

ORIGINAL

FILED IN OPEN COURT
U.S.D.C. - Atlanta
JAN 27 2021
By: JAMES N. HATTEN, Clerk
Deputy Clerk

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

UNITED STATES OF AMERICA

v.

BRANDON RIDGE

Criminal Indictment

No. 1:21-CR-037

THE GRAND JURY CHARGES THAT:

Background

At times relevant to this Criminal Indictment:

The Small Business Administration

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

2. As part of this effort, the SBA enabled and provided for loans through banks, credit unions, and other lenders. These loans had government-backed guarantees.

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 and was designed to provide

emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

4. One source of relief that the CARES Act provided for was the authorization of up to \$349 billion in forgivable loans to small businesses for payroll, mortgage interest, rent/lease, and utilities, through a program referred to as the Paycheck Protection Program (“PPP”). In April 2020, Congress authorized up to \$310 billion in additional PPP funding.

5. The PPP allowed qualifying small businesses and other organizations to receive PPP loans. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal on the PPP loan to be entirely forgiven if the business spent the loan proceeds on these expense items within a designated period of time and used a certain percentage of the PPP loan proceeds for payroll expenses.

6. The amount of a PPP loan that a small business may have been entitled to receive was determined by the number of employees employed by the business and the business’s average monthly payroll costs.

7. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) had to state, among other things, its (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, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

8. The SBA oversaw the PPP. However, individual PPP loans were issued by private, approved lenders who received and processed PPP applications and supporting documentation, and then made loans using the lenders' own funds, which were 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

Count One
Bank Fraud
(18 U.S.C. § 1344)

9. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 8 of this Criminal Indictment as if fully set forth herein.

10. Beginning in or about April 2020 and continuing until in or about June 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendant, BRANDON RIDGE, did knowingly execute and attempt to execute a scheme and artifice to defraud Riverview Bank, the deposits of which were then insured by the Federal Deposit Insurance Corporation, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, certain moneys, funds, credits,

assets, securities, and other property owned by and under the custody and control of Riverview Bank.

Scheme to Defraud

11. It was a part of the scheme and artifice to defraud that the defendant, BRANDON RIDGE, submitted a PPP application containing materially false information and then using the loan proceeds on unauthorized expenditures.

12. During the course of the scheme to defraud, RIDGE submitted a PPP application for his company, "Barking Rose Solutions," that contained materially false information. The application included a purported February 2020 bank statement showing that Barking Rose Solutions had a starting balance of \$29,181.56, incoming deposits of \$73,803.12, expenditures of \$89,711.81, and an ending balance of \$13,262.87. However, as RIDGE knew, these representations were false. In actuality, in February 2020, Barking Rose Solutions had a starting balance of \$21.56, incoming deposits of \$3,803.12, expenditures of \$3,711.81, and an ending balance of \$112.87. Based upon this materially false information, RIDGE - through Barking Rose Solutions - received a PPP loan in the amount of \$162,467.50.

13. As further part of the scheme to defraud, RIDGE then used the PPP proceeds to make unlawful expenditures. Despite signing a certification that "the [f]unds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments," RIDGE sent

a portion of the proceeds to his own personal bank account and purchased two automobiles.

Execution of the Scheme to Defraud

14. On or about April 10, 2020, in the Northern District of Georgia and elsewhere, the defendant, BRANDON RIDGE, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, did, with intent to defraud, cause to be transmitted a PPP application containing materially false information to Riverview Bank, the deposits of which were then insured by the Federal Deposit Insurance Corporation.

All in violation of Title 18, United States Code, Section 1344.

Count Two
Wire Fraud
(18 U.S.C. § 1343)

15. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 14 of this Criminal Indictment as if fully set forth herein.

16. Beginning in or about April 2020 and continuing until in or about June 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendant, BRANDON RIDGE, knowingly devised and intended to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, well knowing and having reason to

know that said pretenses, representations, and promises were false and fraudulent when made and caused to be made and that said omissions were and would be material.

