

Chief Magistrate Judge Brian A. Tsuchida

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

AUSTIN HSU,

Defendant.

CASE NO. MJ20-691

COMPLAINT for VIOLATIONS OF

Title 18, United States Code, Sections 1343, 2

BEFORE, Brian A. Tsuchida, United States Magistrate Judge, U.S. Courthouse,
Seattle, Washington.

The undersigned complainant being duly sworn states:

COUNT 1
(Wire Fraud)

From in or around April 2020 through in or around August 2020, at Issaquah, in the
Western District of Washington and elsewhere, AUSTIN HSU, the defendant, knowingly
devised and intended to devise a scheme and artifice to defraud financial institutions and
the United States, and to obtain money and property by means of material false and
fraudulent pretenses, representations and promises, and attempted to do so.

1 A. Manner and Means

2 1. It was part of the scheme that HSU submitted, or caused to be submitted,
3 fraudulent loan applications to Lenders 1 and 2 seeking hundreds of thousands of dollars
4 in funds through the Paycheck Protection Program (“PPP”), on behalf of Evergreen Forest
5 Inc. (“Evergreen”), Huggtopus Corporation (“Huggtopus”), Prodigy Holdings PLLC.
6 (“Prodigy”), and Sequoia West Corporation (“Sequoia”).

7 2. It was further part of the scheme to defraud that HSU submitted fraudulent
8 loan applications to the U.S. Small Business Administration (“SBA”), seeking hundreds of
9 thousands of dollars in funds through the COVID-19 Economic Injury Disaster Loan
10 (“EIDL”) program on behalf of Evergreen, Huggtopus, and Sequoia.

11 3. It was further part of the scheme to defraud that HSU submitted a fraudulent
12 loan application to the SBA, seeking approximately \$150,000 in funds through the EIDL
13 program on behalf of Blueline Capital LLC (“Blueline”).

14 4. In support of Blueline’s fraudulent loan application, HSU made numerous
15 materially false and misleading statements, including, but not limited to: (a) Blueline was
16 established on April 3, 2017 and that HSU had owned Blueline since that date; (b) Blueline
17 had 9 employees as of January 31, 2020; and (c) Blueline’s gross revenue for the twelve
18 months ending January 31, 2020 was \$1,509,920.

19 B. Execution

20 On or about August 3, 2020, at Issaquah, in the Western District of Washington and
21 elsewhere, HSU, for the purpose of executing the scheme described above transmitted and
22 caused to be transmitted by means of wire, radio, and television communication in
23 interstate and foreign commerce, writings, signs, signals, pictures, and sounds, to wit, an
24 interstate wire from Denver, Colorado, to Seattle, Washington, as part of the wire transfer
25 in the amount of \$149,900 from the SBA’s bank account to HSU’s bank account at
26 Financial Institution 3.

27 //

1 All in violation of Title 18, United States Code, Sections 1343 and 2.

2 I, ALAN KEENE, being first duly sworn on oath, depose and say:

3 1. I am a Special Agent for the Treasury Inspector General for Tax
4 Administration (“TIGTA”), Seattle, Washington Field Office. I have been employed as a
5 Special Agent of the TIGTA since September 2007. I have received basic federal law
6 enforcement training, including at the Federal Law Enforcement Training Center, as well
7 as other specialized federal law enforcement training. I have investigated violations of
8 federal statutes, including wire fraud, mail fraud, money laundering, conspiracy and theft
9 of government and public money. I have been a sworn law enforcement officer during all
10 times herein.

11 2. The information contained in this Complaint is the result of my own
12 investigation as well as information provided to me by others, including other investigators
13 and law enforcement officers. In each instance when I recite information from such others,
14 I have gained that information either by talking directly to such investigators and law
15 enforcement officers or reviewing written reports of their investigation, or both. This
16 Complaint accurately summarizes some of the evidence I discovered during my
17 investigation; it does not, however, contain every detail known to me about the
18 investigation.

19 **FACTS ESTABLISHING PROBABLE CAUSE**

20 *The Paycheck Protection Program*

21 3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act is a
22 federal law enacted in or around March 2020 and designed to provide emergency financial
23 assistance to the millions of Americans who are suffering the economic effects caused by
24 the COVID-19 pandemic. One source of relief provided by the CARES Act was the
25 authorization of up to \$349 billion in forgivable loans to small businesses for job retention
26 and certain other expenses, through a program referred to as the PPP. In or around April
27 2020, Congress authorized over \$300 billion in additional PPP funding.

1 4. In order to obtain a PPP loan, a qualifying business must submit a PPP loan
2 application, which is signed by an authorized representative of the business. The PPP loan
3 application requires the business (through its authorized representative) to acknowledge
4 the program rules and make certain affirmative certifications in order to be eligible to
5 obtain the PPP loan. In the PPP loan application, the small business (through its authorized
6 representative) must state, among other things, its: (a) average monthly payroll expenses;
7 and (b) number of employees. These figures are used to calculate the amount of money
8 the small business is eligible to receive under the PPP. In addition, businesses applying
9 for a PPP loan must provide documentation showing their payroll expenses.

10 5. A PPP loan application must be processed by a participating financial
11 institution (the lender). If a PPP loan application is approved, the participating financial
12 institution funds the PPP loan using its own monies, which are 100% guaranteed by Small
13 Business Administration (SBA). Data from the application, including information about
14 the borrower, the total amount of the loan, and the listed number of employees, is
15 transmitted by the lender to the SBA in the course of processing the loan.

16 6. PPP loan proceeds must be used by the business on certain permissible
17 expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the
18 interest and principal on the PPP loan to be entirely forgiven if the business spends the loan
19 proceeds on these expense items within a designated period of time and uses a certain
20 percentage of the PPP loan proceeds on payroll expenses.

21 *The Economic Injury Disaster Relief Program*

22 7. The EIDL program is an SBA program that provides low-interest financing
23 to small businesses, renters, and homeowners in regions affected by declared disasters.

24 8. The CARES Act authorized the SBA to provide EIDLs of up to \$2 million
25 to eligible small businesses experiencing substantial financial disruption due to the
26 COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances
27 of up to \$10,000 to small businesses within three days of applying for an EIDL. The
28

1 amount of the advance is determined by the number of employees the applicant certifies
2 having. The advances do not have to be repaid.

3 9. In order to obtain an EIDL and advance, a qualifying business must submit
4 an application to the SBA and provide information about its operations, such as the number
5 of employees, gross revenues for the 12-month period preceding the disaster, and cost of
6 goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-
7 19 relief, the 12-month period was that preceding January 31, 2020. The applicant must
8 also certify that all of the information in the application is true and correct to the best of
9 the applicant's knowledge.

10 10. EIDL applications are submitted directly to the SBA and processed by the
11 agency with support from a government contractor. The amount of the loan, if the
12 application is approved, is determined based, in part, on the information provided by the
13 application about employment, revenue, and cost of goods, as described above. Any funds
14 issued under an EIDL or advance are issued directly by the SBA. EIDL funds can be used
15 for payroll expenses, sick leave, production costs, and business obligations, such as debts,
16 rent, and mortgage payments. If the applicant also obtains a loan under the PPP, the EIDL
17 funds cannot be used for the same purpose as the PPP funds.

18 *The Defendant and Other Relevant Individuals and Entities*

19 11. HSU is a United States citizen residing in Issaquah, Washington.

20 12. Person 1 is a United States citizen who resides with HSU.

21 13. Blackrock Services P.S. (d/b/a "Back 2 Health Bellevue") ("Blackrock") is
22 a Washington professional service corporation with offices in Bellevue, Washington.
23 Blackrock offers chiropractic treatment and rehabilitation care. HSU is Blackrock's owner
24 and CEO. Person 1 is Blackrock's Managing Director.

25 14. Evergreen was a Washington corporation first registered on or about
26 December 12, 2013. HSU is Evergreen's owner and CEO.

27 15. Huggtopus was a Washington corporation first registered on or about June
28 17, 2014. HSU is Huggtopus's CEO and Managing Partner.

1 16. Prodigy was a Washington corporation first registered on or about July 13,
2 2018. HSU is Prodigy’s CEO.

3 17. Sequoia was a Washington corporation first registered on or about May 8,
4 2018. HSU is Sequoia’s CEO.

5 18. Blueline was a Wyoming corporation first registered on or about June 26,
6 2020. HSU is Blueline’s CFO.

7 *Overview of the Fraud*

8 19. As described further below, evidence gathered in the investigation
9 demonstrates that, from in or around April 2020 through in or around August 2020, HSU
10 submitted, or caused to be submitted, fraudulent loan applications to approved lenders and
11 the SBA in order to obtain funds through the PPP and EIDL program. Among other things,
12 HSU fraudulently used the names of current and former Blackrock employees to obtain
13 PPP loans on behalf of Evergreen, Huggtopus, Prodigy, and Sequoia.¹ HSU
14 misrepresented that these current and former Blackrock employees had also worked for
15 and been paid by these other companies, when, in truth, they had not.

16 20. In connection with this fraud, HSU submitted, or caused to be submitted,
17 the following fraudulent loan applications:

Applicant	Amount Sought	Lender	Approx. Date of Application	Status
Sequoia	\$54,627.97	Lender 1	4/27/2020	Approved
Prodigy	\$105,451	Lender 2	5/7/2020	Approved
Evergreen	\$133,275	Lender 2	5/10/2020	Approved
Huggtopus	\$115,751	Lender 2	5/13/2020	Approved
Evergreen	\$150,000	SBA	3/29/2020	Approved

28 ¹ In March and April 2020, HSU applied for EIDL and PPP loans on behalf of Blackrock seeking a total amount of \$219,100. Those loan applications, which were approved and funded, are not the subject of this Complaint.

Huggtopus	\$150,000	SBA	5/17/2020	Canceled
Huggtopus	\$150,000	SBA	7/12/2020	Canceled
Sequoia	\$150,000	SBA	7/12/2020	Canceled
Blueline	\$150,000	SBA	7/12/2020	Approved
TOTAL:	\$1,159,104.97			

21. HSU distributed fraudulently obtained PPP loan proceeds to himself and Person 1.

Fraudulent PPP Loan Application Submitted on Behalf of Sequoia

22. According to records obtained from Lender 1, on or about April 27, 2020, HSU applied to Lender 1 for a PPP loan on behalf of Sequoia in the amount of \$54,627.97 via Lender 1’s online application portal. Based on records obtained from Comcast, HSU accessed the online application portal using an Internet Protocol (“IP”) address associated with Address 1, which was the residential address HSU shared with Person 1.

23. In the application, HSU represented that Sequoia had 12 employees.

24. Based on records obtained from Lender 1, HSU submitted several documents in support of Sequoia’s PPP loan application, including:

- a. Internal Revenue Service (“IRS”) Form 940, in which HSU represented that Sequoia had made \$242,182.22 in total payments to Sequoia’s employees in 2019. HSU further represented that Sequoia had deposited \$12,850.92 in federal unemployment taxes in 2019.
- b. An IRS Form 941, in which HSU represented that Sequoia had paid its employees tips, wages and other compensation for January, February and March 2020 totaling \$95,115.65. HSU further represented that Sequoia had deposited \$23,565.82 in federal unemployment taxes for the first quarter of 2020.
- c. A copy of HSU’s driver license.

1 25. The Sequoia PPP application represented that the business employed 12
2 employees. Evidence gathered in the government’s investigation demonstrates that this
3 statement is false:

- 4 a. Information obtained from the Washington State Employment Security
5 Department (“ESD”) shows the agency has no record of any employees
6 being employed by Sequoia.
7 b. Information obtained from the Social Security Administration (“SSA”) revealed that Sequoia did not file any Forms W-2 or W-3 for any
8 employees for 2019.
9 c. Payroll records obtained from Intuit, a payroll processor, show Sequoia
10 did not make any payroll payments in 2019 or in the first quarter of 2020.
11 d. Information obtained from the Washington State Department of Revenue
12 (“DoR”) revealed that Sequoia had not registered with DoR or applied for
a business license.

13 26. The IRS Forms 940 and 941 submitted with the Sequoia PPP application
14 also appear to be fraudulent. Records from the IRS confirm that these returns had not been
15 filed with the IRS and the amounts of tax deposits reported on the Forms 940 and 941 were
16 not paid to the IRS. In fact, Sequoia had not filed employment tax or federal income tax
17 returns with the IRS in 2019 or 2020, and had not made employment tax deposits in 2019
18 or 2020.

19 27. According to records obtained from Lender 1, it approved Sequoia’s PPP
20 application and funded the loan. According to records obtained from Financial Institution
21 1, on or about May 4, 2020, Lender 1 transferred \$54,627.97 to a bank account in the name
22 of Blackrock at Financial Institution 1, for which HSU was the sole signatory.

23 *Fraudulent PPP Loan Application Submitted on Behalf of Prodigy*

24 28. According to records obtained from Lender 2, on or about May 7, 2020,
25 Lender 2 received a PPP application in the name of Prodigy seeking a PPP loan in the
26 amount of \$105,451. The application was submitted in the name of Person 1, who was
27 represented to be Prodigy’s majority owner. Based on records obtained from Comcast, the
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1 PPP loan documents were digitally signed using an IP address associated with Address 1,
2 which was the residential address HSU shared with Person 1.²

3 29. In the Prodigy PPP application, an individual purporting to be Person 1
4 represented that Prodigy had 14 employees and that its average monthly payroll was
5 \$42,181.

6 30. In the Prodigy PPP application, an individual purporting to be Person 1
7 made several certifications, including that Prodigy “was in operation on February 15, 2020
8 and had employees for whom it paid salaries and payroll taxes or paid independent
9 contractors.”

10 31. Based on records obtained from Lender 2, several documents were
11 submitted in support of Prodigy’s PPP loan application, including: (a) a Form 940, which
12 represented that Prodigy had made \$506,169.11 in total payments to Prodigy’s employees
13 in 2019; (b) Forms W-2 and W-3 for 21 individuals who were purportedly employed by
14 Prodigy in 2019; and (c) a copy of Person 1’s driver license.

15 32. The government’s investigation has revealed that Prodigy’s application to
16 Lender 2 contained materially false and misleading information.

- 17 a. Information obtained from the SSA revealed that Prodigy did not file any
18 Forms W-2 or W-3 for any employees for 2019.
- 19 b. In or around September and October 2020, law enforcement interviewed
20 three individuals listed as purported Prodigy employees. All three
21 employees confirmed they had never been paid by Prodigy; rather, they
22 were all paid employees of BlackRock (which received its own separate
23 PPP loan).³
- 24 c. Further investigation revealed that all of the names listed as employees
25 on the Prodigy PPP application were also used in the fake Evergreen and

25 ² On or about October 7, 2020, a recorded call was made to Person 1 by an investigator posing as an employee of the
26 SBA. The investigator made the call to Phone Number 1, which was the same phone number listed on an EIDL
27 application in the name of Prodigy. On the recorded call, Person 1 stated that she had not filed Prodigy’s PPP
28 application herself, but that HSU had filed it for her.

³ These individuals, who were also listed as Evergreen and Huggtopus employees, also confirmed they had never
been paid by these companies; rather, they were all paid employees of BlackRock.

1 Huggtopus Forms W-2 and W-3 (described below). In many cases, the
2 reported wages and withholdings for these individuals were identical or
3 nearly identical across the three companies.

- 4 d. Additionally, information obtained from the IRS further revealed that
5 Prodigy's Employer Identification Number ("EIN") had only been
6 created on April 27, 2020 (*i.e.*, two weeks before Prodigy's PPP loan
7 application was submitted), and that in the EIN application, which listed
8 HSU as the responsible party and was filed from an IP address registered
9 to Address 1, HSU represented that Prodigy would not have any
10 employees during the following 12-month period.

11 33. According to records obtained from Lender 2, it approved Prodigy's
12 application and funded the loan. According to records obtained from Financial Institution
13 1, on or about May 11, 2020, Lender 2 transferred \$105,451 to Prodigy's bank account at
14 Financial Institution 1, for which HSU was the sole signatory.

15 *Fraudulent PPP Loan Application Submitted on Behalf of Evergreen*

16 34. According to records obtained from Lender 2, on or about May 10, 2020,
17 Lender 2 received a PPP application in the name of Evergreen seeking a PPP loan in the
18 amount of \$133,275. The application was submitted in the name of HSU, who was
19 represented to be Evergreen's sole owner and CEO. Based on records obtained from
20 Comcast, HSU digitally signed the PPP loan documents using an IP address associated
21 with Address 1, which was the residential address HSU shared with Person 1.

22 35. The application represented that Evergreen had 13 employees and that its
23 average monthly payroll was \$53,310. Several documents were submitted in support of
24 Evergreen's PPP loan application, including Forms W-2 and W-3 for 22 individuals who
25 were purportedly employed by Evergreen in 2019.

26 36. The government's investigation has revealed that Evergreen's application
27 to Lender 2 contained materially false and misleading information.

- 28 a. Information obtained from the SSA revealed that Evergreen did not file
any Forms W-2 or W-3 for any employees for 2019.
- b. Nearly all of the names listed as employees of Evergreen were also listed
in the fake Prodigy and Huggtopus Forms W-2 and W-3 described above

1 and below and, in many cases, the reported wages and withholdings for
2 these individuals were identical or nearly identical across the three
3 companies.

- 4 c. Information obtained from the IRS revealed that Evergreen had not filed
5 employment tax or federal income tax returns in 2019 or 2020, nor did
6 Evergreen make employment tax deposits during 2019 or 2020. In fact,
7 HSU had only applied for an EIN for Evergreen on May 6, 2020 (*i.e.*,
8 four days before HSU submitted Evergreen's PPP loan application).
- 9 d. Information obtained from the ESD shows the agency has no record of
10 any employees being employed by Evergreen.
- 11 e. Information obtained from the DoR revealed that when, on June 1, 2020,
12 Evergreen applied to renew its business license, HSU indicated
13 Evergreen had only 3 employees (not 13). HSU also listed Evergreen's
14 annual gross income as between \$0 and \$12,000.

15 37. According to records obtained from Lender 2, it approved Evergreen's
16 application and funded the loan. According to records obtained from Financial Institution
17 1, on or about May 12, 2020, Lender 2 transferred \$133,275 to Sequoia's bank account at
18 Financial Institution 1, for which HSU was the sole signatory.

19 *Fraudulent PPP Loan Application Submitted on Behalf of Huggtopus*

20 38. According to records obtained from Lender 2, on or about May 13, 2020,
21 Lender 2 received a PPP application in the name of Huggtopus seeking a PPP loan in the
22 amount of \$115,751. The application was submitted in the name of HSU, who was
23 represented to be one of Huggtopus's owners and its Managing Partner. Based on records
24 obtained from Comcast, HSU digitally signed the PPP loan documents on May 13, 2020
25 and logged into the online application portal using an IP address associated with Address
26 1, which was the residential address HSU shared with Person 1.

27 39. In the application, HSU represented that Huggtopus had 12 employees and
28 that its average monthly payroll was \$46,301. Several documents were submitted in
support of Huggtopus's PPP loan application, including: (a) Forms W-2 and W-3 for 21
individuals who were purportedly employed by Huggtopus in 2019 and (b) a copy of
HSU's driver license.

1 40. The government’s investigation has revealed that Huggtopus’s application
2 to Lender 2 contained materially false and misleading information.

- 3 a. Information obtained from the SSA revealed that Huggtopus did not file
4 any Forms W-2 or W-3 for any employees for 2019.
- 5 b. All of the names listed as employees of Huggtopus were also listed in the
6 fake Prodigy and Evergreen Forms W-2 and W-3 described above and, in
7 many cases, the reported wages and withholdings for these individuals
8 were identical or nearly identical across the three companies.
- 9 c. Information obtained from the ESD shows the agency has no record of
10 any employees being employed by Huggtopus.
- 11 d. Information obtained from the IRS revealed that Huggtopus had not filed
12 any employment tax or federal income tax returns with the IRS in 2019
13 or 2020, nor did Huggtopus make any employment tax deposits during
14 2019 or 2020.
- 15 e. Payroll records obtained from Intuit show Huggtopus did not make any
16 payroll payments in 2019 or in the first quarter of 2020.
- 17 f. Information obtained from the DoR revealed that Huggtopus’s business
18 license had been administratively revoked on June 30, 2019.

19 41. According to records obtained from Lender 2, it approved Huggtopus’s
20 application and funded the loan. According to records obtained from Financial Institution
21 1, on or about May 15, 2020, Lender 2 transferred \$115,751 to Blackrock’s bank account
22 at Financial Institution 1, for which HSU was the sole signatory.

23 *Fraudulent EIDL Loan Application Submitted on Behalf of Evergreen*

24 42. According to records obtained from the SBA, on or about March 29, 2020,
25 the SBA received an application in the name of Evergreen seeking an EIDL loan in the
26 amount of \$150,000. The application was submitted in the name of HSU via the SBA’s
27 online portal.

28 43. HSU falsely certified Evergreen “is not engaged in any activity that is
illegal under federal, state, or local law.” Records obtained from the Washington State
Liquor and Cannabis Board revealed that Evergreen is operated as a recreational marijuana
producer. The manufacture of a controlled substance, such as marijuana, is illegal under

1 federal law Title 18, United States Code, Section 841, Manufacture of a Controlled
2 Substance.

3 44. The SBA approved Evergreen's application and funded the loan. On or
4 about June 29, 2020, the SBA wired \$149,900 to Evergreen's bank account at Financial
5 Institution 2, for which HSU is the sole signatory.

6 *Fraudulent EIDL Loan Applications Submitted on Behalf of Huggtopus*

7 45. According to records obtained from the SBA, on or about May 17, 2020,
8 the SBA received an application in the name of Huggtopus seeking an EIDL loan in the
9 amount of \$150,000. On or about July 12, 2020, the SBA received a second application in
10 the name of Huggtopus seeking an EIDL loan in the same amount. Both applications were
11 submitted in the name of HSU via the SBA's online portal.

12 46. These applications contained conflicting information:

- 13 a. In the first application, HSU represented that Huggtopus was in the
14 agriculture industry, and that, in the 12 months prior to the disaster,
15 Huggtopus had 13 employees, gross receipts of \$1,218,092, and cost of
16 goods sold of \$324,901.
17 b. In the second application, HSU represented that Huggtopus was in the
18 health care services industry, and that, in the 12 months prior to the
19 disaster, Huggtopus had 9 employees, gross receipts of \$1,490,230 and
20 cost of goods sold of \$340,290.

21 47. As described above in paragraph 40, evidence gathered in the government's
22 investigation demonstrates that these statements about the number of employees are false.

23 48. The SBA denied Huggtopus's fraudulent applications as duplicative.

