

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

UNITED STATES OF AMERICA	:	Hon.
	:	
v.	:	Crim. No. 23-
	:	
GEORGE A. LEGUEN	:	18 U.S.C. § 1343
	:	18 U.S.C. § 1957

INFORMATION

The defendant having waived in open court prosecution by Indictment, the United States Attorney for the District of New Jersey charges:

COUNT ONE
(Wire Fraud)

1. At all times relevant to this Information:
 - a. Defendant George A. Leguen (“LEGUEN”) resided in Bergen County, New Jersey.
 - b. LEGUEN, along with “Individual-1,” owned and controlled a business called GJEG LLC, aka. One Fifty One Restaurant Bar Lounge (“GJEG LLC”), located in New York. LEGUEN was a majority owner.
 - c. Bank-1 is a financial institution headquartered in San Francisco, California.
 - d. GJEG LLC maintained a business account at Bank-1, and LEGUEN had signatory authority over that account.

Economic Injury Disaster Loan Program (“EIDL”)

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

emergency financial assistance to millions of Americans suffering economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of the Economic Injury Disaster Loan (“EIDL”) program. EIDL was a Small Business Administration (“SBA”) program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

f. In order to obtain an EIDL, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period constituted the 12 months preceding January 31, 2020. In addition, the business entity must have existed in an operational condition on February 1, 2020.

g. The amount of the EIDL was determined based, in part, on the information the applicant provided regarding the revenue, employees, and cost of goods of the company. The SBA directly issued any funds disbursed under an EIDL to the applicant company. A company was permitted to use EIDL funds for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

h. EIDL applications were received in cloud-based platforms. The location of the server through which the EIDL application was submitted was based on the date the application was processed by SBA and the application number. During the period relevant to this Information, all EIDL applications and

supporting documents were received in a cloud-based platform through SBA servers in Des Moines, Iowa.

The Scheme to Defraud

2. From in or around August 2020, through in or around January 2021, in the District of New Jersey and elsewhere, defendant

GEORGE A. LEGUEN

knowingly and intentionally devised and intended to devise a scheme and artifice to defraud the SBA and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, as set forth below.

Goal of the Scheme to Defraud

3. The goal of the scheme was for LEGUEN to enrich himself by submitting fraudulent loan applications to fraudulently obtain federal COVID-19 emergency relief funds from the SBA that were meant for distressed small businesses.

Manner and Means of Scheme to Defraud

4. It was part of the scheme that:

a. On or about August 2, 2020, LEGUEN, while residing in Bergen County, New Jersey submitted an EIDL application (“Application-1”) to the SBA on behalf of GJEG LLC seeking a loan for approximately \$149,900. Application-1 and its supporting documents contained materially false and fraudulent information, including false number of employees, federal tax returns, and annual gross revenue for the business.

b. LEGUEN’s false and fraudulent representations and omissions

in Application-1 caused the SBA to disburse approximately \$149,900 (the “Disbursed Funds”) into a bank account at Bank-1 (“Account 5202”), on or about August 31, 2020, resulting in an interstate wire transmission from New Jersey to Bank-1 servers in Minnesota.

c. LEGUEN subsequently used some of the Disbursed Funds on personal expenses, including entertainment in Las Vegas, luxury retail purchases, and airfare.

d. On or about October 2, 2020, LEGUEN also withdrew approximately \$64,987.72 from Account 5202 and deposited those funds into a personal account LEGUEN held at Bank-1 (“Account 0001”).

5. On or about August 2, 2020, having devised a scheme and artifice to defraud, and for the purpose of executing and attempting to execute the scheme and artifice to defraud, in the District of New Jersey and elsewhere, defendant

GEORGE A. LEGUEN

knowingly transmitted and caused to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, namely a wire transfer of approximately \$149,900 in EIDL funds from New Jersey to Bank-1 servers in Minnesota.

In violation of Title 18, United States Code, Section 1343.

COUNT TWO
(Money Laundering)

6. The allegations in paragraphs 1, 3, and 4 of this Information are realleged here.

7. On or about October 2, 2020, in the District of New Jersey and elsewhere, defendant

GEORGE A. LEGUEN

knowingly engaged in a monetary transaction by, through, and to a financial institution, affecting interstate and foreign commerce, in criminally derived property of a greater value than \$10,000, that is, the transfer of approximately \$64,987.72 from Account 5202 at Bank-1 to Account 0001 at Bank-1, such property having been derived from a specified unlawful activity, that is, wire fraud.

In violation of Title 18, United States Code, Section 1957.

FORFEITURE ALLEGATION AS TO COUNTS ONE AND TWO


1. As a result of committing the offenses alleged in Counts One and Two of the Information, LEGUEN shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), any property constituting or derived from proceeds obtained directly or indirectly as a result of such offenses.

SUBSTITUTE ASSETS PROVISION
(Applicable to All Forfeiture Allegations)

2. If by any act or omission of the defendant any of the 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,

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1) and 28 U.S.C §2461(c), to seek forfeiture of any other property of such defendant up to the value of the forfeitable property described above.


PHILIP R. SELLINGER
United States Attorney