

United States District Court

FOR THE
NORTHERN DISTRICT OF CALIFORNIA

VENUE: OAKLAND

FILED

MAY 23 2024

CLERK, U.S. DISTRICT COURT
NORTH DISTRICT OF CALIFORNIA
OAKLAND OFFICE

UNITED STATES OF AMERICA,

V.

LANE JENKINS,

CR-24-0283

AMO

DEFENDANT(S).

INDICTMENT

- 18 U.S.C. § 1343 – Wire Fraud;
- 18 U.S.C. § 1001(a)(3) – False Writings;
- 18 U.S.C. § 2 – Aiding and Abetting;
- 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c);
- 18 U.S.C. § 982(a)(2) – Forfeiture Allegation

A true bill.

/s/ Foreperson of the Grand Jury

Foreman

Filed in open court this 23rd day of

May, 2024

Joy L. Garcia 5/23/24

Clerk

Bail, \$ No Process

Donna M. Ryu 5/23/24

HON. DONNA M. RYU, Chief Magistrate Judge

1 ISMAIL J. RAMSEY (CABN 189820)
2 United States Attorney

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NORTH DISTRICT OF CALIFORNIA
OAKLAND OFFICE

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 OAKLAND DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 LANE JENKINS,

15 Defendant.

) CASE NO.

CR-24-0283

) VIOLATIONS:

-) 18 U.S.C. § 1343 – Wire Fraud;
-) 18 U.S.C. § 1001(a)(3) – False Writings;
-) 18 U.S.C. § 2 – Aiding and Abetting;
-) 18 U.S.C. § 981(a)(1)C) and 28 U.S.C. § 2461(c);
-) 18 U.S.C. § 982(a)(2) – Forfeiture Allegation

AMO

) OAKLAND VENUE

16
17
18 INDICTMENT

19 The Grand Jury charges:

20 Introductory Allegations

21 At all times relevant to this Indictment, unless otherwise specified:

22 1. Defendant Lane JENKINS was a resident of El Sobrante, California, and was the
23 President of A & L Investments LLC (“A&L”), a real estate business that purported to purchase,
24 renovate, and sell distressed properties. A&L was founded in 2016, with its purported headquarters in
25 El Sobrante, California.

26 2. JENKINS was an owner of A&L, and had control over, and was a signatory for, a
27 business account ending in 1678 in the name of A&L, held at a bank with offices in the United States
28 and that was insured by the Federal Deposit Insurance Corporation (“FDIC”) (Bank 1).

1 3. JENKINS had joint ownership of and control over, and was a signatory, for a bank
2 account ending in 3280 that was in his name, held at a bank with offices in the United States and that
3 was insured by the FDIC (Bank 2).

4 The Small Business Administration

5 4. The United States Small Business Administration (“SBA”) was an executive-branch
6 agency of the United States government that provided support to entrepreneurs and small businesses.
7 The mission of the SBA was to maintain and strengthen to the nation’s economy by enabling the
8 establishment and viability of small businesses and by assisting in the economic recovery of
9 communities after disasters.

10 The Paycheck Protection Program

11 5. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law
12 enacted in or around March 2020 and designed to provide emergency financial assistance to the millions
13 of Americans who are suffering from the economic effects caused by the COVID-19 pandemic. One
14 source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable
15 loans to small businesses for job retention and certain other expenses, through a program referred to as
16 the Paycheck Protection Program (“PPP”). In or around April 2020, Congress authorized over \$300
17 billion in additional PPP funding.

18 6. In order to obtain a PPP loan, a qualifying business was required to submit a PPP loan
19 application, which was signed by an authorized representative of the business. The PPP loan application
20 required the business (through its authorized representative) to acknowledge the program rules and make
21 certain affirmative certifications and representations in order to be eligible to obtain the PPP loan. In the
22 PPP loan application, the small business, (through its authorized representative) was required to state,
23 among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These
24 figures were used to calculate the amount of money the small business was eligible to receive under the
25 PPP. In addition, businesses applying for a PPP loan were required to provide documentation showing
26 their payroll expenses. The applicant for a PPP loan must state that the United States is the principal
27 place of residence for all employees of the applicant included in the payroll calculation on the
28 application.

7. A PPP loan application was required to be processed by a participating lender. If a PPP loan application was approved, the participating lender used the PPP loan using its own monies, 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. PPP loan proceeds were required to be used by the business on certain permissible expenses—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 after receiving the proceeds and used a certain amount of the PPP loan proceeds on payroll expenses.

