

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No.

[18 U.S.C. § 371]

DEON PETTY,

Defendant.

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**CRIMINAL INFORMATION**

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The United States of America charges that:

**Count One**  
**Conspiracy to Defraud the United States**  
**18 U.S.C. § 371**

***Defendant***

1. **DEON PETTY (“PETTY”)** was a resident of the Eastern District of Wisconsin. He was the sole owner of Rebels Paris LLC (“Rebels”), which was incorporated as a Wisconsin limited liability company as of on or about March 14, 2019.

***Paycheck Protection Program (“PPP”)***

2. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was 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.

3. 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 PPP. In April 2020, Congress authorized up to \$310 billion in additional PPP funding.

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

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

6. 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.

7. The SBA oversaw the PPP. However, individual PPP loans were issued by private, approved lenders who receive and process PPP applications and supporting documentation, and then make 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.

8. From in or about May 2020 until in or around July 2020, in the Eastern District of Wisconsin and elsewhere, the defendant,

**DEON PETTY,**

did willfully and knowingly conspire and agree with Co-Conspirator 1, Co-Conspirator 2, and others, known and unknown to the United States, to commit offenses against the United States, that is, to devise and intend to devise a scheme and artifice to defraud the United States and to obtain money and property belonging to a bank and financial institution by false and fraudulent pretenses and misrepresentations, for the purpose of executing the scheme, in violation of Title 18, United States Code, Section 1344(2).

***Object of the Conspiracy***

9. The object of the conspiracy was for **PETTY** and his co-conspirators to unjustly enrich themselves by fraudulently obtaining PPP funds, and to conceal the conspiracy from lending institutions, law enforcement, and the SBA.

***Manner and Means of the Conspiracy***

10. The manner and means by which **PETTY** and his co-conspirators sought to, and did achieve the purpose of the conspiracy included the following:

a. **PETTY** provided information about his company, Rebels Paris LLC (“Rebels”) to his co-conspirators for the purpose of using it to submit a false and fraudulent PPP loan application.

b. On or around May 8, 2020, **PETTY**’s co-conspirators took the information **PETTY** provided, and then made false statements and certifications on a PPP loan

application for Rebels, submitted to Bank 1 in order to fraudulently obtain \$155,000 of PPP loan funds.

c. After the loan to Rebels was funded with PPP funds, **PETTY** caused the funds to be disbursed to individuals who did not work for Rebels, and for expenses unrelated to the company's business operations.

***Overt Acts***

11. In furtherance of the conspiracy and to effect the objects thereof, **PETTY** and his co-conspirators, performed or caused the performance of the following overt act, among others not described herein, in the Eastern District of Wisconsin and elsewhere: on or about June 9, 2020, **PETTY** falsely represented to representatives of Bank 1 the purpose and intended use of the funds obtained through the Rebels PPP loan.

All in violation of Title 18 United States Code, Section 371.

## **FORFEITURE ALLEGATION**

12. Pursuant to 18 U.S.C. § 981(a)(1)(D) and 28 U.S.C. § 2461(c), upon conviction of an offense in violation of conspiracy to defraud the United States, in violation of 18 U.S.C. § 371, as alleged in this Information, the defendant shall forfeit to the United States of America all property, real and personal, which constitutes and is derived from proceeds traceable to the scheme to defraud. The property to be forfeited includes, but is not limited to, a money judgment in the amount of the total loss caused by the defendant's criminal conduct, as determined by the Court at sentencing.

13. If any of the property described above, as a result of any act or omission of the defendant:

- 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 has been commingled with other property which cannot be divided without difficulty;

the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 28, United States Code, Section 2461(c).

Respectfully submitted,

By:

  
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