

FILED

JAN 18 2023

CLERK OF COURT
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
AT PEORIA

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

DEREK GRIFFIN,)

Defendant.)

Criminal No. 23-CR-10004

VIOLATIONS:

18 U.S.C. § 1343 and
18 U.S.C. § 1001

INDICTMENT

The Grand Jury charges:

COUNTS ONE - FOUR
(Wire Fraud)

Introduction

At all times material:

1. Defendant, Derek Griffin, was a resident of Peoria, in the Central District of Illinois.

2. CEFCU and Regions Bank were federally-insured financial institutions.

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or about March 2020 that was designed to provide emergency financial assistance to American suffering economic harm because of the COVID-19 pandemic. One form of assistance provided by the CARES Act was the authorization of United States taxpayer funds in forgivable loans to small businesses for job retention and certain other expenses through a program referred to as the Paycheck Protection Program (“PPP”). PPP loan proceeds were required to be used by the business to pay certain expenses: payroll costs, interest on mortgages, rent and utilities.

4. 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 applicant business (through an authorized representative) to acknowledge the program rules and make certain affirmative certifications to be eligible to obtain the PPP loan. Such certifications required the applicant to affirm that “The [PPP loan] funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments,” and that the “loan proceeds will be used only for business-related purposes as specified in the loan application” and consistent with the PPP rules.

The authorized representative of the applicant was also required to certify that “the information provided in this application and the information provided in all supporting documents and forms is true and accurate in material respects,” and “I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.”

5. In the PPP loan application, the applicant was required to state, among other things, the business’s (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, the applicant was required to provide documentation showing its payroll expenses, including federal tax filings and bank account records.

6. A small business’s PPP loan application would be received and processed by a participating lender approved by the Small Business Administration (“SBA”). If a PPP loan application was approved, the participating lender would fund the PPP loan using its own monies, which were guaranteed by the SBA. Blueacorn, located in Arizona, was one of the lender service providers.

Unemployment Insurance

7. Unemployment Insurance (“UI”) was a joint state and federal program that provided monetary benefits to eligible beneficiaries. UI payments

were intended to provide temporary financial assistance to lawful workers who were unemployed through no fault of their own.

8. Beginning in or March 2020, in response to the COVID-19 pandemic, several federal programs expanded UI eligibility and increased UI benefits, including the Pandemic Unemployment Assistance Program (PUA), Federal Pandemic Unemployment Compensation (FPUC), and the Lost Wages Assistance Program (LWAP).

9. Applicants seeking UI benefits submitted online applications. Applicants were required to answer specific questions to establish eligibility to receive UI benefits, including their name, Social Security Number (SSN), and mailing address, among other things. Thereafter, applicants were required to submit reports regarding continued eligibility. The UI programs relied upon the information in the application and reports to determine UI benefits eligibility and continued eligibility.

Scheme to Defraud

10. From on or about July 2020 and continuing to in or about July 2022, in the Central District of Illinois and elsewhere,

DEREK GRIFFIN,

defendant herein, devised, attempted to devise, and intended to devise a scheme and artifice to defraud the SBA, Blueacorn, Unemployment Assistance Programs,

and others and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises. It was a part of the scheme and artifice to defraud that:

11. On or about July 15, 2020, the defendant submitted an online application to the Georgia Department of Labor for unemployment insurance benefits. The defendant falsely claimed to have been employed from August 24, 2019 to March 30, 2020, and provided copies of his State of Illinois Identification and Social Security card. The defendant did not receive any benefits.

12. On or about August 12, 2020, the defendant submitted an online application to the New York State Department of Labor for unemployment insurance benefits. In the application, the defendant falsely claimed that he was employed by Dee Automotive in Brooklyn, New York and had been so employed from June 5, 2019 to April 1, 2020. In support of the application, he submitted copies of his State of Illinois identification, Social Security card, and Peoria County birth certificate. The application was approved, and the funds were thereafter deposited to the defendant's KeyBank debit card and his Chime account.

13. On or about October 13, 2020, the defendant submitted an online application to Indiana Workforce Development for unemployment insurance benefits. The defendant falsely claimed to have been employed by "This Sinking

Ship, LLC" from February 5, 2019, to March 2, 2020. The application was approved, and the funds were thereafter deposited to the defendant's KeyBank debit card.

14. On or about December 1, 2020, the defendant submitted an online application to Illinois Department of Employment Security for unemployment insurance benefits. The defendant falsely claimed to have been employed by W.E. Sullivan's Irish Pub and Fare from May 11, 2018, to April 1, 2020. The application was approved, and the funds were thereafter deposited to the defendant's KeyBank debit card.

15. The applications contained a certification that all information contained in the application was true and complete. The certification required the applicant to acknowledge that a false statement would subject the person to criminal penalties.

16. On or about March 18, 2021, the defendant submitted an online application for a Paycheck Protection Program ("PPP") loan. On the application, the defendant falsely claimed to be a barber, have a barber shop and total gross income of \$82,000 in 2020. In truth and fact, as he well knew, he did not have a barber shop and was not licensed by the State of Illinois as a barber.

Execution of the Scheme

17. On or about the below-listed dates, for the purpose of executing the above-described scheme and artifice to defraud and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, the defendant caused to be transmitted in interstate commerce the signals and sounds described below, each transmission constituting a separate count:

<u>Count</u>	<u>Date</u>	<u>Interstate Communication</u>
1	8/26/20	\$4,000 cash advance in Peoria, IL
2	9/18/20	\$303 ATM withdrawal in Peoria, IL
3	11/7/20	\$6,000 cash advance in Peoria, IL
4	12/28/20	\$6,000 cash advance in Peoria, IL

All in violation of Title 18, United States Code, Section 1343.

COUNT FIVE
(False Statement)

On or about March 18, 2021, at Peoria, in the Central District of Illinois,

DEREK GRIFFIN,

defendant herein, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States by submitting an application for a Paycheck Protection Program ("PPP") loan which was backed by the Government's Small Business Administration ("SBA"), well knowing and believing that the defendant was not entitled to receive the loan proceeds and that he did not have a barber shop, did not have total gross income of \$82,000 in 2020, and had no payroll, mortgage, and utilities expenses;

All in violation of Title 18, United States Code, Section 1001.

COUNT SIX
(False Statement)

On or about July 14, 2022, at Peoria, in the Central District of Illinois,

DEREK GRIFFIN,

defendant herein, did willfully and knowingly make a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the executive branch of the Government of the United States by falsely stating to special agents of the Internal Revenue Service, Criminal Investigation, and the Federal Bureau of Investigation that he had lost his social security card and id, that his identity had been stolen, that he did not apply for a Paycheck Protection Program ("PPP") loan, that he had not received any unemployment benefits in the last couple of years, and that he did not have a Chime account. As the defendant then and there knew, he had applied for a PPP loan, had applied for, and received unemployment benefits to which he was not entitled and had a Chime account.

All in violation of Title 18, United States Code, Section 1001.

A True Bill

s/Foreperson _____
Fg _____

s/Darilynn Knauss
GREGORY K. HARRIS
UNITED STATES ATTORNEY
DJK 67 DFM