



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

October 2020 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

ROBERT BENLEVI,
aka "Robert Levi,"

Defendant.

CR 2:21-cr-00246-PA

I N D I C T M E N T

[18 U.S.C. § 1344(2): Bank Fraud; 18 U.S.C. § 1014: False Statements to a Financial Institution; 18 U.S.C. § 1957: Monetary Transactions in Criminally Derived Property over \$10,000; 18 U.S.C. § 982: Criminal Forfeiture]

The Grand Jury charges:

COUNTS ONE THROUGH SIX

[18 U.S.C. § 1344(2)]

A. INTRODUCTORY ALLEGATIONS

At times relevant to this Indictment:

1. Defendant ROBERT BENLEVI, also known as "Robert Levi," was a resident of Encino, California.

2. Defendant BENLEVI owned and controlled various corporate entities registered in the state of California, including the following: 4Stars Collection LLC ("4Stars

1 Collection"), Joyous-Health4U LLC ("Joyous-Health4U"), Ultra+
2 Health LLC ("Ultra+ Health"), 1Stellar Health LLC ("1Stellar
3 Health"), Bestways2 Health LLC ("Bestways2 Health"), 4Health
4 Wonders LLC ("4Health Wonders"), 2GR8 Health LLC ("2GR8
5 Health"), and Topstars Health LLC ("Topstars") (collectively,
6 the "BENLEVI-controlled entities"). None of the BENLEVI-
7 controlled entities had employees or payroll expenses of its
8 own.

9 Small Business Administration

10 3. The United States Small Business Administration
11 ("SBA") was an executive-branch agency of the United States
12 government that provided support to entrepreneurs and small
13 businesses. The mission of the SBA was to maintain and
14 strengthen the nation's economy by enabling the establishment
15 and viability of small business and by assisting in the economic
16 recovery of communities after disasters.

17 4. As part of this effort, the SBA facilitated loans
18 through banks, credit unions, and other lenders. The federal
19 government backed these loans.

20 The Paycheck Protection Program

21 5. The Coronavirus Aid, Relief, and Economic Security
22 ("CARES") Act was a federal law enacted in or around March 2020
23 and designed to provide emergency financial assistance to the
24 millions of Americans who were suffering the economic effects
25 caused by the COVID-19 pandemic. One source of relief provided
26 by the CARES Act was the authorization of up to \$349 billion in
27 forgivable loans to small businesses for job retention and
28 certain other expenses, through a program referred to as the

1 Paycheck Protection Program ("PPP"). In or around April 2020,
2 Congress authorized over \$300 billion in additional PPP funding.

3 6. In order to obtain a PPP loan, a qualifying business
4 was required to submit a PPP loan application signed by an
5 authorized representative of the business. The PPP loan
6 application required the business (through its authorized
7 representative) to acknowledge the program rules and make
8 certain affirmative certifications in order to be eligible to
9 obtain the PPP loan. One such certification required the
10 applicant to affirm that "Borrower was in operation on February
11 15, 2020 and had employees for whom Borrower paid salaries and
12 payroll taxes or paid independent contractors" Another
13 such certification required the applicant to affirm that "[a]ll
14 proceeds of the Loan will be used to retain workers and maintain
15 payroll or make mortgage interest payments, lease payments, and
16 utility payments" The applicant (through its authorized
17 representative) was also required to acknowledge that "if the
18 funds are knowingly used for unauthorized purposes, the federal
19 government may hold Borrower and/or Borrower's authorized
20 representative legally liable, such as for charges of fraud."
21 In the PPP loan application, the applicant was required to
22 state, among other things, its average monthly payroll expenses.
23 These figures were used to calculate the amount of money the
24 small business was eligible to receive under the PPP. In
25 addition, the applicant was required to provide documentation
26 showing its payroll expenses.

27 7. A PPP loan application was processed by a
28 participating financial institution ("lender"). If a PPP loan

1 application was approved, the participating lender funded the
2 PPP loan using its own monies, which were guaranteed by the SBA.
3 Data from the application, including information about the
4 borrower, the total amount of the loan, and the listed number of
5 employees, was transmitted by the lender to the SBA in the
6 course of processing the loan.