Economic Injury Disaster Loan

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

10. The CARES act also authorized the SBA to provide EIDL loans of up to \$2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to \$10,000 to small businesses within three days of applying for an EIDL loan. The amount of the advance was determined by the number of employees the applicant certified having. The advances did not have to be repaid.

11. In order to obtain an EIDL loan and/or advance, a qualifying business was required to submit an application to the SBA and provide information about its operations, such as number of employee, 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 EIDL loans for COVID-19 relief, the 12-month period was that preceding January 31, 2020. The applicant was also required to certify that all of the information in the application was true and accurate to the best of the applicant’s knowledge.

12. EIDL applications were submitted directly to the SBA. The amount of the loan, if the application was approved, was determined based, in part, on the information provided by the applicant about the employment, revenue, and cost of goods, as described above. Any funds issued under an

1 EIDL loan or advance were issued directly by the SBA. EIDL funds could be used for payroll expenses,
2 sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. If
3 the applicant also obtained a loan under the PPP, the EIDL funds amount needed to be declared by the
4 applicant and deducted from the total loan eligibility.

5 Relevant PPP Lenders and Affiliated Companies

6 13. Lender 1 was an SBA Preferred Lender and participated as an SBA-approved PPP lender
7 to small businesses.

8 The Scheme to Defraud

9 14. Beginning at a date unknown, but no later than on or about July 2, 2020 and continuing to
10 a date unknown, but to at least on or about December 20, 2021, JENKINS devised and executed a
11 scheme and artifice to defraud through which he obtained over \$1 million as a result of fraudulent PPP
12 and EIDL loan applications. Although each of the PPP loan applications certified payroll and employee
13 amounts for A&L, in reality, A&L had no employees or payroll. Upon receipt of the PPP loan proceeds,
14 JENKINS did not use the funds to pay employees. Rather, he used the funds for personal expenses,
15 payments to people to whom he owed money, and payment to an individual who helped him submit the
16 loan applications. To aid and cover up the scheme, JENKINS submitted fake IRS forms for A&L that
17 were submitted with the applications. He further submitted a false application for forgiveness of the
18 loans which included similar false statements as the loan applications as well as a falsified bank account
19 statement that falsely showed payroll expenses from an A&L account.

20 Manner and Means of the Scheme to Defraud

21 The EIDL Loan Fraud

22 *The EIDL Loan application*

23 15 On July 2, 2020, JENKINS caused to be submitted to the SBA an EIDL loan application
24 in the name "LANE JENKINS". On the application, JENKINS represented the business as a "Sole-
25 Proprietorship" and listed the detailed business activity as: "Maid and Cleaning Service." The
26 application falsely stated that this business had 10 employees. JENKINS falsely listed his gross revenue
27 as \$241,353.00 and cost of goods as \$21,654.00. The email, phone number, social security number,
28 address, and bank account number listed on the application belonged to JENKINS. JENKINS checked

1 “Yes” to the following certification: “I hereby certify under penalty of perjury under the laws of the
2 United States that the above is true and correct.” These statements were false because JENKINS knew
3 that he did not have 10 employees, a gross revenue of \$ 241,353.000, and \$21,654.00 spent on goods.

4 16. On or about July 21, 2020, based on the representations made by JENKINS in the
5 application, the SBA approved the EIDL loan and wired \$94,900.00 into JENKINS’ account at Bank 2
6 ending 3280. The signatory for this bank account was JENKINS. Per JENKINS’ bank records, the
7 aforementioned wire was reflected on JENKINS’ bank account on July 23, 2021. Upon receiving the
8 funds, JENKINS transferred approximately \$60,000 to his other account at Bank 1 ending in 1678.
9 Additionally, JENKINS spent \$5,000 on personal expenses.

10 ***First PPP Loan Application***

11 17. On February 11, 2021, JENKINS caused a loan application for PPP funds to be submitted
12 on behalf of A&L to Lender 1.

13 18. The loan application listed the person who submitted the application as “Lane Jenkins.”
14 The email address provided in the loan application belonged to JENKINS, and the social security
15 number provided in the loan application belonged to JENKINS.

