

IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF ARKANSAS
HARRISON DIVISION

UNITED STATES OF AMERICA)	
)	
v.)	No. <u>3:21-CR-30001-001</u>
)	18 U.S.C. § 1001(a)(3)
)	18 U.S.C. § 1957
JAMES READ)	18 U.S.C. § 1343

INFORMATION

The First Assistant United States Attorney charges:

COUNT ONE
(False Statement)

On or about June 20, 2020, in the Western District of Arkansas, Harrison Division, the defendant, JAMES READ, did willfully and knowingly make and use a false writing and document, knowing it to contain a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of the Small Business Administration (SBA), a federal agency, by submitting an online application for a loan under the SBA's Paycheck Protection Program to WebBank, in which he swore that he was the owner of business "Snowbird Bob LLC," a loan-eligible business with a monthly payroll obligation of \$22,308.00, well knowing and believing that Snowbird Bob LLC had no such payroll obligation.

All in violation of Title 18, United States Code, Section 1001(a)(3).

COUNT TWO
(Money Laundering)

On or about July 1, 2020, in the Western District of Arkansas, Harrison Division, the defendant JAMES READ, did knowingly engage and attempt to engage in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, that is, the defendant purchased a 2017 GMC Sierra bearing Vehicle Identification Number 3GTU2NEC3HG319282 from Lakeview Auto Sales in Mountain Home, Arkansas and paid \$26,000 for said vehicle, such money having been derived from a specified unlawful activity, that is, wire fraud, which is a violation of Title 18 United States Code, Section 1343.

All in violation of Title 18, United States Code, Section 1957.

COUNT THREE
(Wire Fraud)

INTRODUCTION

At all times relevant to this Count:

1. The defendant, JAMES READ, was an Arkansas resident living in Mountain Home, in the Western District of Arkansas, Harrison Division.

Background on Pandemic Unemployment Assistance.

2. On March 27, 2020, the United States Government enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided economic stimulus for individuals and businesses affected by the Coronavirus Pandemic. This relief included a form of supplementary unemployment assistance, known as Pandemic Unemployment Assistance (PUA).
3. For PUA claims, claimants must file with the state where the claimant was working at the time of becoming unemployed, partially unemployed, or unable to work because of a COVID-19

related reason listed in section 2102(a)(3)(A)(ii)(I) of the CARES Act. The claimant can do so by completing an application at a local “one-stop center,” by telephone, or online at each state’s website.

4. If claimants worked in more than one state prior to their unemployment, they may file for PUA in any of those states, but must pick one. As part of the application, a claimant must provide his or her name, date of birth, social security number, home address, and other personal information to that state’s claim administrator.

5. The state PUA administrator authorizes their financial services section to release PUA funds in the form of either: (a) a state contracted debit card mailed to the applicant; (b) a direct deposit into a pre-paid debit card account; or (c) a direct deposit into the claimant’s designated bank account and in rare cases, a check can be issued to the applicant by some states.

THE SCHEME TO DEFRAUD

6. From on or about March 28, 2020, until at least on or about October 17, 2020, in the Western District of Arkansas, Harrison Division, the defendant, JAMES READ, with the intent to defraud, did knowingly and willfully devise a scheme and artifice to defraud various state PUA administrators, and to obtain money from these states, by means of false and fraudulent pretenses and representations, knowing that the pretenses and representations were false when made.

MANNER AND MEANS OF THE SCHEME TO DEFRAUD

It was part of the scheme and artifice to defraud and to obtain money that:

7. READ accessed, from a location in Mountain Home, Arkansas, which is in the Western District of Arkansas, Harrison Division, the Louisiana Workforce Commission’s (“LWC”) online PUA application portal. Despite being ineligible for PUA benefits from LWC, READ applied for

PUA benefits. READ then applied for benefits for C.P., who he knew to be ineligible for PUA benefits from LWC.

8. As part of these applications, READ falsely represented that he and C.P. lived in Louisiana, and that each was eligible to receive PUA benefits from Louisiana. In his applications, READ provided a bank account to which PUA funds could be deposited by wire transfer.

9. LWC approved READ's and C.P.'s PUA applications based on READ's representations. LWC administrators then wire-transferred PUA funds to the bank accounts that READ provided.

EXECUTION OF THE SCHEME

10. On or about March 28, 2020, in the Western District of Arkansas, Harrison Division, for the purpose of executing the above-described scheme, READ applied to LWC for PUA benefits to which he was not entitled, knowingly causing wire transfers containing PUA funds to be deposited, sent, delivered, and received by READ for the purpose of executing the scheme and artifice to defraud and to obtain money to which he was not entitled, by means of materially false pretenses, representations, and promises as outlined above.

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

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