

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
GREENVILLE DIVISION

UNITED STATES OF AMERICA

v.

LAUREN MARCEL DUHART,
a/k/a "LA,"
JOSHUA BERNARD SMITH,
a/k/a "J-Roc,"
STEVE RONALD LEWIS,
a/k/a "Q,"
CHRISTOPHER J. AGARD,
HENRY DUFFIELD,
JEREMY BRANDON LATOURNEAU,
DERICK KEANE

CR. NO. 6:20CR537

18 U.S.C. § 981(a)(1)(C)
18 U.S.C. § 982(a)(1)
18 U.S.C. § 1343
18 U.S.C. § 1349
18 U.S.C. § 1956(a)(1)(B)(i)
18 U.S.C. § 1956(h)
18 U.S.C. § 1957
21 U.S.C. § 853
21 U.S.C. § 881
28 U.S.C. § 2461(c)

SEALED INDICTMENT

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THE GRAND JURY CHARGES THAT:

Background

At times relevant to this Indictment:

The Defendants

1. **LAUREN MARCEL DUHART, a/k/a "LA" ("DUHART")** was an individual residing in Georgia.
2. **JOSHUA BERNARD SMITH, a/k/a "J-Roc," ("SMITH")** was an individual residing in Georgia.
3. **STEVE RONALD LEWIS, a/k/a "Q," ("LEWIS")** was an individual residing in Georgia.
4. **CHRISTOPHER J. AGARD ("AGARD")** was an individual residing in the state of Georgia who claimed ownership of Wild Stylz Entertainment LLC ("Wild Stylz"), a

Georgia corporation. **AGARD** submitted Paycheck Protection Program loan applications on behalf of Wild Stylz.

5. **HENRY DUFFIELD** (“**DUFFIELD**”) was an individual residing in South Carolina.

6. **JEREMY BRANDON LATOURNEAU** (“**LATOURNEAU**”) was an individual residing in South Carolina.

7. **DERICK KEANE** (“**KEANE**”) was an individual residing in South Carolina.

The Small Business Administration

8. 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.

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

The Paycheck Protection Program

10. The Coronavirus Aid, Relief, and Economic Security (“**CARES**”) Act is a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

11. 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.

12. The PPP allows qualifying small businesses and other organizations to receive PPP loans. Businesses must use PPP loan proceeds on 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 on payroll expenses.

13. The amount of a PPP loan that a small business may be entitled to receive is determined by the number of employees employed by the business and the business’s average monthly payroll costs.

14. 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.

15. The SBA oversees the PPP. However, individual PPP loans are issued by private, approved lenders who receive and process PPP applications and supporting documentation, and then make loans using the lenders’ own funds, which are 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.

16. Financial Institution 1 was a Federal Deposit Insurance Corporation (“FDIC”) insured financial institution headquartered in Salt Lake City, Utah. 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.

17. Company 1 was a publicly traded company that specialized in small-business lending. Company 1 was based in Redwood City, California. Company 1 participated in the SBA’s PPP by, among other things, acting as a service provider between small businesses and certain banks, including Financial Institution 1. Small businesses seeking PPP loans could apply through Company 1 for PPP loans. Company 1 would review the loan applications. If a loan application received by Company 1 was approved for funding, a partner bank, such as Financial Institution 1 or Financial Institution 2, disbursed the loan funds to the applicant.

18. Bank 1 was a federally insured financial institution based in Charlotte, North Carolina with branches throughout the United States.

The Fraudulent PPP Loan Applications and Supporting Documentation

19. On or around May 9, 2020, **AGARD** submitted, or assisted in the submission of, a PPP loan application for Wild Stylz, to Financial Institution 1, a lender approved by the SBA to issue PPP loans.

20. **AGARD** electronically signed the Wild Stylz PPP Borrower Application Form on May 9, 2020.

21. In addition, the loan application contained the initials of **AGARD** 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; 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.

22. **AGARD** submitted, or assisted in the submission of, a falsified IRS Form 941 for the first quarter of 2020 and a falsified IRS form 940 for 2019. The falsified form 940 purported to show that Wild Stylz made \$1,905,000 in payments to all employees in 2019. The falsified form 941 purported to show that the company had 20 employees who were paid a total of \$476,250 in the first quarter of 2020. A check with the Georgia Department of Labor did not document any reported income for **AGARD** in the state of Georgia in 2019.

