

SEALED

SEALED

AO 91 (Rev. 08/09) Criminal Complaint

FILED BY _____ D.C.
FEB 24 2021
ANGELA E. NOBLE
CLERK U.S. DIST. CT.
S. D. OF FLA. - FT. LAUD.

UNITED STATES DISTRICT COURT
for the
Southern District of Florida

United States of America)
v.)

Case No. 21-6101-MJ-STRAUSS

DEVONTE DEMOND THAMES)
)

Defendant(s)

CRIMINAL COMPLAINT BY TELEPHONE OR OTHER RELIABLE ELECTRONIC MEANS

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 27, 2020 - February 15, 2021 in the county of Broward in the Southern District of Florida, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 U.S.C. §§ 1343 and 2	Wire Fraud
18 U.S.C. §§ 1344 and 2	Bank Fraud
18 U.S.C. § 1349	Conspiracy/Attempt to Commit Wire and Bank Fraud

This criminal complaint is based on these facts:

SEE ATTACHED AFFIDAVIT.

Continued on the attached sheet.


Complainant's signature

David R. Passonno, 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 FaceTime

Date: February 24, 2021


Judge's signature

City and state: Fort Lauderdale, Florida

Hon. Jared M. Strauss, United States Magistrate Judge
Printed name and title

AFFIDAVIT

I, David Passonno, 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 DEVONTE DEMOND THAMES (“THAMES” 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 27, 2020, to at least on or about February 15, 2021, 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 his own company, Berneta E. Thames Foundation LLC (the “Thames Foundation”), with CHS 2 providing falsified documents and submitting the application on Defendant’s behalf in exchange for a kickback from the loan proceeds. Defendant also conspired to submit additional fraudulent PPP loan applications for other companies by recruiting other confederate loan applicants in order to receive kickbacks from those confederates. 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 December 2018. 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 April 2019 and the Special Agent Investigative Techniques program at the National Criminal Investigation Training Academy in December 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 the Thames Foundation

19. According to the South Carolina Secretary of State's Office, the Thames Foundation was incorporated in or around February 2019. THAMES is listed as the company's organizer and registered agent. The address listed on the Articles of Organization for the Thames Foundation is 5369 Gertrude Road, Hollywood, South Carolina. Investigators visited this address

in or around February 2021 and were unable to find any business named “Berneta E. Thames Foundation” at that location. Rather, that address appeared to be a residential property, and is the residential address associated with THAMES on file with the South Carolina Department of Motor Vehicles. According to Bank 6 records, on or about March 27, 2019, THAMES opened a business checking account in the name of the Thames Foundation, was the sole signatory on the account, and listed 5369 Gertrude Road, Hollywood, South Carolina, as the statement mailing address.

20. According to the Public Charities Division of the South Carolina Secretary of State’s Office, THAMES registered the Thames Foundation as a charitable organization in 2019. On the charity registration application, THAMES was listed as the Thames Foundation’s CEO, CFO, and custodian of the Thames Foundation’s financial records. The application listed the contact phone number 843-593-7407 and contact email address “demonsthames@gmail.com[.]” Subscriber records for the “demonsthames@gmail.com” account from in or around February 2021 listed “DeVonte Thames” as the user and listed the phone number 843-593-7407. Subscriber records for 843-593-7407 from in or around January 2021 listed “DEVONTE D THAMES” as the subscriber. The charity registration application listed only THAMES under the section for the Thames Foundation’s officers, directors, trustees, and board members. Under the section for the Thames Foundation’s offices in South Carolina, the application listed only the address 5369 Gertrude Road, Hollywood, South Carolina. According to the Public Charities Division of the South Carolina Secretary of State’s Office, the Thames Foundation received an administrative fine for failing to file its annual financial report for fiscal year 2019, which was due on July 15, 2020. The Thames Foundation’s status as a charitable organization expired on May 15, 2020, after the organization did not renew its charitable organization status.

21. On or about May 28, 2020, a PPP loan application and supporting documents on behalf of the Thames Foundation were electronically submitted, via interstate wire, to Bank 3 through Bank Processor 1. These documents included: (1) purported Thames Foundation Forms 941 for all four quarters of 2019; (2) a purported Thames Foundation company bank statement; (3) a PPP loan application form; and (4) a promissory note.