16 The loan application contained or included attached the following information:

- 17 a. The monthly payroll for A&L was \$321,642.00, which based on the SBA PPP Loan
18 calculation made A&L eligible for a \$520,833.33 loan;
- 19 b. A&L had 25 employees located in the United States;
- 20 c. The purpose of the loan was to pay payroll costs, rent/mortgage interest, utilities and eligible
21 covered expenses;
- 22 d. “Yes” was checked in response to the question: “Is the United States the principal place of
23 residence for all employees of the Applicant included in the Applicant’s payroll calculation
24 above [\$321,642.00];”
- 25 e. JENKINS’ initials on the following certifications: “I further certify that the information
26 provided in this application and the information provided in all supporting documents and
27 forms is true and accurate in all material respects. I understand that knowingly making a false
28 statement to obtain a guaranteed loan from SBA is punishable under the law”;

- 1 f. A false 2019 1120-S Form that purported that A & L had gross sales of \$4,312,956.00, with a
2 net income of \$275,526;
- 3 g. A false 2020 941 Quarterly Form purporting that A&L had 25 employees and paid
4 \$833,677.75 in wages, tips, and other compensation; and
- 5 h. A false 2019 940 Federal Unemployment Tax Act (“FUTA”) Form purporting that A&L paid
6 a total of \$3,859,711.45 to all employees.

7 19. On or about February 13, 2021, based on the representations made by JENKINS in the
8 application, Lender 1 approved the PPP loan and wired \$520,833.33 into the A&L bank account at Bank
9 1 ending 1678. The signatory for this bank account was JENKINS. Per A & L Investment bank
10 records, the aforementioned money was reflected in A&L’s bank account on February 16, 2021. Upon
11 receiving the \$520,833.33, JENKINS spent some of the money on personal expenses that were not
12 eligible covered expenses.

13 20. Multiple representations made by JENKINS in the loan application were materially false
14 and intended to defraud Lender 1. JENKINS knew that A&L did not have 25 employees. JENKINS
15 knew that A&L did not spend \$321,642.00 in payroll expenses because A&L did not have employees.
16 JENKINS did not spend the money on eligible expenses, and JENKINS knew the attachments, including
17 the various forms, were false.

18 ***Second PPP Loan Application***

19 21. On April 08, 2021, JENKINS caused a loan application for PPP funds to be submitted on
20 behalf of A&L to Lender 1.

21 22. The loan application listed the person who submitted the application as “Lane Jenkins.”
22 The email address provided in the loan application belonged to JENKINS, and the social security
23 number provided in the loan application belonged to JENKINS.

24 23. The loan application contained or included attached the following false statements:

- 25 a. The monthly payroll for A&L was \$323,099.00, which based on the SBA PPP Loan
26 calculation made A&L eligible for a \$520,833.00 loan;
- 27 b. A&L had 25 employees located in the United States;
- 28 c. The purpose of the loan was to pay payroll costs, rent/mortgage interest, utilities and

1 eligible covered expenses;

2 d. "Yes" was checked in response to the question: "Is the United States the principal
3 place of residence for all employees of the Applicant included in the Applicant's
4 payroll calculation above [\$323,099.00];"

5 e. JENKINS' initials on the following certifications: "I further certify that the
6 information provided in this application and the information provided in all
7 supporting documents and forms is true and accurate in all material respects. I
8 understand that knowingly making a false statement to obtain a guaranteed loan from
9 SBA is punishable under the law"; and

10 f. A false 2019 940 Federal Unemployment Tax Act ("FUTA") Form purporting that
11 A&L paid a total of \$3,859,711.45 to all employees.

12 24. On or about May 12, 2021, based on the representations made by JENKINS in the
13 application, Lender 1 approved the second PPP loan and wired \$520,833.00 into the A&L bank account
14 at Bank 1 ending 1678. The signatory for this bank account was JENKINS. Per A&L bank records, the
15 aforementioned wire was reflected on A&L's bank account on May 13, 2021. Upon receiving the
16 \$520,833.33, JENKINS spent some of the money on personal expenses that were not eligible covered
17 expenses.

18 25. Multiple representations made by JENKINS in the loan application were materially false
19 and intended to defraud Lender 1. JENKINS knew that A&L did not have 25 employees. JENKINS
20 knew that A&L did not spend \$323,099.00 in payroll expenses because A&L did not have employees.
21 JENKINS did not spend the money on eligible expenses, and JENKINS knew that the attachment,
22 including the Form 940 were false.