7 8. PPP loan proceeds were required to be used by the
8 business on certain permissible expenses, including payroll
9 costs, mortgage interest, rent, and utilities. Under the
10 applicable PPP rules and guidance, the interest and principal on
11 the PPP loan was eligible for forgiveness if the business was
12 eligible for the PPP loan it received, spent the loan proceeds
13 on these permissible expense items within a designated period of
14 time, and used a certain portion of the loan proceeds for
15 payroll expenses.

16 Relevant Tax Forms

17 9. Internal Revenue Service ("IRS") Forms 940 were forms
18 that employers filed with the IRS to report and ultimately to
19 pay an employer's annual Federal Unemployment Tax Act tax. All
20 employers that paid payroll were required to file these forms on
21 an annual basis.

22 10. IRS Forms 941 were forms that employers filed with the
23 IRS to report wages paid, number of employees, and quarterly
24 income tax, social security tax, and Medicare tax withheld from
25 employees' paychecks. All employers that paid payroll were
26 generally required to file these forms on a quarterly basis.

27 ///

28

1 SBA-Approved Lenders

2 11. "Bank A" was a financial institution based in
3 California, whose deposits were insured by the Federal Deposit
4 Insurance Corporation ("FDIC"). Bank A was an approved SBA
5 lender of PPP loans.

6 12. "Bank B" was a financial institution based in
7 Minnesota, whose deposits were insured by the FDIC. Bank B was
8 an approved SBA lender of PPP loans.

9 13. "Bank C" was a financial institution based in Utah,
10 whose deposits were insured by the FDIC. Bank C was an approved
11 SBA lender of PPP loans.

12 14. "Company C" was a financial technology company based
13 in California. Company C participated in SBA's PPP program by,
14 among other things, acting as a service provider between small
15 businesses and certain lenders, including Bank C. Small
16 businesses seeking PPP loans could apply through Company C for
17 PPP loans. Company C would review the loan applications. If a
18 loan application received by Company C was approved for funding,
19 a partner lender, such as Bank C, disbursed the loan funds to
20 the applicant.

21 15. "Bank D" was a financial institution based in North
22 Carolina, whose deposits were insured by the FDIC. Bank D was
23 an approved SBA lender of PPP loans.

24 16. Banks A, B, C, and D were financial institutions as
25 defined in Title 18, United States Code, Section 20.

1 B. THE SCHEME TO DEFRAUD

2 17. Beginning in or around April 2020, and continuing
3 until in or around August 2020, in Los Angeles County, within
4 the Central District of California, and elsewhere, defendant
5 BENLEVI, together with others known and unknown to the Grand
6 Jury, knowingly and with intent to defraud, devised,
7 participated in, and executed a scheme to obtain monies, funds,
8 credits, assets, and other property owned by and in the custody
9 and control of Bank A, Bank B, Bank C, and Bank D by means of
10 materially false and fraudulent pretenses, representations, and
11 promises, and the concealment of material facts.

12 18. The fraudulent scheme operated and was carried out, in
13 substance, as follows:

14 a. Defendant BENLEVI submitted, and caused to be
15 submitted, approximately twenty-seven PPP loan applications to
16 Bank A, Bank B, Bank C (through Company C), and Bank D, for
17 loans of \$1,000,000 each, on behalf of the BENLEVI-controlled
18 entities. These loan applications were false and fraudulent in
19 that they contained materially false statements and were
20 accompanied by fraudulent documents purporting to demonstrate
21 the BENLEVI-controlled entities' eligibility for the PPP loans.

22 b. In particular, defendant BENLEVI made, and caused
23 to be made, materially false statements in these PPP loan
24 applications, which statements defendant BENLEVI knew were false
25 when he made them and caused them to be made, including:

26 i. Defendant BENLEVI falsely represented that
27 the each of the entities seeking PPP loans had 100 employees and
28 average monthly payroll expenses of \$400,000, when, in fact,

1 defendant BENLEVI knew that the entities did not have any
2 employees or payroll expenses; and

3 ii. Defendant BENLEVI falsely represented that
4 the funds sought through the PPP loan applications would be used
5 to pay payroll, health care benefits, utilities, and other
6 business expenses of the BENLEVI-controlled entities, when, in
7 fact, defendant BENLEVI knew that the entities did not have any
8 of these business expenses.

