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CLERK U.S. DISTRICT COURT	
WESTERN DISTRICT OF WASHINGTON AT TACOMA	
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7 UNITED STATES DISTRICT COURT FOR THE
8 WESTERN DISTRICT OF WASHINGTON
9 AT TACOMA

10 UNITED STATES OF AMERICA,
11 Plaintiff,

NO. 3:23-cr-05254-DGE
INFORMATION
(Felony)

12 v.

13
14 DARLENE A. BAKER,
15 a/k/a DARLENE PIPER,
16 Defendant.

17
18 The United States Attorney charges that:

19 **COUNT 1**
20 **(Wire Fraud)**

21 **A. Overview**

22 1. From about March of 2020 through August of 2021, Defendant DARLENE
23 A. BAKER fraudulently sought approximately \$265,000, and obtained approximately
24 \$81,000, from COVID-19 pandemic relief programs, namely the Paycheck Protection
25 Program (PPP) administered by the U.S. Small Business Administration (SBA) and the
26 Economic Injury Disaster Loan (EIDL) Program administered by SBA. BAKER made
27 false statements in connection with her applications for funds and for loan forgiveness.

1 BAKER falsely claimed to have lost business income due to the COVID-19 pandemic,
2 and falsely claimed that she would use relief funds to meet employee payroll obligations.
3 In truth, as BAKER knew, she was working throughout the relevant timeframe, continued
4 to earn significant income during the pandemic, and had no employee payroll obligations.
5 Rather, BAKER used, and intended to use, the relief funds for personal expenses.

6 **B. Background**

7 *The Pandemic Relief Programs*

8 2. **Paycheck Protection Program.** PPP was a COVID-19 pandemic relief
9 program administered by SBA that provided forgivable loans to small businesses for job
10 retention and certain other expenses. The PPP permitted participating third-party lenders
11 to approve and disburse SBA-backed PPP loans to cover payroll, fixed debts, utilities,
12 rent/mortgage, accounts payable and other bills incurred by qualifying businesses during,
13 and resulting from, the COVID-19 pandemic. PPP loans were fully guaranteed by the
14 SBA. In the event of default, SBA will fully satisfy the lender for any balance remaining
15 on the loan. Further, SBA will forgive any loan up to 100 percent if the borrower uses
16 the funds for specified purposes.

17 3. To obtain a PPP loan, a qualifying business, which included certain sole
18 proprietorships, had to submit a PPP loan application, which was signed by an authorized
19 representative of the business. The PPP loan application required the business (through
20 its authorized representative) to acknowledge the program rules and make certain
21 affirmative certifications to be eligible to obtain the PPP loan, including that the business
22 was in operation on February 15, 2020, and either had employees for whom it paid
23 salaries and payroll taxes or paid independent contractors. A business applying for a PPP
24 loan was required to provide documentation showing its payroll expenses, such as filed
25 federal income tax documents.

1 4. Once approved, the business received the PPP loan proceeds via an
2 electronic funds transfer from the third-party lender to a financial account under the
3 control of the business. The proceeds of a PPP loan could be used for certain specified
4 items, such as payroll costs, costs related to the continuation of group health care
5 benefits, or mortgage interest payments.

6 5. The proceeds of a PPP loan were not permitted to be used by the borrowers
7 to purchase consumer goods, automobiles, personal residences, clothing, jewelry, to pay
8 the borrower's personal federal income taxes, or to fund the borrower's ordinary day-to-
9 day living expenses unrelated to the specified authorized expenses.

10 6. **Economic Injury Disaster Loan Program.** SBA also administers the
11 EIDL Program, which provides low-interest financing to small businesses and non-profit
12 organizations in regions affected by declared disasters. In March 2020, the Coronavirus
13 Aid, Relief, and Economic Security (CARES) Act authorized the SBA to provide EIDLs
14 of up to \$2 million to eligible small businesses experiencing substantial financial
15 disruption due to the COVID-19 pandemic. The CARES Act and subsequent legislation
16 also authorized the SBA to issue advances of up to \$10,000 to small businesses within
17 three days of applying for an EIDL. EIDL Advances did not have to be repaid. EIDL
18 funds can be used for payroll expenses, sick leave, production costs, and business
19 obligations, such as debts, rent, and mortgage payments.

20 7. A qualifying business, which may include sole proprietorships, applying for
21 an EIDL must submit an application to the SBA and provide information about its
22 operations, such as the number of employees, gross revenues for the 12-month period
23 preceding the disaster, and cost of goods sold in the 12-month period preceding the
24 disaster. The applicant must also certify that all of the information in the application is
25 true and correct to the best of the applicant's knowledge.
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27

1 *DARLENE BAKER's Background*

2 8. At all relevant times, BAKER resided in Kitsap County, Washington.

3 9. From approximately June of 2017 through March of 2022, BAKER worked
4 as a contractor, providing accounting and related services to a real estate investment firm
5 in Gig Harbor, Washington. The contract work was initially part-time in 2017-2018, and
6 full-time thereafter.

7 10. The firm initially paid BAKER \$35 an hour, and raised her salary to \$45 an
8 hour in 2019. During the relevant time-period (i.e. 2020 and 2021) BAKER earned
9 approximately \$145,000.

10 **C. The Scheme and Artifice to Defraud**

11 11. Beginning on or about March of 2020, and continuing until at least on or
12 about August of 2021, in Kitsap County, within the Western District of Washington, and
13 elsewhere, Defendant DARLENE A. BAKER knowingly devised a scheme and artifice
14 to defraud and to obtain money and property by means of false and fraudulent pretenses
15 and representations and the concealment of material facts.