23 26. On or about December 20, 2021, JENKINS submitted a loan forgiveness application for
24 the February 11 PPP loan for A&L. On this application, JENKINS knowingly made multiple false
25 representations, that A&L had paid \$396,565.08 of the loan in payroll costs and 58 employees. To
26 support the false statements in the forgiveness application, JENKINS submitted a falsified bank account
27 statement. As a result of these misrepresentations, SBA forgave the February 11 PPP loan for A&L in
28 the full amount of \$520,833.33.

1 COUNTS ONE THROUGH THREE: (18 U.S.C. §§ 1343 and 2 – Wire Fraud and Aiding and
 2 Abetting)

3 27. Paragraphs 1 through 26 of this Indictment are re-alleged and incorporated as if fully set
 4 forth here.

5 28. Beginning at a date unknown to the grand jury, but no later than July 2, 2020, and
 6 continuing through a date unknown to the grand jury, but to at least May 13, 2021, the defendant,

7 LANE JENKINS,

8 did knowingly and with the intent to defraud devise and execute, and attempt to execute, a material
 9 scheme and artifice to defraud and to obtain money and property by means of materially false and
 10 fraudulent pretenses, representations, and promises, and by concealment of material facts.

11 29. On or about the dates set forth below, in the Northern District of California and
 12 elsewhere, for the purpose of executing the scheme and artifice referred to above, and attempting to do
 13 so, the defendant did knowingly transmit and cause to be transmitted writings, signs, signals, pictures,
 14 and sounds in interstate commerce by means of wire communications:

COUNT	DATE	ITEM WIRED
1	7/21/2020	Wire transfer of \$94,900.00 from SBA to JENKINS
2	2/13/2021	Wire transfer of \$520,833.33 from Lender 1 to A&L
3	5/12/2021	Wire transfer of \$520,833.00 from Lender 1 to A&L

15 Each in violation of Title 18, United States Code, Section 1343 & 2.

16 COUNT FOUR: (18 U.S.C. §§ 1001(a)(3) and 2 – False Writings to a Government Agency
 17 and Aiding and Abetting)

18 30. Paragraphs 1 through 29 of this Indictment are re-alleged and incorporated as if fully set
 19 forth here.

20 31. On or about December 20, 2021, in the Northern District of California and elsewhere, the
 21 defendant,

22 LANE JENKINS,

23 did willfully and knowingly make and use a materially false, fictitious, and fraudulent document knowing
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 28

1 the same to contain a materially false, fictitious, and fraudulent statement and entry, in a matter within
2 the jurisdiction of an agency of the executive branch of the Government of the United States, namely the
3 SBA, by submitting a PPP loan forgiveness application to the SBA that contained materially false,
4 fictitious, and fraudulent statements including that A&L had 58 employees based in the United States,
5 when in fact A&L had zero employees based in the United States, and that A&L paid approximately
6 \$396,565.08 in payroll expenses, when in fact A&L did not pay any payroll expenses.

7 All in violation of 18 U.S.C. §§ 1001(a)(3) and 2.

8 FORFEITURE ALLEGATION: (18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c); 18 U.S.C.
9 § 982(a)(2) – Criminal and Civil Forfeiture)

10 32. The allegations contained in this Indictment are re-alleged and incorporated by reference
11 for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and
12 Title 28, United States Code, Section 2461(c), and Title 18, United States Code, Section 982(a)(2).

13 Upon conviction for the offense set forth in Counts One, Two, Three, and Four, upon conviction
14 of the offense set forth in this Indictment, the defendant,

15 LANE JENKINS,

16 shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section
17 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), all property, real or personal,
18 constituting or derived from proceeds the defendants obtained directly and indirectly, as the result of
19 those violations, including but not limited to a money judgment in the amount of \$1,136,566.33.

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

- 21 a. Cannot be located upon exercise of due diligence;
22 b. Has been transferred or sold to, or deposited with, a third party;
23 c. Has been placed beyond the jurisdiction of the court;
24 d. Has been substantially diminished in value; or
25 e. Has been commingled with other property which cannot be divided without difficulty,

26 the United States of America shall be entitled to forfeiture of substitute property pursuant to Title 21,
27 United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 2461(c)
28 and Title 28, United States Code, Section 2461(c).

1 All pursuant to Title 18, United States Code, Section 981(a)(1)C), Title 28, United States Code,
2 Section 2461(c); Title 18, United States Code, Section 982(a)(2); and Federal Rule of Criminal
3 Procedure 32.2.

