

UNITED STATES DISTRICT COURT  
 WESTERN DISTRICT OF NORTH CAROLINA  
 CHARLOTTE DIVISION

UNITED STATES OF AMERICA	)	DOCKET NO. 3:21-CR-114-KDB
	)	
v.	)	<b>FACTUAL BASIS</b>
	)	
MAURICE KAMGAING	)	
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	)	
	)	
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NOW COMES the United States of America, by and through William T. Stetzer, Acting United States Attorney for the Western District of North Carolina, and hereby files this Factual Basis in support of the plea agreement filed simultaneously in this matter.

This Factual Basis is filed pursuant to Local Criminal Rule 11.2 and does not attempt to set forth all of the facts known to the United States at this time. By their signatures below, the parties expressly agree that there is a factual basis for the guilty plea(s) that the defendant will tender pursuant to the plea agreement, and that the facts set forth in this Factual Basis are sufficient to establish all of the elements of the crime(s). The parties agree not to object to or otherwise contradict the facts set forth in this Factual Basis.

Upon acceptance of the plea, the United States will submit to the Probation Office a “Statement of Relevant Conduct” pursuant to Local Criminal Rule 32.4. The defendant may submit (but is not required to submit) a response to the Government’s “Statement of Relevant Conduct” within seven days of its submission. The parties understand and agree that this Factual Basis does not necessarily represent all conduct relevant to sentencing. The parties agree that they have the right to object to facts set forth in the presentence report that are not contained in this Factual Basis. Either party may present to the Court additional relevant facts that do not contradict facts set forth in this Factual Basis.

1. Defendant, MAURICE KAMGAING was a resident Charlotte, North Carolina, within the Western District of North Carolina and Archdale, North Carolina, within the Middle District of North Carolina. KAMGAING had bank accounts at Bank 1, identified herein as KAMGAING Account 7640. KAMGAING also had a brokerage account at IMC 1 in his own name, identified herein as IMC Account 7700.

2. Bank 1 was a financial institution headquartered in Charlotte, North Carolina within the Western District of North Carolina whose deposits were insured by the Federal Deposit Insurance Corporation (“FDIC”). Bank 1 was an approved SBA lender of PPP loans and accepted PPP applications through an electronic portal which applicants used to upload

documents and information. Investment Management Company 1 (“IMC 1”) was an investing and wealth management division of Bank 1.

3. On or about September 11, 2008, AKC Solutions LLC (“AKC Solutions”) was incorporated in North Carolina. KAMGAING was listed as an Organizer and Member as well as the initial Registered Agent. On or about October 11, 2019, AKC Solutions was administratively dissolved. On or about May 15, 2020, AKC Solutions was reinstated after delinquent annual reports were submitted and filing fees were paid. On that same date, an Annual Report was filed describing the nature of AKC Solutions’ business as “Information Technology Services.” The Annual Report listed the principal office address as 1305 Rocky River Road West, Charlotte, North Carolina, which was KAMGAING’s home address. The Annual Report listed KAMGAING as Registered Agent and President. AKC Solutions had a bank account at Bank 1, identified herein as AKC Account 6241. KAMGAING was listed as the sole authorized person on the account opening documents.

4. On or about January 16, 2019, Apiagne, Inc. (“Apiagne”) was incorporated in North Carolina. According to the Articles of Incorporation, Apiagne’s purpose was to “Improve human lives through innovative technology solutions, and to make the world a more peaceful place. Inspire and empower individuals and organizations to lead by example.” Apiagne’s registered office and the principal office location was listed as 1305 Rocky River Road West, Charlotte, North Carolina, which was KAMGAING’s home address. KAMGAING was listed as the Incorporator, initial Registered Agent, and Director. In addition, on the Business Corporation Annual Report filed on or about January 4, 2020, KAMGAING was listed as the President and Chief Executive Officer. Apiagne had a bank account at Bank 1 identified herein as Apiagne Account 7556. KAMGAING was listed as the sole authorized person on the account opening documents. Apiagne also had a brokerage account at IMC 1 identified herein as Apiagne Account 7T50.

5. 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.