16 12. The essence of the scheme and artifice to defraud was to fraudulently
17 obtain federally funded pandemic-related benefits and assistance by submitting
18 fraudulent applications, documents, and/or claims to administrating government agencies
19 and financial institutions and/or lenders. The scheme and artifice to defraud occurred in
20 relation to, and involved, benefit payments authorized, transmitted, transferred,
21 disbursed, and paid in connection with a presidentially-declared major disaster and
22 emergency.

23 **D. Manner and Means**

24 13. Throughout the COVID-19 pandemic, the Defendant defrauded various
25 pandemic relief programs to obtain PPP and EIDL funds.

1 14. On or about March 25, 2020, BAKER applied for a PPP loan that was
2 designated with an SBA loan number ending in -7204. The loan was approved and
3 \$18,400 was disbursed to BAKER on or about April 29, 2020. The lender was Olympia
4 Federal Savings and Loan Association (“OFSLA”) in Olympia, Washington.

5 15. On or about March 25, 2021, BAKER applied to the SBA for loan
6 forgiveness for loan -7204. Her application was granted. The SBA paid \$18,571.13 in
7 principal and interest to the lender on or about March 31, 2021.

8 16. On or about April 3, 2020, BAKER applied to the SBA for an EIDL
9 designated with an SBA number ending in -7660. The application was granted, and
10 BAKER received \$45,400 in funds on or about June 30, 2020.

11 17. On or about March 27, 2021, BAKER received a second-draw PPP
12 disbursement of \$18,492 from OFSLA. BAKER applied for and received forgiveness for
13 this loan, and the SBA paid \$18,559.29 in principal and interest to OFSLA on or about
14 August 5, 2021.

15 18. On or about April 22, 2021, BAKER applied for another EIDL in the
16 amount of \$184,600. This application was transmitted electronically from the Western
17 District of Washington to the SBA via servers in Iowa. This application was denied on or
18 about June 7, 2021.

19 19. BAKER knowingly made false and misleading material statements and
20 omissions in connection with each of the applications described above. Among other
21 things, BAKER falsely claimed that relief funds would be, and had been, used for payroll
22 costs and other permitted expenses, when in fact BAKER intended to use, and did use,
23 the funds for personal expenses. BAKER also falsely claimed to have lost all business
24 income due to the pandemic, when in fact BAKER continued to earn significant income
25 during the pandemic.

26 20. For example, in connection with her request for additional EIDL funds,
27

1 BAKER sent an email to an SBA representative on or about April 27, 2021, claiming to
2 have “100% lost income since COVID.”

3 **E. Execution of the Scheme and Artifice to Defraud**

4 21. On or about April 22, 2021, in Kitsap County, within the Western District
5 of Washington, and elsewhere, for the purpose of executing and attempting to execute
6 this scheme and artifice to defraud, Defendant DARLENE A. BAKER, did knowingly
7 transmit and cause to be transmitted, by wire communication in interstate and foreign
8 commerce, a writing, sign, signal, picture and sound, namely, an EIDL application
9 originating in Kitsap County, Washington, that was transmitted to an SBA server in Iowa.

10 All in violation of Title 18, United States Code, Section 1343.

11
12 **COUNT 2**

13 **(False Statement)**

14 22. The allegations set forth in Paragraphs 1 through 2 of this Information are
15 re-alleged and incorporated as if fully set forth herein.

16 23. On or about November 19, 2021, in Kitsap County, within the Western
17 District of Washington, the Defendant DARLENE A. BAKER did willfully and
18 knowingly make a materially false, fictitious, and fraudulent statement and representation
19 in a matter within the jurisdiction of the executive branch of the Government of the
20 United States, by completing and submitting to the United States Department of Justice,
21 specifically, to the Financial Litigation Unit for the United States Attorney’s Office for
22 the Western District of Washington, in Seattle, Washington, under penalty of perjury, a
23 Financial Disclosure Statement that stated that BAKER (using the name DARLENE
24 PIPER) was “unemployed currently” and that responded “N/A” to a question about

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1 current salary, when in truth BAKER was working full time and earning several thousand
2 dollars per month.

3 All in violation of Title 18, United States Code, Section 1001(a)(2).
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5 **FORFEITURE ALLEGATIONS**

6 The allegations contained in Counts 1–21 of this Information are hereby realleged
7 and incorporated by reference for the purpose of alleging forfeiture.

8 Upon conviction of the offense alleged in Count 1, DARLENE A. BAKER shall
9 forfeit to the United States pursuant to Title 18, United States Code, Section
10 981(a)(1)(C), by way of Title 28, United States Code, Section 2461(c), any property that
11 constitutes or is traceable to proceeds of the wire fraud scheme described above. This
12 property includes, but is not limited to, a judgment for a sum of money reflecting the
13 proceeds the defendant obtained as a result of the wire fraud scheme.

14 **Substitute Assets.** If any of the above-described forfeitable property, as a
15 result of any act or omission of the defendant,

- 16 a. cannot be located upon the exercise of due diligence;
17 b. has been transferred or sold to, or deposited with, a third party;
18 c. has been placed beyond the jurisdiction of the Court;
19 d. has been substantially diminished in value; or,
20 e. has been commingled with other property which cannot be divided
21 without difficulty,

22 it is the intent of the United States to seek the forfeiture of any other property of the

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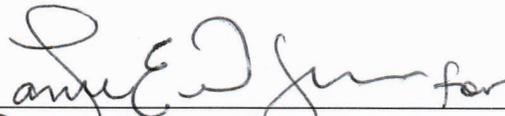
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1 defendant, up to the value of the above-described forfeitable property, pursuant to
2 Title 21, United States Code, Section 853(p).

3
4 DATED this 18th day of August, 2023.



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6 TESSA M. GORMAN
Acting United States Attorney



7
8 SETH WILKINSON
Assistant United States Attorney



9
10 MICHAEL DION
Assistant United States Attorney