

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
HAMMOND DIVISION

UNITED STATES OF AMERICA)
)
 v.) No. 2:21-CR-110-PPS
)
NATASHA WEEKS)

GOVERNMENT’S SENTENCING MEMO

Comes now, the United States of America, by its attorney, Clifford D. Johnson, United States Attorney for the Northern District of Indiana, through Alexandra McTague, Assistant U.S. Attorney and submits the following memorandum in aid of sentencing.

I. Introduction

The defendant was charged by way of indictment with a wire fraud scheme to obtain money from the Small Business Administration’s Economic Injury Disaster Loan program (Count 1), and with a wire fraud scheme to obtain unemployment benefits from the State of Arizona to which she was not entitled (Count 2), both in violation of 18 U.S.C. § 1343. Pursuant to a written plea agreement, she pled guilty to Count 1 under an aiding and abetting theory, and the government agreed to dismiss Count 2 at sentencing. ECF 20, ¶¶ 7.a., 9. In accordance with paragraph 7.d. of the Plea Agreement the Government is seeking a sentence at the low end of the guideline range, which the government believes is warranted in view of the 3553(a) factors in this case.

II. Guideline Calculation, Restitution, Fine

A. Guideline Calculation

The government agrees with the guideline calculation in the Final PSR, which results in a **total offense level of 13**. ECF 27 at ¶¶ 33-41. That calculation provides for a base offense level of 7 under 2B1.1(a). The guideline calculation provides an eight level enhancement for a loss amount between \$95,000 and \$150,000, which includes relevant conduct loss, and provides for a two-point reduction for acceptance of responsibility.

The loss amount is broken down as follows. For Count 1, five SBA applications were attributed to Weeks. Final PSR ¶¶ 14-20. For the application ending in 4145, Weeks received a \$1,000 loan and a \$10,000 grant. *Id.* ¶¶ 14-15. The loan money is actual loss. *Id.* ¶15. The grant money was frozen by the bank as suspicious and returned to the SBA, making it intended loss. *Id.* ¶ 14. Each of the other four applications could have resulted in a \$10,000 grant from the SBA, in addition to a loan of an unknown amount, making the intended loss on those applications an additional \$40,000. *Id.* ¶ 16. Each was filed within the same three month period, each was in the name of Natasha Weeks with her contact information, and each falsely claimed a business entitled to relief, making them all part and parcel of the same wire fraud scheme. *Id.* ¶¶ 14-19. Thus, the total loss on Count 1 is $\$1,000 + \$10,000 + \$40,000 = \$51,000$. *Id.* ¶ 21.

The SBA fraud, which took advantage of the COVID-19 pandemic and relief programs associated therewith, occurred between June 2020 and September 2020,

and involved filing false applications online. The money Weeks received from that fraud was deposited into a PNC Bank account in her name having a prepaid Visa card associated with it. *Id.* ¶¶14-15. During the same timeframe, Weeks also received deposits into bank accounts controlled by her from unemployment insurance fraud programs in Arizona, New York, Illinois, and Indiana. Those applications were also filed online and contained false information to obtain unemployment funds, which were enhanced because of the COVID-19 pandemic. The unemployment fraud is relevant conduct because under 1B1.3(a)(2) because the conduct would be grouped under 3D1.2(d) because the offense level is determined largely on the basis of the total amount of loss.

The PSR calculates the loss amount for the unemployment insurance fraud at \$66,686, which represents \$7,170 for Arizona, \$37,450 for Indiana, \$2,002 for New York, and \$20,064 for Illinois. Final PSR ¶¶ 22-26. That number does not count unemployment insurance payments Weeks received from the State of Indiana in her own name, totaling \$17,968, instead giving her the benefit of the doubt that she was entitled to such payments. The remainder of the payments were for States where she had never lived or work (New York, Arizona), claims to Illinois that were duplicative of Indiana, and Indiana unemployment insurance payments made to Weeks' account but filed for in the names of other people.

Thus, the total loss amount is \$117,686, which is +8 under the table in 2B1.1(b)(1). Based on the guideline calculation total offense level of 13 and criminal history score of 0, the defendant's guideline range is **12-18 months**.

B. Restitution & Fine

The defendant agreed to restitution in an amount to be determined by the court in paragraph 7.e of the Amended Plea Agreement. ECF 20. The actual loss on Count 1 for which restitution is required is \$1,000, payable to the Small Business Administration.

The defendant has minimal assets and three children and thus likely cannot afford to pay a fine.

The defendant also owes a special assessment of \$100.

