

**UNDER SEAL**

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**UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON  
PORTLAND DIVISION**

**UNITED STATES OF AMERICA**

3:21-cr- 231-1M

**v.**

**INDICTMENT**

**PETER PEACOCK BLOOD,**

**18 U.S.C. § 1014**

**Defendant.**

**Forfeiture Allegations**

**UNDER SEAL**

**THE GRAND JURY CHARGES:**

**INTRODUCTORY ALLEGATIONS**

At all times relevant to this indictment:

1. **PETER PEACOCK BLOOD** (“**BLOOD**”), defendant herein, was the sole owner and principal officer of two corporate entities: Cycle Power Partners, LLC (“Partners”) and Cycle Holdings, LLC (“Holdings”).

2. Partners was registered with the Oregon Secretary of State on or about July 29, 2015, and filed an Amended Annual Report with the Secretary of State on or about August 15, 2019. That Amended Annual Report indicated that **BLOOD** was the corporation’s managing partner and that its primary place of business was 2801 NW Nela Street in Portland, Oregon. Partners filed quarterly income tax returns (IRS Forms 941) for the last three quarters of 2019

and all four quarters of 2020 as well as annual federal unemployment tax returns (IRS Forms 940) for both 2019 and 2020 under the Employer Identification Number (“EIN”) ending in 0280. All of those returns indicated that Partners employed two or fewer individuals and paid less than \$6,900 in wages and other compensation each quarter.

3. Holdings was registered with the Oregon Secretary of State on or about November 7, 2019, with **BLOOD** as the corporation’s sole member and managing partner. The Articles of Organization filed on that date indicated that Holdings’ principal place of business was the same as Partners’ principal place of business: 2801 NW Nela Street in Portland, Oregon. Unlike Partners, however, Holdings never filed any quarterly income tax returns (IRS Forms 941) or annual unemployment tax returns (IRS Forms 940) with the IRS or the Oregon Department of Revenue.

The CARES Act and the Paycheck Protection Program

4. On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law. That statute created the Paycheck Protection Program (PPP), which authorized the SBA to guarantee loans of up to \$10,000,000 to qualifying employers without collateral or personal guarantees from the borrowers or their owners. The Act required lenders making loans under the PPP to defer all repayment obligations for not less than six months and provided that the loans could be forgiven—that is, repaid by the government—if used for certain qualifying purposes, including making payroll.

5. In order to obtain a PPP loan, an applicant’s authorized representative had to provide information about the applicant’s operations, such as the dates of operation, number of

employees, and average payroll expenses. These figures were used to calculate the size of the PPP loan the applicant was eligible to receive.

6. Applicants for PPP loans were also generally required to submit documents corroborating their qualifying payroll expenses. To satisfy this requirement, applicants typically supplied documents showing the amount of payroll expenses and tax withholdings reported to the IRS.

7. The authorized representative of each PPP loan applicant was also required to make various certifications, including the following:

- a. That neither the applicant nor any owner of the applicant had been delinquent or defaulted on a federal loan in the last seven years, thereby causing a loss to the government;
- b. That neither the applicant nor any owner of the applicant was an owner of, or under common management with, any other business (and, if otherwise, the applicant was required to identify all such businesses);
- c. That neither the applicant nor any owner of the applicant had been convicted of a felony offense in the preceding five years;
- d. That all loan proceeds would “be used to retain workers and maintain payroll or make mortgage payments, lease payments, and utility payments”; and
- e. That all the information in the application and the information “provided in all supporting documents” was true and accurate in all material respects.

8. Applications with the above-described information and certifications were submitted directly to participating lenders.

9. JPMorgan Chase Bank, National Association (“Chase Bank”) was a lender participating in the PPP. Its deposits were insured by the Federal Deposit Insurance Corporation (“FDIC”).

10. Washington Federal Bank, National Association, extended PPP loans under the business name WaFD Bank. Its deposits were also insured by the FDIC.

**COUNT 1**  
**(Loan Fraud)**  
**(18 U.S.C. § 1014)**

11. The allegations in paragraphs 1 through 9 of this Indictment are incorporated as though realleged herein.

12. On or about April 5, 2020, in the District of Oregon and elsewhere, **PETER PEACOCK BLOOD**, defendant herein, knowingly and willfully made a false statement for the purpose of influencing the action of Chase Bank, a federally insured financial institution, in connection with an application for a PPP loan in the amount of \$332,917.50, in that defendant completed and attested to the accuracy of a “Borrower Application Form” submitted for such a loan on behalf of “Cycle Holdings, LLC / Cycle Power Partners, LLC,” wherein defendant made the following representations:

- a. That the applicant’s “Average Monthly Payroll” was \$129,167;
- b. That the applicant’s “Number of Employees” was 10; and
- c. That the applicant’s IRS Form 941 for the first quarter of 2020, which was submitted in support of the application and bore the EIN ending in 0280 and defendant’s signature dated April 5, 2020, accurately indicated that the applicant

had paid 10 employees a total of \$1,542,634 in “wages, tips, and other compensation” for said quarter;

when defendant then and there knew that each such representation was false.

In violation of Title 18, United States Code, Section 1014.

**COUNT 2**  
**(Loan Fraud)**  
**(18 U.S.C. § 1014)**

13. Paragraphs 1 through 8 and 10 of this Indictment are incorporated as though realleged herein.

14. On or about April 30, 2020, in the District of Oregon and elsewhere, **PETER PEACOCK BLOOD**, defendant herein, knowingly and willfully made a false statement for the purpose of influencing the action of WaFD Bank, a federally insured financial institution, in connection with an application for a PPP loan in the amount of \$290,209.17, in that defendant completed and attested to the accuracy of a “Borrower Application Form” submitted for such a loan on behalf of “Cycle Holdings, LLC,” wherein defendant made the following representations:

- a. That the applicant’s “Average Monthly Payroll” was \$116,084;
- b. That the applicant’s “Number of Employees” was 10; and
- c. That, in response to the question of whether “the applicant or any owner of the Applicant [was] an owner of any other business, or ha[d] common management with[] any other business,” the answer was “No”;

when defendant then and there knew that each such representation was false.

In violation of Title 18, United States Code, Section 1014.

**FIRST FORFEITURE ALLEGATION**

15. Upon conviction of the offense alleged in Count 1 of this Indictment, defendant **PETER PEACOCK BLOOD** shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2)(A), any property constituting or derived from proceeds defendant obtained, directly or indirectly, as a result of the offense, including but not limited to a sum of money equal to \$332,917.50 in United States Currency, representing the amount of proceeds obtained as a result of the offense in the form of a money judgment.

16. If the above-described forfeitable property, as a result of any act or omission of 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;

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b).

**SECOND FORFEITURE ALLEGATION**

17. Upon conviction of the offense alleged in Count 2 of this Indictment, defendant shall forfeit to the United States pursuant to 18 U.S.C. § 982(a)(2)(A), any property constituting or derived from proceeds defendant obtained, directly or indirectly, as a result of the offense, including but not limited to:

- one 2006 Stewart & Stevenson M1079A1R LMTV 4x4 Van Truck bearing serial number V-107248BGKS, and
- a sum of money equal to \$290,209.17 in United States Currency, representing the amount of proceeds obtained as a result of the offense in the form of a money judgment.

18. If the above-described forfeitable property, as a result of any act or omission of 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;

the United States of America shall be entitled to forfeiture of substitute property pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b).

Dated: July 8<sup>th</sup>, 2021


A TRUE BILL.



OFFICIATING FOREPERSON

Presented by:

SCOTT ERIK ASPHAUG  
Acting United States Attorney

  
RYAN W. BOUNDS, OSB #00012  
Assistant United States Attorney