

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

UNITED STATES OF AMERICA : Crim. No. 22-
 :
 v. : 18 U.S.C. § 1349
 : 18 U.S.C. § 1957(a)
 RHONDA THOMAS :

I N F O R M A T I O N

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

COUNT ONE

(Conspiracy to Commit Bank Fraud)

The Defendant and Co-Conspirators

1. At all times relevant to this Information:
 - a. The defendant, RHONDA THOMAS (“THOMAS”), resided in Sicklerville, New Jersey. THOMAS owned or controlled several New Jersey businesses, including ABC Grow With Me Learning Center, 2 Kings Group LLC, Credit Repair Diva LLC, Kings Lounge LLC, Aplus Property Maintenance LLC, All Dolled Up Beauty Bar LLC, Divine Helping Hands LLC, and Partners for a Purpose.
 - b. Co-Conspirator 1 was a resident of Berlin, New Jersey. Co-Conspirator 1 owned or controlled Prime Asset Consulting LLC, a New Jersey business.

c. THOMAS and Individual 1 maintained a business bank account in the name of Business 1 at Financial Institution 1, a federally insured financial institution headquartered in Virginia.

d. Lenders 1 through 9 were financial institutions that participated as lenders in the Paycheck Protection Program (“PPP”), as described herein.

e. The U.S. Small Business Administration (“SBA”) was an independent agency of the federal government created to aid, counsel, assist, and protect the interests of small business concerns, preserve free competitive enterprise, and maintain and strengthen the overall economy of the United States.

The Paycheck Protection Program

f. 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 suffered the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (“PPP”).

g. To obtain a PPP loan, a qualifying business had to submit a PPP loan application signed by an authorized representative of the business. The applicant of a PPP loan was required 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 applicant had to state, among other things, its average monthly payroll expenses and number of employees. These figures were used to calculate the amount of money the business was eligible to receive under the PPP. In addition, businesses applying for a PPP loan had to provide documentation showing their payroll expenses.

h. A PPP loan application had to be processed by a participating financial institution (the lender). If the PPP loan application was approved, the lender funded the PPP loan using its own monies, which were 100% guaranteed by the Small Business Administration (“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.

i. PPP loan proceeds could only be used by the business for certain permissible expenses, including 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 used the loan proceeds on these expense items within a designated period of time after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

The Economic Injury Disaster Loan Program

j. The Economic Injury Disaster Loan (“EIDL”) program was an SBA program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

k. The CARES Act authorized the SBA to provide EIDLs of up to \$2 million to eligible small businesses that were experiencing substantial financial disruption due to the COVID-19 pandemic.

1. 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 addition, the business entity must have been in operation on February 1, 2020.

m. The amount of the EIDL was determined based, in part, on the information provided by the applicant regarding the revenue, employees, and cost of goods of the business. The SBA directly issued any funds disbursed under an EIDL to the applicant business. A business was permitted to use EIDL funds for payroll expenses, sick leave, production costs, and business obligations such as debts, rent, and mortgage payments. If a business also obtained a PPP loan, the business was prohibited from using EIDL funds for the same purpose as PPP funds.

The Conspiracy

2. From in or about March 2020 through in or about May 2021, in Camden County in the District of New Jersey and elsewhere, the defendant,
RHONDA THOMAS,
did knowingly and intentionally conspire and agree with others, known and unknown, to devise a scheme and artifice to defraud financial institutions,

namely Lenders 1 through 9, and to obtain moneys, funds, credits, assets, securities, or other property owned by, or under, the custody or control of, financial institutions, namely Lenders 1 through 9, by means of false or fraudulent pretenses, representations, or promises, contrary to Title 18, United States Code, Section 1344.

Object of the Conspiracy

3. The object of the conspiracy was for THOMAS and her co-conspirators to financially enrich themselves by obtaining federal relief funds that were intended for small businesses distressed by the COVID-19 pandemic by submitting fraudulent loan applications that included false statements about their businesses' number of employees, payroll, and expenses, and by providing false documentation to financial institutions.

Manner and Means of the Conspiracy

4. It was part of the conspiracy that:
- a. From in or about March 2020 through in or about May 2021, THOMAS submitted at least 10 fraudulent PPP loan applications to various financial institutions, and at least three fraudulent EIDL applications to the SBA, on behalf of businesses she controlled (the "THOMAS Businesses").
 - b. From in or about June 2020 through in or about April 2021, THOMAS submitted at least 20 fraudulent PPP loan applications to various financial institutions, and at least two fraudulent EIDL loan applications to the SBA, on behalf of businesses controlled by other individuals (the "Third Party Businesses").

c. Each of the PPP and EIDL loan applications submitted by THOMAS contained materially false and fraudulent information, including the number of individuals employed by the applicant business and the business's payroll, expenses, and revenue. These figures did not accurately represent the business's true operations and were inflated, which caused each business to obtain a loan it would not have been qualified to receive, or to receive a loan in an amount higher than it would qualify for had the applications been accurate.