22. The purported Forms 941 for the Thames Foundation included in the application showed quarterly payroll of more than \$490,000 each quarter, for 21 employees. That quarterly payroll figure yielded the PPP loan application's "Average Monthly Payroll" figure of \$163,894, which determined the \$409,735 amount of the loan. Each Form 941 was signed by hand in the same style of handwriting that CHS 2 acknowledged using to sign other falsified Forms 941 submitted during the course of the scheme, with the name "Devonte Thames" as the company owner. Each Form 941 also listed THAMES as the company's designee and as a "Paid Preparer[,]" though THAMES is not a paid tax preparer. The Thames Foundation Forms 941 followed the same style and pattern as the many other Forms 941 that CHS 2 described and acknowledged that he helped create and submit in the course of the scheme, including the indicia of fraud.⁴ IRS

⁴ As noted above, THAMES 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 all of the Forms 941 at issue. The content of the forms also indicate falsification. All four quarterly forms are nearly identical, and the four forms for the Thames Foundation are identical, 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 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.

records showed that the Thames Foundation did not, in fact, file any Forms 941 for any quarter of 2019 or the first quarter of 2020, and South Carolina Department of Employment and Workforce records showed that the Thames Foundation did not report any wages or employees for that same period. Additionally, South Carolina Department of Employment and Workforce records showed no other reported wages or employees tied to THAMES's name or the 5369 Gertrude Road, Hollywood, South Carolina, address.

23. The purported Thames Foundation company bank statement, which was submitted in electronic format, was a clear forgery. First, according to the document's file "properties[,]” the statement was created using "PDFFILLER[,]” a program used to edit electronic PDF files. Second, the statement was a recycled version of the same falsified Bank 6 statement used in other fraudulent applications submitted as part of this scheme.

24. The PPP loan application form, labeled at the top "Paycheck Protection Program Borrower Application Form[,]” listed THAMES as the owner of the Thames Foundation, claimed the company had 21 employees, and stated that the average monthly payroll was \$163,894. Based on this figure, the amount of the PPP loan request was \$409,735. The application form required the borrower to electronically initial a number of "certifications[,]” including: (1) that the applicant 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 “DT” and the loan application was electronically signed “Devonte Thames[.]”

25. The promissory note, labeled at the top “Paycheck Protection Program Loan[.]” set forth the amount of the loan (\$409,735) 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 “Devonte Thames[.]”

26. Bank Processor 1’s Internet Protocol (“IP”) address records for the Thames Foundation loan application showed that a computer with an IP address (ending in 170) associated with CHS 2’s residence in Broward County, Florida, logged into the Thames Foundation loan account as early as May 27, 2020. These same records showed that a mobile device with a separate IP address (ending in 131) accessed the Thames Foundation loan account on May 27 and 28, 2020, and again on June 2, 2020, both before and after the Thames Foundation loan application was submitted. CHS 2 later confirmed to law enforcement that CHS 2 used a computer, and not a mobile device, to access Bank Processor 1 accounts during the course of the scheme.

27. Records received from DocuSign indicated that the Thames Foundation loan application and promissory note were signed on May 28, 2020, at 6:36 a.m. Pacific time, via a DocuSign account tied to the email address “betfoundation@yahoo.com” and an IP address

(ending in 170) associated with CHS 2's residence in Broward County, Florida. Subscriber records for the "betfoundation@yahoo.com" email account from February 2021 listed "DeVonte Thames" as the user, and listed THAMES's phone number, 843-593-7407. Records from DocuSign also indicated that about an hour before the Thames Foundation loan application documents were electronically signed via IP address (ending in 170) associated with CHS 2's residence, the separate mobile device IP address (ending in 131) also accessed the documents to be signed electronically.

28. Based on the representations made in the loan application paperwork and supporting documents, the PPP loan application for the Thames Foundation was approved, and on or about May 29, 2020, Bank 3 wired approximately \$409,735 in loan proceeds into the Thames Foundation bank account at Bank 6.

CHS 2 Confirmed that the Thames Foundation PPP Loan Was Fraudulent

29. Investigators spoke with CHS 2 about THAMES and the PPP loan to the Thames Foundation. CHS 2 stated that CHS 5 referred THAMES for a PPP loan via text message.⁵ CHS 2 stated that he helped submit the PPP loan application for the Thames Foundation, and confirmed that it was based on fraudulent documentation. CHS 2 also confirmed that CHS 2 only received a portion of his expected kickback from the Thames Foundation, and that CHS 2 sent half of the kickback that CHS 2 did receive to Augustin. Records provided by CHS 2 to law enforcement, including text messages CHS 2 sent and received soon after submission of the original Thames

⁵ CHS 5 has previously been charged and arrested for his role in the scheme. Following his arrest, CHS 5 chose to cooperate with the investigation in the hope of obtaining favorable consideration in connection with his pending charges. According to CHS 5, THAMES was referred to CHS 5 by an unidentified co-conspirator whom CHS 5 only knew by a first name.

Foundation loan, confirmed that CHS 2 expected to receive 25% of the loan proceeds, while Bank 5 records confirmed that CHS 2 only received 15% of the loan proceeds, approximately \$61,460.