17. On or about April 10, 2020, in the Northern District of Georgia and elsewhere, the defendant, BRANDON RIDGE, for the purpose of executing and attempting to execute the aforementioned scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, and by omission of material facts, did, with intent to defraud, cause to be transmitted by means of a wire communication in interstate and foreign commerce certain writings, signs, signals, and sounds, namely, a PPP application containing materially false information.

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

Count Three
Money Laundering
(18 U.S.C. § 1957)

18. The Grand Jury re-alleges and incorporates herein by reference the factual allegations set forth in paragraphs 1 through 17.

19. On or about May 9, 2020, in the Northern District of Georgia and elsewhere, the defendant, BRANDON RIDGE, did knowingly engage and attempt to engage in a monetary transaction by, through and to a financial institution, affecting interstate commerce, such transaction knowingly involving criminally derived property of a value greater than \$10,000, that is issuing a check in the amount of \$36,000 to Jaguar Land Rover Buckhead, such property

having been derived from a specified unlawful activity, that is wire fraud, in violation of Title 18, United States Code, Section 1343.

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

Forfeiture

20. Upon conviction for the offenses alleged in Counts 1 and 2 of this Indictment, the defendant, BRANDON RIDGE, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property constituting or derived from proceeds obtained, directly or indirectly, as a result of said violations, including but not limited to:

- a. Money Judgment: A sum of money in United States currency representing the amount of proceeds obtained as a result of each offense for which the defendant is convicted.
- b. Currency and Bank Funds:
 - \$8,821.34 in funds seized from Ameris Bank Account Number XXXXXX4884 held in the name of Brandon Ridge;
 - \$83,016.66 in funds seized from Ameris bank account number XXXXXX0298 held in the name of Brandon Ridge;
 - \$1,125.14 in funds seized from Ameris Bank account number XXXXXX9781 held in the name of Brandon Ridge; and
 - \$11,147.28 in funds seized from Ameris Bank account number XXXXXX1495 held in the name of Brandon Ridge
- c. Vehicles:

- i. 2016 Land Rover Range Rover Sport, VIN:
SALWG2KF5GA657666; and
- ii. 2016 Mazda CX-5, VIN: JM3KE4DY4G0878825.

21. Upon conviction of one or more of the offenses alleged in Count 3 of this Indictment, the Defendant, BRANDON RIDGE, shall forfeit to the United States pursuant to Title 18, United States Code, Section 982(a)(1), all property real or personal, involved in such offenses and all property traceable to such offenses, including but not limited to the following:

- a. Money Judgment: A sum of money in United States currency representing the amount of proceeds obtained as a result of each offense for which the defendant is convicted.
- b. Currency and Bank Funds:
 - \$8,821.34 in funds seized from Ameris Bank Account Number XXXXXX4884 held in the name of Brandon Ridge;
 - \$83,016.66 in funds seized from Ameris bank account number XXXXXX0298 held in the name of Brandon Ridge;
 - \$1,125.14 in funds seized from Ameris Bank account number XXXXXX9781 held in the name of Brandon Ridge; and
 - \$11,147.28 in funds seized from Ameris Bank account number XXXXXX1495 held in the name of Brandon Ridge
- c. Vehicles:
 - i. 2016 Land Rover Range Rover Sport, VIN:
SALWG2KF5GA657666; and


ii. 2016 Mazda CX-5, VIN: JM3KE4DY4G0878825.

22. If, as a result of any act or omission of the defendant, any property subject to forfeiture:

- a. Cannot be located upon the exercise of due diligence;
- b. Has been transferred or sold to, or deposited with, a third person;
- 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 which cannot be subdivided without difficulty;

the United States intends, pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b), to seek

forfeiture of any property of the defendant up to the value of the forfeitable property.

A TRUE BILL

FOREPERSON

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