d. As part of many of the loan applications, THOMAS submitted materially false and fraudulent IRS Forms, including Forms 940 (Employer's Annual Federal Unemployment (FUTA) Tax Return) and 941 (Employer's Quarterly Federal Tax Return), that were created solely for purposes of applying for the PPP and EIDL loans and were never submitted to the IRS.

e. Based on the fraudulent loan applications submitted by THOMAS, Lenders 1 through 9 and the SBA approved at least 30 PPP and EIDL loans and disbursed more than approximately \$3,200,000.

f. The financial institutions and the SBA disbursed approximately \$334,290 in loan proceeds to bank accounts controlled by THOMAS based on fraudulent loan applications submitted for the THOMAS Businesses.

g. The financial institutions and the SBA disbursed approximately \$2,870,613 in loan proceeds to bank accounts controlled by business owners based on fraudulent loan applications THOMAS submitted on behalf of the Third Party Businesses.

h. For her role in creating and submitting fraudulent loan applications on behalf of the Third Party Businesses, THOMAS received kickbacks from the business owners in amounts ranging from approximately 8 percent to approximately 51 percent of the loan amount. In total, THOMAS received approximately \$711,875 in kickbacks for her role in submitting fraudulent loan applications on behalf of the Third Party Businesses.

i. THOMAS spent the PPP and EIDL proceeds on a variety of personal expenses and other business ventures and also made a series of cash withdrawals.

Furthering the Conspiracy

5. In furtherance of the conspiracy and to effect its objects, THOMAS and her co-conspirators committed and caused to be committed the following acts, among others, in the District of New Jersey and elsewhere.

6. On or about June 2, 2020, THOMAS submitted a PPP application to Lender 1 on behalf of Prime Asset Consulting LLC seeking a loan for approximately \$360,000 (the "Prime Asset Application"). THOMAS listed Co-Conspirator 1 as "Owner."

7. The Prime Asset Application contained materially false and fraudulent information, including that Prime Asset Consulting LLC had 16 employees and had an average monthly payroll of \$144,000.00

8. As part of the Prime Asset Application, THOMAS submitted to Lender 1 a materially false and fraudulent IRS Form 940 (Employers Annual Federal Unemployment Tax Return) for 2019 showing that Prime Asset

Consulting LLC paid \$1,728,000 in wages to employees during 2019. This supporting document was created solely for purposes of applying for the PPP loan and was never submitted to the IRS.

9. In fact, Prime Asset Consulting LLC had no employees and paid no wages in 2019.

10. As part of the Prime Asset Application, THOMAS submitted to Lender 1 fictitious bank statements. While the bank statements were purportedly from a business account in the name of Prime Asset Consulting LLC, they were actually personal bank statements of Co-Conspirator 1 that THOMAS altered so that they bore the name of Prime Asset Consulting LLC rather than Co-Conspirator 1.

j. Based on the Prime Asset Application, Lender 1 approved the PPP loan to Prime Asset Consulting LLC and, on or about June 8, 2020, Lender 1 disbursed approximately \$360,000.00 to a bank account controlled by Co-Conspirator 1 (the “Co-Conspirator 1 Account”).

k. On or about June 15, 2020 and June 16, 2020, four checks totaling approximately \$118,000 were written on the Co-Conspirator 1 Account to THOMAS and THOMAS’s businesses, and were deposited by THOMAS into bank accounts she controlled.

In violation of Title 18, United States Code, Section 1349.

COUNT TWO

(Engaging in a Monetary Transaction with Criminally Derived Funds)

11. Paragraphs 1 through 10 of this Information are realleged as if set forth in full herein.

12. On or about October 24, 2021, THOMAS and Individual 1 opened a business bank account in the name of Business 1 at Financial Institution 1 (“Account 1”).

13. On or about December 17, 2021, THOMAS deposited approximately \$177,913.45 into Account 1. This deposit consisted mostly of PPP or EIDL loan proceeds that were received based on fraudulent applications submitted for the THOMAS Businesses and kickbacks THOMAS received for submitting fraudulent PPP and EIDL loan applications on behalf of Third Party Businesses.

14. On or about March 4, 2022, in Camden County, in the District of New Jersey and elsewhere, the defendant,

RHONDA THOMAS,

did knowingly engage and attempt to engage in a monetary transaction through a financial institution, affecting interstate and foreign commerce, in criminally derived property of a value greater than \$10,000, specifically by making a cash withdrawal of \$60,000 from Account 1, such property having been derived from a specified unlawful activity, namely, conspiracy to commit bank fraud, contrary to Title 18, United States Code, Section 1344, in violation of Title 18, United States Code, Section 1349.

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

FORFEITURE ALLEGATION

1. As a result of committing the offenses charged in Counts One and Two of this Information, defendant RHONDA THOMAS shall forfeit to the United States, pursuant to 18 U.S.C. § 982(a)(2), all property, real or personal, constituting or derived from proceeds traceable to the offenses.

SUBSTITUTE ASSETS PROVISION

2. 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
- e. has been commingled with other property which cannot be divided without difficulty,

the United States shall be entitled, 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 forfeiture of any other property of the defendant up to the value of the above-described forfeitable property.



PHILIP R. SELLINGER
United States Attorney

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INFORMATION FOR

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