Recorded Calls, Emails, and Text Messages Confirmed THAMES's Knowing Participation in the Fraud

30. As part of the investigation, law enforcement obtained communications between CHS 2 and THAMES, including recorded calls, text messages, and emails. I have reviewed a number of these communications, which discussed, among other things, the PPP loan for the Thames Foundation, additional PPP loans that THAMES sought, and prospective PPP loans for associates that THAMES referred to CHS 2. These communications occurred between on or about January 21, 2021, and on or about February 15, 2021, and were between CHS 2 and THAMES's phone number, 843-593-7407, the same phone number associated with the Thames Foundation. In the first call, among other things, according to CHS 2, the caller using this number identified himself as "Devonte"—THAMES's first name—and explained that CHS 2 helped him get a loan in the past and that THAMES was interested in obtaining new PPP loans.

31. At law enforcement's direction, CHS 2 then conducted a series of recorded calls with THAMES at phone number 843-593-7407. During those calls, among other things, THAMES told CHS 2 that he wanted to submit new PPP loan applications for two of THAMES's businesses, including the Thames Foundation, the same business through which THAMES received the original PPP loan through this scheme; that THAMES wanted to receive new PPP loans of approximately the same amount as his original PPP loan, which THAMES confirmed was \$409,735; that THAMES was alright with CHS 2 creating new PPP loan application paperwork which falsified the number of employees THAMES's applicant businesses actually had; that THAMES believed that he had paid CHS 2 the full kickback he owed to CHS 2 in connection with the original Thames Foundation PPP loan; that THAMES would pay CHS 2 25% of any new PPP

loan proceeds; and that THAMES could refer other individuals to CHS 2 for new PPP loans in exchange for having to pay CHS 2 a smaller kickback payment. THAMES and CHS 2 also discussed how to withdraw the eventual proceeds from the new PPP loans from THAMES's accounts to pay CHS 2's kickback without drawing suspicion from a bank. For instance, THAMES told CHS 2, "If you can take a visit to South Carolina and bring, like come here, you pick a location, whatever like that, and I bring you some cash or whatever, um, doing it that way. That way it's untraceable. And that's made me even think it doesn't leave a paper trail or anything like that. But yeah, that's a, that's a good way. I mean we can wire some of it back, but not a whole lot at one time."

32. During one of the calls, THAMES explained that he had heard CHS 2 had been involved with police recently and asked CHS 2 about whether the police were involved in "this." CHS 2 told THAMES that he got in trouble for an unrelated probation violation. THAMES told CHS 2, "If me and you going forward, as long as I can trust you, and you can, and you can vouch and say that, you know, like you're not an informant, or you're not, you know, any affiliation with any police or anything like that, I can get you paid. That's not a problem. Like I said, I can even bring you business."

33. Also during one of the calls, CHS 2 explained to THAMES that CHS 2 had to backdate the Forms 941 for THAMES's new PPP loan applications to make them appear as though they had been submitted by the relevant business after each quarter. Relatedly, CHS 2 asked THAMES to send the original Thames Foundation PPP loan documents, which CHS 2 would then use to make up new tax forms so that they did not look identical to the forms submitted with the previous application. CHS 2 asked THAMES, "I mean, just want to be all on the same page, we all know this is all bullshit, and that we're all on the same page, right?" THAMES replied, "Right."

Following this, CHS 2 asked THAMES, “And you know that these forms are all being fucking made, right?” THAMES replied, “Right.”

34. On or about January 26, 2021, THAMES emailed CHS 2 screenshots of the signed borrower application form and promissory note dated May 28, 2020 corresponding to the original Thames Foundation PPP loan application. These screenshots matched the same documents Bank Processor 1 provided to law enforcement as having been submitted and issued in connection with the Thames Foundation PPP loan. Further confirming THAMES’s involvement in the Thames Foundation PPP loan, THAMES emailed CHS 2 these screenshots from the same email address listed on the Thames Foundation PPP loan borrower application form: “betfoundation@yahoo.com[.]”

35. During these recorded phone calls and in text message communications, THAMES referred specific individuals to CHS 2 in order for those individuals to obtain PPP loans. One of those individuals, Person 57, told CHS 2 that Person 57 was fine with CHS 2 making up information in order to obtain a higher loan amount in the range of \$490,000 to \$500,000. Person 57 said this even though Person 57 had indicated to CHS 2 in an email that Person 57’s two businesses had a total of three employees, which could not justify PPP loans of that size. CHS 2 asked if Person 57 knew that “this is all bullshit,” and Person 57 replied, “I know.”

