



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* COLORADO

[U.S. Attorneys](#) » [District of Colorado](#) » [News](#)

Department of Justice

U.S. Attorney's Office

District of Colorado

FOR IMMEDIATE RELEASE

Friday, June 4, 2021

Federal Grand Jury Returns Charges against Two Individuals for Covid-19 Fraud

DENVER – The U.S. Attorney's Office for the District of Colorado announces that Russell Foreman and Chandler Simbeck were indicted by a Federal Grand Jury on May 18, 2021, on charges of wire fraud, money laundering and conspiracy to defraud the United States.

According to allegations in the indictment, between March 2020 and October 2020, Foreman electronically submitted loan applications to the Small Business Administration for various businesses knowing that the applications contained materially false and fraudulent information, including the establishment date of the businesses, gross revenues and costs of goods sold, and the applicant's lack of felony criminal record.

Upon approval, the SBA conducted electronic transfer of funds to bank accounts controlled by Foreman. Foreman then moved the money into different bank accounts he controlled. The indictment also alleges that Foreman and Simbeck created an entity, Fusion Group LLC, listing Simbeck as the owner. Together they applied for an Economic Injury Disaster Loan knowing the application contained false information. Upon receipt of the funds into the Fusion Group bank account, Foreman and Simbeck caused the loan proceeds to be moved into the bank accounts of Vegisir Consults LLC and Vegvisir Consults LLC, which they controlled. They then issued a check to Simbeck's relative for \$50,000.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted in March 2020 and was designed to provide emergency financial assistance to Americans dealing with the economic impact of the COVID-19 pandemic. The CARES Act authorized the Small Business Administration ("SBA") to issue loans to small businesses and non-profit entities experiencing revenue loss due to the pandemic. The Economic Injury Disaster Loan ("EIDL") program provides loan assistance up to \$150,000 to pay permissible expenses such as fixed debts, payroll, and accounts payable for certain COVID-19 impacted businesses in operation prior to February 1, 2020. Additionally, the CARES Act created the Paycheck Protection Program ("PPP") which authorizes forgivable loans to small businesses to retain workers, maintain payroll, and certain other expenses consistent with PPP rules.

Foreman faces eight counts of wire fraud, one count of conspiracy, and four counts of money laundering. Simbeck faces one count of wire fraud and one count of conspiracy. Each wire fraud count carries a penalty of up to 20 years in prison. Conspiracy carries a penalty of up to five years in prison. Money laundering carries a penalty of up to 10 years in prison.

This case is being investigated by Internal Revenue Service – Criminal Investigation. This case is being prosecuted by Assistant United States Attorney Robert Brown.

The charges contained in the indictment are allegations and the defendants are presumed innocent unless and until proven guilty.

CASE NUMBER: 21-cr-00165-RM

####

Visit our website <http://www.justice.gov/usao/co> | Follow us on Twitter [@DCoNews](https://twitter.com/DCoNews)

Sign up for new releases USACO.PublicAffairs@usdoj.gov

Topic(s):

Coronavirus

Disaster Fraud

Component(s):

USAO - Colorado

Updated June 4, 2021