9 c. Defendant BENLEVI also submitted, and caused to
10 be submitted, false documents in support of the PPP loan
11 applications, which documents defendant BENLEVI knew were false,
12 including:

13 i. Fabricated IRS Forms 940 for year 2019
14 purporting to be Employer's Annual Federal Unemployment Tax
15 Return forms filed with the IRS for the BENLEVI-controlled
16 entities, which falsely stated that the companies each had an
17 annual payroll of \$4,800,000; and

18 ii. Fabricated IRS Forms 941 for year 2019
19 purporting to be Employer's Quarterly Federal Tax Return forms
20 filed with the IRS for the BENLEVI-controlled entities, which
21 falsely stated that the companies each had 100 employees and a
22 quarterly payroll of \$1,200,000.

23 d. In reliance on defendant BENLEVI's materially
24 false statements and documents, his concealment of material
25 facts, and his certifications in the PPP loan applications, Bank
26 D approved and funded the PPP loans sought by defendant BENLEVI
27 in the names of 1Stellar Health, Joyous-Health4U, and Ultra+
28 Health, by wiring approximately \$1,000,000 into Bank D bank

1 accounts in the names of each of those three entities.

2 Defendant BENLEVI was the sole signatory on all three of the
 3 accounts that received loan proceeds.

4 e. Defendant BENLEVI did not use these proceeds for
 5 business expenses at any of the BENLEVI-controlled entities, but
 6 instead used them for personal expenses, including cash
 7 withdrawals, payments on his personal credit cards, and
 8 transfers to other personal and business accounts he controlled.

9 C. EXECUTIONS OF THE SCHEME

10 19. On or about the following dates, in Los Angeles
 11 County, within the Central District of California, and
 12 elsewhere, defendant BENLEVI committed the following acts, each
 13 of which constituted an execution of the above-described
 14 fraudulent scheme:

COUNT	DATE	ACT
ONE	4/28/20	Submission of application to Bank D for PPP loan in the name of Ultra+ Health.
TWO	5/24/20	Submission of application to Bank D for PPP loan in the name of 1Stellar Health.
THREE	5/29/20	Submission of application to Bank D for PPP loan in the name of Joyous-Health4U.
FOUR	6/4/20	Submission of application to Bank D for PPP loan in the name of 4Stars Collection.
FIVE	6/9/20	Submission of application to Bank D for PPP loan in the name of 4Health Wonders.
SIX	6/12/20	Submission of application to Bank D for PPP loan in the name of Bestways2 Health.

COUNTS SEVEN THROUGH TWELVE

[18 U.S.C. § 1014]

20. The Grand Jury realleges paragraphs 1 through 16, 18, and 19 of this Indictment here.

21. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant BENLEVI knowingly made the following false statements to Bank D, an institution the accounts of which were then insured by the Federal Deposit Insurance Corporation, for the purpose of influencing the actions of Bank D in connection with PPP loan applications:

COUNT	DATE	FALSE STATEMENT
SEVEN	4/28/20	Promissory note submitted to Bank D in the name of Ultra+ Health falsely stating Ultra+ Health was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.
EIGHT	5/24/20	Promissory note submitted to Bank D in the name of 1Stellar Health falsely stating 1Stellar Health was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.
NINE	5/29/20	Promissory note submitted to Bank D in the name of Joyous-Health4U falsely stating Joyous-Health4U was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.
TEN	6/4/20	Promissory note submitted to Bank D in the name of 4Stars Collection falsely stating 4Stars Collection was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

COUNT	DATE	FALSE STATEMENT
ELEVEN	6/9/20	Promissory note submitted to Bank D in the name of 4Health Wonders falsely stating 4Health Wonders was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.
TWELVE	6/12/20	Promissory note submitted to Bank D in the name of Bestways2 Health falsely stating Bestways2 Health was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes or paid independent contractors.