THAMES’s Banking Activity Confirmed His Knowing Participation in the Fraud Conspiracy

36. I have also reviewed Bank 6 records for the Thames Foundation and Bank 5 records for a company controlled by CHS 2, which confirmed THAMES’s receipt of the Thames Foundation PPP loan proceeds and the subsequent kickback payment to CHS 2. Specifically, on or about May 29, 2020, Bank 3 wired the loan amount, \$409,735, into the Thames Foundation account at Bank 6. As of on or about May 1, 2020, the Thames Foundation account had a balance of approximately \$7,631.63. Before the PPP loan amount arrived on or about May 29, 2020, the

account balance was down to approximately \$402.88. On or about June 5, 2020, THAMES wired approximately \$61,460 with the memo line, "For contract[,]" to CHS 2's account at Bank 5. That payment was approximately 15% of the PPP loan amount, which was short of the 25% that CHS 2 sought and typically required in the scheme.

37. During my review of bank records, it did not appear that much, if any, of the Thames Foundation PPP loan proceeds went to business-related or payroll-related expenditures. Between on or about May 29, 2020, and on or about June 20, 2020, THAMES made 12 automated teller machine ("ATM") cash withdrawals from the Thames Foundation Bank 6 account, totaling approximately \$40,023. By June 30, 2020, the ending balance for the Thames Foundation account balance was approximately \$17,983.17.

38. According to Bank 7 records, on or about June 4, 2020, THAMES opened a business checking account at Bank 7 in the name of Tresses by Kay, LLC ("Tresses by Kay") and was the sole signatory on the account. According to the South Carolina Secretary of State business entity website, Tresses by Kay was incorporated in or around July 2018. THAMES was listed as the company's registered agent. The address listed for Tresses by Kay was 5369 Gertrude Road, Hollywood, South Carolina, i.e., THAMES's residence, which was the same address also used for the Thames Foundation. On or about June 9, 2020, THAMES wired approximately \$60,000 of the Thames Foundation PPP loan proceeds from the Thames Foundation account at Bank 6 to the Tresses by Kay account at Bank 7. On or about June 26, 2020, THAMES transferred via cashier's check approximately \$220,000 of the Thames Foundation PPP loan proceeds from the Thames Foundation account at Bank 6 to the Tresses by Kay account at Bank 7. No other deposits were made into the Tresses by Kay account between on or about June 4, 2020, and on or about November 30, 2020.

39. On or about June 26, 2020, THAMES wired approximately \$20,486 from the Tresses by Kay Bank 7 account with the memo line, "Staffing Consultant[,]" to CHS 5's account at Bank 8. This kickback payment was approximately 5% of the Thames Foundation PPP loan amount. Between on or about June 19, 2020, and on or about November 24, 2020, THAMES conducted approximately 23 cash withdrawals from the Tresses by Kay Bank 7 account in increments between approximately \$8,000 and \$9,900, totaling approximately \$213,875. I reviewed 18 surveillance videos provided by Bank 7. These videos showed a person matching THAMES's appearance, based on a comparison to THAMES's official photograph on file with the South Carolina Department of Motor Vehicles, conducting cash withdrawals, both in-person and at ATMs. In a surveillance video dated on or about October 22, 2020, a person matching THAMES's appearance was depicted withdrawing approximately \$9,300 in cash while wearing a t-shirt with "THAMES" printed on the back.

40. Bank records from the Tresses by Kay Bank 7 account showed what appeared to be purchases of luxury items and personal expenses with the Thames Foundation PPP loan proceeds. For example, between on or about July 23, 2020, and on or about November 14, 2020, THAMES purchased approximately \$18,545 in goods at luxury fashion stores, including: Louis Vuitton, Gucci, Dolce & Gabbana, Balenciaga, and Neiman Marcus. These purchases occurred in several cities, including Las Vegas, Nevada; Beverly Hills, California; Houston, Texas; Charlotte, North Carolina; Atlanta, Georgia; and Charleston, South Carolina. In addition, bank records showed that THAMES made purchases for travel expenses during this same time period. By on or about November 30, 2020, the ending balance for the Tresses by Kay account was approximately \$250.61.

41. These purchases are consistent with social media posts to the publicly accessible Instagram account for the handle "trinidad_thames[.]" which contained images appearing to depict THAMES in some of these cities at or around the time where these purchases were made. This Instagram account also contained numerous other images and videos of a person who matched THAMES's appearance.

CONCLUSION

42. Based on the forgoing, I respectfully submit that there is probable cause to believe that DEVONTE DEMOND THAMES committed the Target Offenses, from on or about May 27, 2020, to at least on or about February 15, 2021, in the Southern District of Florida, and elsewhere.

FURTHER YOUR AFFIANT SAYETH NAUGHT.



David Passonno
Special Agent
IRS-CI

Attested to by the applicant in accordance
with the requirements of Fed. R. Crim. P. 4.1
by FaceTime, on this 24th day of February, 2021,
at Fort Lauderdale, Florida.



HONORABLE JARED M. STRAUSS
UNITED STATES MAGISTRATE JUDGE