4
5 DATED: May 23, 2023

A TRUE BILL.

6
7 /s/ Foreperson of the Grand Jury
8 FOREPERSON

9 ISMAIL J. RAMSEY
10 United States Attorney

11 /s/ Kenneth Chambers
12 KENNETH CHAMBERS
13 Assistant United States Attorney

AO 257 (Rev. 6/78)

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: [] COMPLAINT [] INFORMATION [X] INDICTMENT [] SUPERSEDING

OFFENSE CHARGED

Count 1-3: 18 U.S.C. § 1343 - Wire Fraud; 18 U.S.C. § 2 - Aiding and Abetting; Count 4: 18 U.S.C. § 1001(a)(3) - False Writings; 18 U.S.C. § 2 - Aiding and Abetting; 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. 2461(c); 18 U.S.C. § 982 (a)(2) - Forfeiture Allegation [] Petty [] Minor [] Misdemeanor [X] Felony

PENALTY: Count 1-3: 20 years of imprisonment, \$250,000 fine, 3 years of supervised release, \$100 special assessment, forfeiture Count 4: 5 years imprisonment, \$250,000, 3 years supervised release, \$100 special assessment, forfeiture

Name of District Court, and/or Judge/Magistrate Location

NORTHERN DISTRICT OF CALIFORNIA OAKLAND DIVISION

DEFENDANT - U.S.

LANE JENKINS

DISTRICT COURT NUMBER

CR-24-0283 AMO

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

FBI

[] person is awaiting trial in another Federal or State Court, give name of court

[] this person/proceeding is transferred from another district per (circle one) FRCrp 20, 21, or 40. Show District

[] this is a reprosecution of charges previously dismissed which were dismissed on motion of: SHOW DOCKET NO.

[] U.S. ATTORNEY [] DEFENSE

[] this prosecution relates to a pending case involving this same defendant MAGISTRATE CASE NO.

[] prior proceedings or appearance(s) before U.S. Magistrate regarding this defendant were recorded under

Name and Office of Person Furnishing Information on this form ISMAIL J. RAMSEY

[X] U.S. Attorney [] Other U.S. Agency

Name of Assistant U.S. Attorney (if assigned) KENNETH CHAMBERS

IS NOT IN CUSTODY

Has not been arrested, pending outcome this proceeding.

1) [X] If not detained give date any prior summons was served on above charges

2) [] Is a Fugitive

3) [] Is on Bail or Release from (show District)

FILED MAY 23 2024

IS IN CUSTODY

4) [] On this charge

5) [] On another conviction [] Federal [] State

6) [] Awaiting trial on other charges If answer to (6) is "Yes", show name of institution

Has detainer been filed? [] Yes [] No If "Yes" give date filed

DATE OF ARREST Month/Day/Year

Or... if Arresting Agency & Warrant were not

DATE TRANSFERRED TO U.S. CUSTODY Month/Day/Year

[] This report amends AO 257 previously submitted

ADDITIONAL INFORMATION OR COMMENTS

PROCESS:

[] SUMMONS [X] NO PROCESS* [] WARRANT

Bail Amount: _____

If Summons, complete following:

[] Arraignment [] Initial Appearance

* Where defendant previously apprehended on complaint, no new summons or warrant needed, since Magistrate has scheduled arraignment

Defendant Address: _____

Date/Time: _____ Before Judge: _____

Comments: _____

FILED

MAY 23 2024

CLERK, U.S. DISTRICT COURT
NORTH DISTRICT OF CALIFORNIA
OAKLAND OFFICE

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

CRIMINAL COVER SHEET

***Instructions:** Effective November 1, 2016, this Criminal Cover Sheet must be completed and submitted, along with the Defendant Information Form, for each new criminal case.*

CASE NAME:

USA v. LANE JENKINS

CASE NUMBER:

CR-24-0283

Is This Case Under Seal?

Yes No

Total Number of Defendants:

1 2-7 8 or more

AMO

Does this case involve ONLY charges under 8 U.S.C. § 1325 and/or 1326?

Yes No

Venue (Per Crim. L.R. 18-1):

SF OAK SJ

Is this a potential high-cost case?

Yes No

Is any defendant charged with a death-penalty-eligible crime?

Yes No

Is this a RICO Act gang case?

Yes No

Assigned AUSA
(Lead Attorney): Kenneth Chambers

Date Submitted: 5/22/2024

Comments: