FILED IN OPEN COURT
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JAMES N. HATTEN, Clerk
By: Deputy Clerk

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

UNITED STATES OF AMERICA *v.* TELDRIN FOSTER	Criminal Information No. 1:21-CR-183

THE UNITED STATES ATTORNEY CHARGES THAT:

Background

At times relevant to this Information:

The Defendant and his Co-Conspirator

1. TELDRIN FOSTER ("FOSTER") was an individual residing in the State of Georgia.

2. Darrell Thomas was an individual residing in the State of Georgia who claimed ownership, and was the Chief Financial Officer, of Bellator Phront Group Inc., a Georgia corporation. As of May 21, 2020, Thomas claimed to be the Chief Executive Officer, Secretary, and registered agent of Elite Executive Services Inc., a Georgia corporation.

The Small Business Administration

3. 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.

4. 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

5. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or about 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.

6. 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"). Congress subsequently authorized additional PPP funding.

7. The PPP allowed qualifying small businesses and other organizations to receive PPP loans. Businesses were required to 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.

8. 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.

9. 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.

10. 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.

11. Financial Institution 1 was a non-bank financial institution headquartered in Laguna Hills, California. Financial Institution 1 participated in

the SBA's PPP as a lender, and as such, was authorized to lend funds to eligible borrowers under the terms of the PPP.

Count One
Conspiracy to Commit Wire Fraud

12. The United States Attorney re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 11 of this Information as if fully set forth herein.

13. From in or about April 2020 through in or about May 2020, the exact dates unknown, in the Northern District of Georgia and elsewhere, the defendant,

TELDRIN FOSTER,

did knowingly and willfully combine, conspire, confederate, agree, and have a tacit understanding with Darrell Thomas and with others known and unknown, to devise and intend 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 the omission of material facts, well knowing and having reason to know that said pretenses were and would be false and fraudulent when made and caused to be made and that said omissions were and would be material, and, in so doing, with intent to defraud, caused interstate and foreign wire communications to be made, in furtherance of the scheme and artifice to defraud, in violation of Title 18, United States Code, Section 1343.

Manner and Means

14. On or about April 21, 2020, FOSTER and his co-conspirators utilized interstate wires to submit and assist in the submission of, a PPP loan application for Bellator Phront Group Inc. to Financial Institution 1.

15. On the PPP loan application for Bellator Phront Group Inc., FOSTER and his co-conspirators falsely represented that the company had 66 employees and an average monthly payroll of $319,982.14.

16. The PPP loan application contained the initials of Bellator Phront Group Inc.'s owner to certify each of the following representations:

a. The Applicant business was in operation on February 15, 2020 and had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC;

b. The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule; and

c. The information provided in the application and the information provided in all supporting documents and forms is true and accurate in all material respects.

17. FOSTER assisted in the creation and submission of falsified IRS Form 941s for each quarter of 2019 included with Bellator Phront Group Inc.'s PPP loan application.

18. Based on the false and fraudulent representations and submissions made by FOSTER and his co-conspirators, Financial Institution 1 distributed approximately $799,955.35 to Bellator Phront Group Inc.

All in violation of Title 18, United States Code, Section 1349.

Forfeiture Provision

Upon conviction of the offense alleged in this Information, the defendant, TELDRIN FOSTER, shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(2), any property, real or personal, constituting or derived from proceeds obtained, directly or indirectly, as a result of the violation, 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, or conspiracy to commit such offense, for which each defendant is convicted.

If, as a result of any act or omission of the defendant(s), 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 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 which cannot be divided 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 other property of the defendant up to the value of the forfeitable property described above.

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