PPP Loan Funding and Transfers of Money

23. Based on the fraudulent and false representations and submissions made by **AGARD**, on or about May 26, 2020, Financial Institution 1 distributed approximately \$396,875 of PPP loan funds to Wild Stylz.

24. After the PPP loans were deposited in the Wild Stylz accounts **AGARD** transferred or directed the transfer of some of the PPP proceeds to other individuals and entities known and unknown to the Grand Jury, in an effort to conceal and disguise the ownership and control of the fraudulent loan proceeds.

Count One*Conspiracy to Commit Wire Fraud* – 18 U.S.C. § 1349(Defendants **DUHART, SMITH, LEWIS, AGARD, DUFFIELD, LATOURNEAU, and KEANE**)

25. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 24 of this Indictment as if fully set forth herein.

THE SCHEME TO DEFRAUD

26. From in or about October 2019 through in or about June 2020, the exact dates unknown, in the District of South Carolina and elsewhere, the Defendants,

LAUREN MARCEL DUHART, a/k/a “LA,” JOSHUA BERNARD SMITH, a/k/a “J-Roc,” STEVE RONALD LEWIS, a/k/a “Q,” CHRISTOPHER J. AGARD, HENRY DUFFIELD, JEREMY BRANDON LATOURNEAU and DERICK KEANE

did knowingly and willfully combine, conspire, confederate, agree, and have a tacit understanding with each other and with others known and unknown to the Grand Jury 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, 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.

Purpose of the Scheme to Defraud

27. The purpose of the scheme was for Defendants **DUHART, SMITH, LEWIS, AGARD, DUFFIELD, LATOURNEAU, and KEANE** to unjustly enrich themselves by fraudulently obtaining money, including PPP loan proceeds, under false and misleading pretenses.

Manner and Means

28. **DUHART, SMITH, and LEWIS** served as brokers between individuals who perpetrate fraud schemes and co-conspirators that have bank accounts who were willing to receive the proceeds of the fraud scheme. In exchange for serving as a broker, **DUHART, SMITH, and LEWIS** received a portion of the proceeds. In exchange for the co-conspirators allowing their bank accounts to be utilized, the co-conspirators received a portion of the fraud proceeds. Proceeds from the scheme were deposited into the co-conspirator accounts and funneled to other members of the conspiracy.

29. In or around October of 2019, **LEWIS** recruited **DUFFIELD** to participate in a fraud scheme. As part of the scheme, **DUFFIELD** allowed fraud proceeds to be deposited into his business account in return for a portion of the proceeds. After the proceeds were deposited, Roosevelt Hunt (“Hunt”), **LATOURNEAU**, and **KEANE** withdrew the funds from **DUFFIELD**’s account by cashing business checks written by **DUFFIELD**.

30. On October 3, 2019 **DUHART** and **LEWIS** arranged for **DUFFIELD**’s business account to receive a wire transfer of \$378,000 from Wild Stylz. After receiving the funds, **DUFFIELD** gave Hunt a \$100,000 check payable to Harrah’s Cherokee Casino and Resort (“Harrah’s”) with Hunt’s name on the “memo/purchaser” line, and gave **LATOURNEAU** a \$100,000 check payable to Harrah’s with **LATOURNEAU**’s name on the “memo/purchaser” line, for a total of \$200,000 worth of checks from **DUFFIELD**’s business account.

31. On October 4, 2019, Hunt, **LATOURNEAU**, and **KEANE** traveled from Greenville, South Carolina to Harrah’s in North Carolina. Hunt and **LATOURNEAU** each cashed the \$100,000 checks from **DUFFIELD**’s business account at Harrah’s for \$100,000 worth of gambling chips.

32. After gambling for less than two hours, Hunt, **KEANE**, and **LATOURNEAU** cashed out from the casino and left with approximately \$198,750 in cash. Hunt cashed out from the casino with \$99,300. At approximately the same time, **LATOURNEAU** cashed out from the casino with \$99,450. On October 7, 2019, both **KEANE** and **LATOURNEAU** attempted to each cash a \$50,000 check from **DUFFIELD** (\$100,000 total) at Harrah's. Harrah's declined to accept both checks due to the suspicious behavior by Hunt, **LATOURNEAU**, and **KEANE** on October 4, 2019. **DUFFIELD** distributed the remaining money from the \$378,000 Wild Stylz transfer by writing additional checks. **LEWIS** met with Hunt to retrieve the cash which had been withdrawn from **DUFFIELD**'s account. **LEWIS** delivered a portion of the cash he picked up from Hunt to **DUHART**.