COUNTS THIRTEEN THROUGH SIXTEEN

[18 U.S.C. § 1957]

22. The Grand Jury realleges paragraphs 1 through 16, 18, and 19 of this Indictment here.

23. On or about the following dates, in Los Angeles County, within the Central District of California, and elsewhere, defendant BENLEVI, , knowingly engaged in the following monetary transactions of a value greater than \$10,000, involving funds he knew to be criminally derived property, which property, in fact, was derived from specified unlawful activity, namely, bank fraud, in violation of Title 18, United States Code, Section 1344(2), as charged in Count Six of this Indictment, and false statements to a financial institution, in violation of Title 18, United States Code, Section 1014, as charged in Count Twelve of this Indictment:

COUNT	DATE	FINANCIAL TRANSACTION
THIRTEEN	7/9/20	Purchase of cashier's check from Bank D in the amount of approximately \$54,000 payable to "4Health Wonders"
FOURTEEN	7/9/20	Purchase of cashier's check from Bank D in the amount of approximately \$52,000 payable to "Ultraplus Health"
FIFTEEN	7/9/20	Purchase of cashier's check from Bank D in the amount of approximately \$94,000 payable to "Robert Benlevi"
SIXTEEN	7/9/20	Purchase of cashier's check from Bank D in the amount of approximately \$48,000 payable to "Robert Benlevi"

FORFEITURE ALLEGATION ONE

[18 U.S.C. § 982(a)(2)]

1
2
3 24. Pursuant to Rule 32.2(a) of the Federal Rules of
4 Criminal Procedure, notice is hereby given that the United
5 States of America will seek forfeiture as part of any sentence,
6 pursuant to Title 18, United States Code, Section 982(a)(2), in
7 the event of the defendant's conviction of the offenses set
8 forth in any of Counts One through Twelve of this Indictment.

9 25. The defendant, if so convicted, shall forfeit to the
10 United States of America the following:

11 a. All right, title and interest in any and all
12 property, real or personal, constituting, or derived from, any
13 proceeds obtained, directly or indirectly, as a result of the
14 offense; and

15 b. To the extent such property is not available for
16 forfeiture, a sum of money equal to the total value of the
17 property described in subparagraph (a).

18 26. Pursuant to Title 21, United States Code, Section
19 853(p), as incorporated by Title 18, United States Code, Section
20 982(b), the defendant, if so convicted, shall forfeit substitute
21 property, up to the total value of the property described in the
22 preceding paragraph if, as the result of any act or omission of
23 the defendant, the property described in the preceding
24 paragraph, or any portion thereof: (a) cannot be located upon
25 the exercise of due diligence; (b) has been transferred, sold to
26 or deposited with a third party; (c) has been placed beyond the
27 jurisdiction of the court; (d) has been substantially diminished

1 in value; or (e) has been commingled with other property that
2 cannot be divided without difficulty.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

FORFEITURE ALLEGATION TWO

[18 U.S.C. § 982(a)(1)]

27. Pursuant to Rule 32.2(a) of the Federal Rules of Criminal Procedure, notice is hereby given that the United States will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 982(a)(1), in the event of the defendant's conviction of the offenses set forth in any of Counts Thirteen through Sixteen of this Indictment.

28. The defendant, if so convicted, shall forfeit to the United States of America the following:

a. Any property, real or personal, involved in such offense, and any property traceable to such property; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

29. Pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), and Title 18, United States Code, Section 982(b)(2), the defendant, if so convicted, shall forfeit substitute property, if, by any act or omission of the defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to, or deposited with a third party; (c) has been placed beyond the jurisdiction of the court; (d) has been substantially diminished in value; or (e) has been commingled with other property that cannot be divided without difficulty. Substitution of assets shall not be ordered, however, where the convicted defendant acted merely as

1 an intermediary who handled but did not retain the property in
2 the course of the money laundering offense unless the defendant,
3 in committing the offense or offenses giving rise to the
4 forfeiture, conducted three or more separate transactions
5 involving a total of \$100,000.00 or more in any twelve-month
6 period.

7
8 A TRUE BILL

9
10 /S/

11 Foreperson

12 TRACY L. WILKISON
13 Acting United States Attorney

14 

15 BRANDON D. FOX
16 Assistant United States Attorney
17 Chief, Criminal Division

18 RANEE A. KATZENSTEIN
19 Assistant United States Attorney
20 Chief, Major Frauds Section

21 KRISTEN A. WILLIAMS
22 Assistant United States Attorney
23 Deputy Chief, Major Frauds Section

24 DANIEL KAHN
25 Acting Chief, Fraud Section
26 United States Department of Justice

27 NIALL M. O'DONNELL
28 Assistant Chief, Fraud Section
United States Department of Justice

EMILY Z. CULBERTSON
HELEN LEE
Trial Attorneys, Fraud Section
United States Department of Justice