 1 through 27 of this Bill of Information are incorporated herein by reference as factual allegations.

29. On or about May 8, 2020, in the Middle District of Louisiana and elsewhere, **BRIAN CRISS**, the defendant herein, for the purpose of executing the aforesaid scheme to

defraud, and to obtain money and property by means of materially false and fraudulent pretenses and representations, and attempting to do so, did knowingly transmit and cause to be transmitted, by means of wire communication, writings, signals, pictures, and sounds in interstate commerce, namely, the defendant electronically submitted the fraudulent loan application and supporting documentation for Criss Solutions, as described above, from the Middle District of Louisiana to Company 1's computer servers located outside the State of Louisiana.

The above is a violation of Title 18, United States Code, Section 1343.

COUNT TWO
Engaging in an Unlawful Monetary Transaction
18 U.S.C. § 1957

30. Paragraphs 1 through 27 of this Bill of Information are incorporated herein by reference as factual allegations.

31. On or about June 29, 2020, in the Middle District of Louisiana and elsewhere, **BRIAN CRISS**, the defendant herein, knowingly engaged in a monetary transaction by and through a financial institution, affecting interstate commerce, involving criminally derived property of a value greater than \$10,000, which property was derived from a specified unlawful activity (wire fraud), namely, the defendant caused a cashier's check in the approximate amount of \$244,922.54 (check no. 449470936), drawn on account x6524, held by **CRISS** at Bank 3, to be deposited into account x9398, held by **CRISS** at Bank 2.

The above is a violation of Title 18, United States Code, Section 1957.

NOTICE OF FORFEITURE

32. Paragraphs 1 through 31 of this Bill of Information are incorporated herein by reference as factual allegations.

33. Upon conviction of the offense alleged in Count 1 of this Bill of Information, **BRIAN CRISS**, the defendant herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2), all property, real and personal, that constitutes or is derived from proceeds the defendant obtained directly or indirectly as a result of the violation, including but not limited to:

- a. a sum of money equal to the amount of the proceeds of the offense;
- b. \$320,000 in funds seized from account number x2982 held by **CRISS** at Bank 4;
- c. One 2019 Audi A6 Quattro, VIN WAUD8AF25KN131324; and
- d. One 2017 Nissan Altima, VIN 1N4AL3AP2HN307926.

34. Upon conviction of the offense alleged in Count 2 of this Bill of Information, **BRIAN CRISS**, the defendant herein, shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(1), all property, real and personal, involved in such offense, or any property traceable to such property.

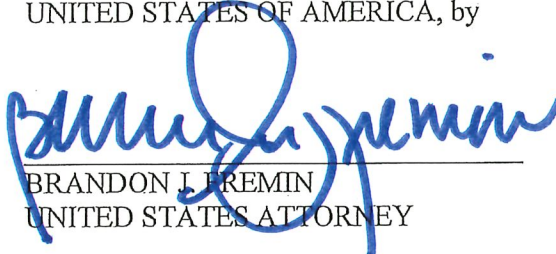
35. If any of the above-described forfeitable property, because of any act or omission of the defendant:

- 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 which cannot be divided 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 forfeiture of any other property of the defendant up to the value of the forfeitable property described above.

Date: 9/30/2020

UNITED STATES OF AMERICA, by

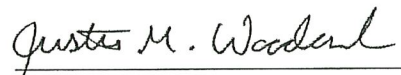


BRANDON J. REMIN
UNITED STATES ATTORNEY



ALAN A. STEVENS
ASSISTANT U.S. ATTORNEY

DANIEL KAHN
ACTING CHIEF
CRIMINAL DIVISION, FRAUD SECTION



JUSTIN M. WOODARD
TRIAL ATTORNEY
CRIMINAL DIVISION, FRAUD SECTION

Criminal Cover Sheet

U.S. District Court

Place of Offense:

Matter to be sealed: ___ No X Yes

City Denham Springs

Related Case Information:

County/Parish Livingston

Superseding Indictment _____ Docket Number _____

Same Defendant _____ New Defendant X

Magistrate Case Number _____

Search Warrant Case No. _____

R 20/ R 40 from District of _____

Any Other Related Cases: _____

Defendant Information:

Defendant Name: Brian Criss

U.S. Attorney Information:

AUSA Alan A. Stevens

Justin M. Woodard, Trial Attorney, DOJ Criminal Division-Fraud Section

Interpreter: No Yes

List language and/or dialect: _____

Location Status:

Arrest Date _____

_____ Already in Federal Custody as of

_____ Already in State Custody

_____ On Pretrial Release

U.S.C. Citations:

Total # of Counts: 2

<u>Index Key/Code</u>	<u>Description of Offense Charged</u>	<u>Count(s)</u>	<u>Petty/ Misdemeanor/ Felony</u>
<u>18:1343</u>	<u>Wire Fraud</u>	<u>1</u>	<u>F</u>
<u>18:1957</u>	<u>Engaging in an Unlawful Monetary Transaction</u>	<u>2</u>	<u>F</u>

Date: 9/30/2020

Signature of AUSA: _____



District Court Case Number (To be filled in by deputy clerk): _____