33. In approximately May 2020, **AGARD** submitted a fraudulent Wild Stylz PPP loan application. **AGARD** submitted false materials, such as a false PPP loan application, false IRS Form 941s, and a false IRS Form 940 to Financial Institution 1 to obtain PPP loan funding.

34. **AGARD** submitted false documents to a lender when applying for a PPP loan, including a fabricated IRS Form 941 listing falsified payroll information, and false loan application documentation that listed false payroll information, false employment information, and false purposes for the loan funding.

35. As a result of and based on **AGARD**'s false representations and certifications and falsified supporting documents, a federally insured lender issued a \$396,875 PPP loan to Wild Stylz on or about May 22, 2020. **AGARD** disseminated the fraudulently obtained funds to other members of the conspiracy to conceal the true nature of their fraudulently obtained funds. On May 27, 2020, **AGARD** made a \$200,000 counter withdrawal at a branch of Bank 1. On May 28, 2020, **AGARD** withdrew \$50,000 in cash from Bank 1 and made a \$96,000 counter withdrawal.

36. In June 2020, **DUHART, SMITH, and LEWIS** requested that Hunt provide **DUHART, SMITH and LEWIS** with bank accounts in which to deposit fraudulent funds. Hunt had previously participated in drug trafficking and financial fraud with two South Carolina business owners. The two South Carolina business owners agreed to let **LEWIS** use their business bank accounts in return for a percentage of the fraudulent funds deposited in their account. Hunt provided the two South Carolina business owners banking information and additional account access information to **LEWIS**.

37. During multiple recorded calls in early June 2020 **DUHART, LEWIS, SMITH,** and Hunt discussed the bank and wire fraud conspiracies. In one call, **LEWIS** informed Hunt that the scheme involved fraudulent bank applications and that they needed to submit as many applications to the bank as possible by June 30th. **LEWIS** requested the social security numbers or employer identification number associated with the business bank accounts that would receive the transfers. During another call between Hunt, **LEWIS,** and **SMITH, SMITH** explained that *“basically, just like when you open a business account, you need the EIN and the SSN, it’s the same with the loan . . . so they can verify you are who you say you are . . . basically, we are doing the SBA loans, Small Business loans . . . the payout is . . . the lenders get 50, we charge 10% on our end and y’all walk away with 40% total . . . we just need the social, the EIN for the business, we already got the articles of organization, so we good on that . . . I’ll get with my mentor and let you know the timing on everything.”* During a different call, **DUHART** attempted to recruit **LEWIS** to assist the fraud ring in laundering money that was obtained from fraudulently claiming unemployment benefits.

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

Count Two*Conspiracy to Commit Money Laundering* – 18 U.S.C. § 1956(h)(Defendants **DUHART, SMITH, LEWIS, AGARD, DUFFIELD, LATOURNEAU, and KEANE**)

38. The Grand Jury re-alleges and incorporates by reference the factual allegations contained in paragraphs 1 through 24 and 27 through 37 of this Indictment as if fully set forth herein.

39. From in or about October 2019 through in or about June 2020, the exact dates unknown, in the District of South Carolina and elsewhere, the Defendants,

LAUREN MARCEL DUHART, a/k/a “LA,” JOSHUA BERNARD SMITH, a/k/a “J-Roc,” STEVE RONALD LEWIS, a/k/a “Q,” CHRISTOPHER J. AGARD, HENRY DUFFIELD, JEREMY BRANDON LATOURNEAU and DERICK KEANE

did knowingly and willfully did combine, conspire, agree and have tacit understanding with others, both known and unknown to the grand jury, to:

- a. knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, bank fraud and wire fraud, knowing that the transactions were designed in whole or in part to conceal or disguise the nature, location, source, ownership, and control of the proceeds of a specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i); and
- b. knowingly engage and attempt to engage in monetary transactions by, through, and to a financial institution, affecting interstate and foreign commerce, in criminal derived property of a value greater than \$10,000, such property having been derived from a specified unlawful activity, that is, bank fraud and wire fraud, in violation of Title 18, United States Code, Section 1957.

In violation of Title 18, United States Code, Section 1956(h).

FORFEITURE**CONSPIRACY:**

Upon conviction for violation of Title 18, United States Code, Section 1349 (conspiracy to violate 18 U.S.C. § 1343) as charged in this Indictment, the Defendants, **LAUREN MARCEL DUHART, a/k/a "LA," JOSHUA BERNARD SMITH, a/k/a "J-Roc," STEVE RONALD LEWIS, a/k/a "Q," CHRISTOPHER J. AGARD, HENRY DUFFIELD, JEREMY BRANDON LATOURNEAU and DERICK KEANE,** shall forfeit to the United States, any property, real or personal, which constitutes or is derived from any proceeds the Defendants obtained, directly or indirectly, as the result of such violations, and any property traceable to such offenses.

MONEY LAUNDERING:

Upon conviction for violation of Title 18, United States Code, Sections 1956 and 1957 as charged in this Indictment, the Defendants, **LAUREN MARCEL DUHART, a/k/a "LA," JOSHUA BERNARD SMITH, a/k/a "J-Roc," STEVE RONALD LEWIS, a/k/a "Q," CHRISTOPHER J. AGARD, HENRY DUFFIELD, JEREMY BRANDON LATOURNEAU and DERICK KEANE,** shall forfeit to the United States any property, real or personal, constituting, derived from or traceable to proceeds the Defendants obtained directly or indirectly as a result of such offenses and any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. §§ 1956 and 1957, as charged in the Indictment, or any property traceable to such offenses.

PROPERTY:

Pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1), and Title 28, United States Code, Section 2461(c), the property subject to forfeiture includes, but is not limited to, the following:

1. Proceeds/Forfeiture Judgment:

A sum of money equal to all proceeds the Defendants obtained directly or indirectly from the offenses charged in this Indictment, and all interest and proceeds traceable thereto, in that such sum equals property, that the Defendants obtained as the result of their violation of 18 U.S.C. §§ 1343 and 1349.

2. Money Laundering Proceeds/Forfeiture Judgment:

A sum of money equal to all property involved in the money laundering offenses charged in the Indictment, and all interest and proceeds traceable thereto, for which the Defendants are liable as the result of their violation of 18 U.S.C. §§ 1956 and 1957.

3. Bank Accounts:

- a. \$86,353.92 in funds seized from Regions Bank
Account Number: x1169
In the name of Jonathan Lewis / Factory Consulting Group
- b. \$100,736.17 in funds from Regions Bank account
Account Number: x1988
In the name of: Michael Wells / TMA World Endeavors
- c. \$189,841.24 in funds seized from Regions Bank
Account Number: x0805
In the name of: Fitz Industries LLC, Quintel Myree
- d. \$300,000.00 in funds seized from Regions Bank
Account Number: x3093
In the name of: About Face Facial Boutique, Francetta Cage

- e. \$136,389.98 in funds seized from Bank of America
Account Number: x5519
In the name of: BBQ Brothers Catering, Kervon Henry
- f. \$50,374.16 in funds seized from Bank of America
Account Number: x4119
In the name of: Wild Stylz Entertainment LLC,
Christopher Agard
- g. \$190,413.26 in funds seized from SunTrust Bank
Account Number: x2873
In the name of: ECO Salon & Spa LLC - Kristina Green
- h. \$9,114.74 in funds seized from SunTrust Bank
Account Number: x2865
In the name of: ECO Salon & Spa LLC, Kristina Green
- i. \$397,266.95 in funds seized from PNC Bank
Account Number: x4683
In the name of: ATL Promotions Group, Daniel Dartez
- j. \$266,321.35 in funds seized from US Bank
Account Number: x9623
In the name of: BOE Entertainment LLC, Donald P. Spivey
- k. \$15,000.00 in funds seized from Navy Federal Credit Union
Account Number: x5659
In the name of: ATL Promotions Group, Daniel Dartez
- l. \$520,103.32 in funds seized from Wells Fargo
Account Number: x2139
In the name of: Dreams Come True Records LLC

SUBSTITUTION OF ASSETS:

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the Defendants:

- (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;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) to seek forfeiture of any other property of Defendants up to an amount equivalent to the value of the above-described forfeitable property;

Pursuant to Title 18, United States Code, Sections 981(a)(1)(C) and 982(a)(1), and Title 21, United States Code, Sections 853 and 881, and Title 28, United States Code, Section 2461(c).

A TRUE Bill



FOREPERSON

A handwritten signature in black ink, appearing to read "Peter M. McCoy, Jr.", written over a horizontal line.

PETER M. MCCOY, JR. (SPE/kr)
United States Attorney

DANIEL S. KAHN
CHIEF, FRAUD SECTION
U.S. DEPARTMENT OF JUSTICE

SIJI MOORE
Trial Attorney, Fraud Section
United States Department of Justice