III. The 3553(a) Factors

1. The Nature and Circumstances of the Offense

Natasha Weeks engaged in a scheme to defraud programs designed to give relief to those suffering as a result of the COVID-19 pandemic – those who had lost jobs, those who had small businesses that they were trying to keep afloat. By stealing money from those programs, Weeks stole from those whom Congress had determined were most needing and deserving of taxpayer-funded aid. Weeks's fraud resulted in an actual loss of over \$67,000 and an intended loss of another \$50,000 in six months by filing numerous fraudulent applications online claiming to have business that did not exist or claiming unemployment to which she was not entitled. The offense was broad, ongoing, and brazen.

2. The History and Characteristics of the Defendant

Natasha Weeks has no criminal history, which weighs in her favor. She has a high school education, and she has some work history as a security guard.

However, she was involved in a broad fraud scheme, with an intended loss of over \$100,000 in a mere six-month timeframe. Weeks maintains that others were primarily responsible, but she did not cooperate against any others involved in the scheme. She accepted the most limited responsibility she could – aiding and abetting the SBA scheme. Even in her objections to the PSR she laid the responsibility for the unemployment fraud at the feet of another – fraud that was in Weeks’ name and that was paid out to Weeks’ bank account. Overall, the history and characteristics of the defendant weigh in favor of a guideline sentence.

3. The need to reflect the seriousness of the offense, promote respect for the law, and achieve deterrence

The COVID-19 pandemic and all of the available government aid spurred significant amounts of fraud across the country. Weeks participated in two such fraud schemes: SBA loans and grants, and unemployment insurance fraud. According to the New York Times, the EIDL Advance program, which offered \$10,000 grants such as that sought by Weeks, resulted in \$4.5 billion in fraudulent payments. *See SBA Overpaid \$4.5 Billion on “Illogical” Small Business Grant Claims* (New York Times, Oct. 7, 2021) available at <https://www.nytimes.com/2021/10/07/business/fraud-small-business-administration.html>. Similarly, according to CNBC, the U.S. lost more than \$36 billion to improper unemployment benefit payments by January 2021. *See Scammers have taken \$36 billion in fraudulent unemployment payments from American works* (Jan 5, 2021, CNBC), available at <https://www.cnbc.com/2021/01/05/scammers-have-taken-36-billion-in->

[*fraudulent-unemployment-payments-.html*](#). While the overall loss amount of Weeks' crimes is low compared to the astronomical amount of fraud committed, it is still over \$110,000 in intended loss in six months, and \$67,000 in actual loss, which is far more than most Americans earn. Indeed, according to the United States Census Bureau, the median yearly household income in 2020 was \$67,521 and \$69,560 in 2019. *Data available at* <https://www.census.gov/library/publications/2021/demo/p60-273.html>. Because Weeks' fraud occurred over six months, it was equivalent to twice the median household income in the U.S.

A sentence at the low end of the guideline range promotes respect for the law, by showing that actions have consequences, and provides specific and general deterrence. White collar criminals are prime candidates for general deterrence because they often act rationally. *United States v. Warner*, 792 F.3d 847, 860-61 (7th Cir. 2015); *see also United States v. Musgrave*, 761 F.3d 602, 609 (6th Cir. 2014) (“Because economic and fraud-based crimes are more rational, cool, and calculated than sudden crimes of passion or opportunity, these crimes are prime candidates for general deterrence” (quotations/citations omitted)); *United States v. Martin*, 455 F.3d 1227, 1240 (11th Cir. 2006) (using language identical to that in *Musgrave*); *cf. United States v. Goffer*, 721 F.3d 113, 132, 531 Fed. Appx. 8 (2d Cir. 2013) (noting that “high sentences” were necessary to alter the calculus “that insider trading ‘was a game worth playing’”).

Deterrence is particularly important here because Weeks took advantage of seemingly anonymous online systems to file numerous false claims for SBA grants and unemployment benefits. She did not just file a single claim. She filed five applications with the SBA, and she filed for unemployment in at least four states. By her own admission she worked with other individuals in the process. By sentencing Weeks to prison for her actions, those who worked with her, those who have heard about these schemes, and those who may be thinking about committing such fraud will think twice before doing so. Weeks herself will also be deterred from committing such crimes in the future because she will realize her actions have real consequences.

A sentence at the low end of the guideline range will promote respect for the law, deter Weeks and others, and reflect the seriousness of the offense which involved numerous fraudulent online applications.

IV. CONCLUSION

For the foregoing reasons, the government recommends a sentence at the low end of the guideline range.

Respectfully submitted,

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