24 *Fraudulent EIDL Loan Application Submitted on Behalf of Sequoia*

25 49. According to records obtained from the SBA, on or about July 12, 2020,
26 the SBA received an application in the name of Sequoia seeking an EIDL loan in the
27 amount of \$150,000. The application was submitted in the name of HSU via the SBA's
28 online portal.

1 50. In the application, HSU represented that Sequoia had 12 employees. As
2 described above in paragraph 25, evidence gathered in the government's investigation
3 demonstrates that this statement is false.

4 51. The SBA denied Sequoia's fraudulent application as duplicative.

5 *Fraudulent EIDL Loan Application Submitted on Behalf of Blueline*

6 52. According to records obtained from the SBA, on or about July 12, 2020,
7 the SBA received an application in the name of Blueline seeking an EIDL loan in the
8 amount of \$150,000. The application was submitted in the name of HSU, who was
9 represented to be Blueline's sole owner and Chief Financial Officer. HSU submitted the
10 application via the SBA's online portal.

11 53. In the application, HSU represented that Blueline was established on April
12 3, 2017 and that he has owned Blueline since that time. HSU also represented that Blueline
13 had 9 employees.

14 54. The SBA approved Blueline's application and funded the loan. On or about
15 August 3, 2020, the SBA sent \$149,900 via an interstate wire from the SBA's bank account
16 in Denver, Colorado to HSU's bank account at Financial Institution 3 in Seattle,
17 Washington, for which he is the sole signatory.

18 55. The government's investigation has revealed that Blueline's application to
19 the SBA contained materially false and misleading statements.

20 56. HSU's representation that Blueline was established on April 3, 2017 and
21 that HSU has owned Blueline since that time is false:

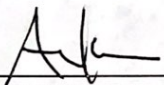
- 22 a. According to records obtained from the Wyoming Secretary of State and
23 Cloud Peak Law, LLC, Blueline was formed on June 26, 2020 at HSU's
24 request.
- 25 b. IRS records show that the EIN for Blueline was created on or about June
26 29, 2020 using Person 2's personal information.
- 27 c. On October 13, 2020, law enforcement interviewed Person 2 and Person
28 2 confirmed that they entered into an agreement with HSU to form
Blueline to sell facemasks beginning in August 2020.

1 57. HSU's representations that, during prior 12 months leading to the disaster,
2 Blueline had 9 employees, \$1,509,920 in gross receipts and \$628,990 in cost of goods sold,
3 are false:

- 4 a. IRS records show that the EIN for Blueline was created on or about June
- 5 29, 2020 using Person 2's personal information.
- 6 b. On October 13, 2020, Person 2 was interviewed and confirmed that
- 7 Blueline did not have any employees or sales.
- 8 c. Information obtained from the DoR revealed that Blueline had not
- 9 registered with DoR or applied for a business license.


9 **CONCLUSION**

10 58. Based on the above facts, I respectfully submit that there is probable cause
11 to believe that AUSTIN HSU did willfully and knowingly, having devised and intending
12 to devise a scheme and artifice to defraud, and for obtaining money and property by means
13 of false and fraudulent pretenses, representations and promises, and attempting to do so,
14 transmit and cause to be transmitted by means of wire, radio, and television communication
15 in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the
16 purpose of executing such scheme and artifice, in violation of Title 18, United States Code,
17 Sections 1343 and 2.

18 
19 _____
20 ALAN KEENE, Complainant
Special Agent, TIGTA

21 The above-named agent provided a sworn statement attesting to the truth of the
22 contents of the foregoing affidavit, and based on the Complaint and Affidavit, the Court
23 hereby finds that there is probable cause to believe the Defendant committed the offenses
24 set forth in the Complaint.

25 Dated this ~~26~~²⁶th day of October, 2020.

26 
27 _____
28 BRIAN A. TSUCHIDA
Chief United States Magistrate Judge