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

### **The Purpose of the Scheme to Defraud**

7. The purpose of the scheme to defraud was for KAMGAING to unjustly enrich himself by obtaining Paycheck Protection Program (“PPP”) loan proceeds under false and misleading pretenses, including by making false statements about the monthly payroll, expenses, employees, and revenues of AKC Solutions and Apiagne.

### **Manner and Means of the Scheme to Defraud**

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

#### ***The Apiagne PPP Application***

9. On or about April 7, 2020, an application for a \$650,000 PPP loan for Apiagne was transmitted through Bank 1's electronic portal. The application falsely represented that Apiagne had an average monthly payroll of \$260,000; had 46 employees; was in operation on February 15, 2020; and needed the loan to support its ongoing operations.

10. As part of the application, KAMGAING electronically signed, and caused to be signed, an Application Addendum on which he identified himself as Apiagne's authorized representative. The Application contained a loan request of \$876,540, and KAMGAING falsely certified that "the applicant was in operation on February 15, 2020 and had employees for who it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC."

11. KAMGAING signed, and caused to be signed, a Bank 1 promissory note, which attested: "Borrower certifies that the information provided in the Application and the information that Borrower provided in all supporting documents and forms is true and accurate in all material respects. Borrower acknowledges that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571."

12. The Apiagne PPP application included false and fraudulent information about its purported payroll, as well as fraudulent documentation purporting to establish that Apiagne made substantial monthly payroll disbursements. For example:

a. The Apiagne PPP application included a false Internal Revenue Service ("IRS") Form 940 signed by KAMGAING purporting to show that, in 2019, Apiagne made \$4,111,022 in payments to employees. In fact, no such Form 940 was ever filed with the IRS on behalf of Apiagne; and

b. The Apiagne PPP application included a false IRS Form 941 signed by KAMGAING purporting to show that Apiagne paid \$901,250.55 in wages to employees during the first quarter of 2020. In fact, no such Form 941 was ever filed with the IRS on behalf of Apiagne.

13. On or about May 6, 2020, Bank 1 funded the loan by disbursing \$856,463 to Apiagne Account 7556. As of May 1, 2020, prior to the receipt of the PPP loan funds, Apiagne Account 7556 had a balance of approximately \$100.62.

### *The AKC Solutions PPP Application*

14. On or about April 27, 2020, an application for a \$650,000 PPP loan for AKC Solutions was transmitted through Bank 1's electronic portal. The application falsely represented that AKC Solutions had an average monthly payroll of \$260,000; had 23 employees; was in operation on February 15, 2020; and needed the loan to support its ongoing operations.

15. As part of the application, KAMGAING electronically signed, and caused to be signed, an Application Addendum on which he identified himself as AKC Solution's authorized representative. The Application contained a loan request of \$650,000, and KAMGAING falsely certified that "the applicant was in operation on February 15, 2020 and had employees for who it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC."

16. KAMGAING signed, and caused to be signed, a Bank 1 promissory note, which attested: "Borrower certifies that the information provided in the Application and the information that Borrower provided in all supporting documents and forms is true and accurate in all material respects. Borrower acknowledges that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571."

17. The AKC Solutions PPP application included false and fraudulent information about its purported payroll, as well as fraudulent documentation purporting to establish that AKC Solutions made substantial monthly payroll disbursements. For example:

a. The AKC Solutions PPP application included a false IRS Form 940 signed by KAMGAING purporting to show that, in 2019, AKC Solutions made \$3,204,049.34 in payments to employees. In fact, no such Form 940 was ever filed with the IRS on behalf of AKC Solutions.

b. The AKC Solutions PPP application included a false IRS Form 941 signed by KAMGAING purporting to show that AKC Solutions paid \$801,012.33 in wages to employees during the first quarter of 2020. In fact, no such Form 941 was ever filed with the IRS on behalf of AKC Solutions.

18. On or about May 5, 2020, Bank 1 funded the loan by disbursing \$650,000 to AKC Solutions Account 6241. As of May 1, 2020, prior to the receipt of the PPP loan funds, AKC Solutions Account 6241 had a balance of approximately \$100.

19. After the fraudulent loan proceeds were deposited into AKC Solutions Account 6241 and Apiagne Account 7556, KAMGAING diverted and caused to be diverted some of the fraudulently obtained funds for personal and unauthorized purposes, including but not limited to:

a. On or about May 5 and May 6, 2020, \$627,625 and \$5,000, respectively, was

transferred from AKC Solutions Account 6241 to IMC Account 7700.

b. On or about May 15, 2020, \$15,000 was transferred from AKC Solutions Account 6241 to Apiagne Account 7556.

c. On or about May 12 and May 13, 2020, \$25,000 and \$29,000, respectively, were transferred from AKC Solutions Account 6241 to IMC Account 7700.

d. On or about May 5, 2020, \$10,000 in funds were transferred from Apiagne Account 7556 to KAMGAING Account 7640. On or about May 6, 2020, \$10,000 in funds were transferred from KAMGAING Account 7640 to IMC Account 7700.

e. On or about May 23, 2020, KAMGAING wrote check #1323 from Apiagne Account 7556 to himself for \$500,000 with the memo "ITSM team comp." On that same date, KAMGAING deposited the \$500,000 into KAMGAING Account 7640. Then, on or about May 28, 2020, KAIMGAING caused \$500,000 to be transferred from KAMGAING Account 7640 to IMC Account 7700.

f. On or about June 24, 2020, KAMGAING transferred a total of \$800,000 from IMC Account 7700 to AKC Solutions Account 6241.

g. On or about June 24, 2020, KAMGAING transferred \$92,000 from KAMGAING Account 7640 to AKC Solutions Account 6241.

h. Between on or about June 24, 2020 and July 22, 2020, KAMGAING transferred \$114,054.50 from Apiagne Account 7556 to IMC Account 7T50.

i. On or about June 25, 2020, KAMGAING wired \$25,000 from Apiagne Account 7556 to real estate attorney D.C. for a down payment towards the purchase of real property at 215 Balfour Drive, Archdale, North Carolina ("Balfour Property").

j. On or about June 26, 2020, KAMGAING transferred \$100,000 from IMC Account 7700 to AKC Solutions Account 6241.

k. On or about June 30, 2020, KAMGAING wired \$846,737.73 from AKC Solutions Account 6241 to real estate attorney D.C. for the purchase of the Balfour Property. The Balfour Property was titled in the name of Apiagne.

20. From on or about April 7, 2020 through the date of the Indictment, in the Western District of North Carolina and elsewhere, KAMGAING with the intent to defraud, did

knowingly and intentionally devise the above-described scheme and artifice to defraud and to obtain money by materially false and fraudulent pretenses, representations, and promises, and for the purpose of executing such scheme and artifice to defraud, did transmit and cause to be transmitted by means of wire communication in interstate commerce any writing, signal, picture, and sound, *to wit*, electronic loan applications, wire transfers, and other electronic financial transactions in interstate commerce.

21. The above-described scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises, occurred in relation to, or involving any benefit authorized, transported, transmitted, transferred, disbursed, or paid in connection with, a presidentially-declared major disaster or emergency.

22. On or about May 5, 2020, in the Western District of North Carolina and elsewhere, KAMGAING did knowingly engage and attempt to engage in a monetary transaction by, through and to a financial institution, affecting interstate commerce, in criminally derived property of a value greater than \$10,000, that is, money deposits which represented fraudulently obtained disaster-related loan proceeds, such property having been derived from a specified unlawful activity, that is, wire fraud and false statements to Bank 1, *to wit*, a withdrawal from AKC Solutions Account 6241 to IMC Account 7700 in the amount of \$617,000.


WILLIAM T. STETZER  
ACTING UNITED STATES ATTORNEY



Caryn Finley  
ASSISTANT UNITED STATES ATTORNEY

Defendant's Counsel's Signature and Acknowledgment

I have read this Factual Basis, the Bill of Indictment, and the plea agreement in this case, and have discussed them with the defendant. Based on those discussions, I am satisfied that the defendant understands the Factual Basis, the Bill of Indictment, and the plea agreement. I hereby certify that the defendant does not dispute this Factual Basis.

  
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Samuel Randall, IV, Attorney for Defendant

DATED: 8/16/2021