

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF MISSISSIPPI

UNITED STATES OF AMERICA

v.

LAKEITH M. FAULKNER

) Criminal No. 3:22-cr-141-^{DMB}MPM-RP

) Violations:

) Count One: Conspiracy to Commit Wire Fraud
) (18 U.S.C. § 1349)

The United States Attorney charges that:

INFORMATION

COUNT ONE

Conspiracy to Commit Wire Fraud
(18 U.S.C. § 1349)

At all times relevant to this Information:

General Allegations

1. The defendant, LAKEITH M. FAULKNER, was an adult resident of Holly Springs, Mississippi. FAULKNER was an employee of the Small Business Administration.
2. Norman Beckwood was an adult resident of Holly Springs, Mississippi. Beckwood was an acquaintance of LAKEITH M. FAULKNER.
3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in March 2020 and designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic. The Economic Injury Disaster Loan (EIDL) program was a Small Business Administration (“SBA”)

program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

4. The CARES Act authorized the SBA to provide EIDLs to eligible small businesses experiencing substantial financial disruptions 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. The amount of the advance was determined by the number of employees the applicant certified having. The advances did not have to be repaid.

5. In order to obtain an EIDL and advance, 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 revenue 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 was that preceding January 31, 2020. The applicant was also required to certify that all of the information in the application was true and correct to the best of the applicant's knowledge.

6. EIDL applications were submitted directly to the SBA and processed by the agency with support from a government contractor, Rapid Finance. The amount of the loan, if the application was approved, was determined based, in part, on the information provided in the application concerning the number of employees, gross revenue, and cost of goods, as described above. Any funds issued under an EIDL or advance were issued directly by the SBA. EIDL funds were permitted to be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments.

Conspiracy to Defraud the SBA

7. On or about July 14, 2020, and continuing until at least on or around March 9, 2022, in the Northern District of Mississippi and elsewhere, the defendant, LAKEITH M. FAULKNER and Norman Beckwood, did willfully, that is, with the intent to further the objects of the conspiracy, and knowingly combine, conspire, confederate, and agree with each other, and with others known and unknown to the United States Attorney, to knowingly, and with the intent to defraud, devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, and for the purpose of executing the scheme and artifice, did knowingly transmit and cause to be transmitted, by means of wire communication in interstate commerce, certain writings, signs, signals, pictures, and sounds, in violation of Title 18, United States Code, Section 1343.

Purpose of the Conspiracy

8. The purpose of the scheme was for LAKEITH M. FAULKNER and Norman Beckwood to obtain EIDL loan proceeds under false and fraudulent pretenses and help other individuals obtain EIDL loan proceeds under false and fraudulent pretenses for their own personal benefit and use.

Manner and Means of the Conspiracy

9. Beginning on or about July 14, 2020, and continuing until at least on or around March 9, 2022, in the Northern District of Mississippi, LAKEITH M. FAULKNER and Norman Beckwood devised a scheme to defraud, and to obtain EIDL funds, by filing false and fraudulent

EIDL applications and agreements and assisting others in filing false and fraudulent EIDL applications and agreements.

10. Rather than use EIDL funds for the approved purposes, LAKEITH M. FAULKNER and Norman Beckwood diverted these funds for their own personal benefit and use.

11. LAKEITH M. FAULKNER and Norman Beckwood assisted other individuals with submitting false and fraudulent EIDL applications and agreements and received a “fee” ranging from \$25,000 to \$55,000 per loan.

12. From on or about July 14, 2020 to on or about March 9, 2022, LAKEITH M. FAULKNER and Norman Beckwood submitted and assisted others in submitting fraudulent loans generating a total amount of over \$9,000,000 in EIDL fund payments.

13. From on or about June 8, 2021 to on or about March 9, 2022, LAKEITH M. FAULKNER and Norman Beckwood received approximately \$2,364,484 in “fees” from other individuals whom they assisted in the submission of false and fraudulent EIDL applications and agreements.

14. In addition to other loans that are not listed in this Information, LAKEITH M. FAULKNER and Norman Beckwood submitted and assisted in the submission fraudulent EIDL applications and agreements as represented in the following chart. Each submission involved the transmission by means of wire communication in interstate commerce, certain writings, signs, and signals:

Applicant	Application Date	Date Funded	Loan Amount
Norman Beckwood	04/8/21	04/24/21	\$181,500

R. B.	06/05/20	01/02/22	\$186,500
K. P.	09/16/20	09/18/21	\$117,800
M. H.	11/26/21	12/12/21	\$199,500
T. S.	11/26/21	12/09/21	\$250,600
G. S.	06/30/21	01/06/22	\$192,600
T. Y. S.	07/11/21	03/01/22	\$200,000

15. In return for their assistance in submitting fraudulent EIDL applications and agreements, in addition to numerous other payments that are not listed in this Information, individual borrowers paid LAKEITH M. FAULKNER and Norman Beckwood the amounts represented in the following chart:

Payee	Date	Amount
R. B.	01/05/22	\$45,000
K. P.	09/21/21	\$30,000
M. H.	12/16/21	\$25,000
M. H.	12/17/21	\$20,000
T. S.	12/13/21	\$45,000
G. S.	01/18/22	\$45,000
T. Y. S.	03/07/22	\$45,000

All in violation of Title 18, United States Code, Section 1349

FORFEITURE NOTICE

The allegations contained in this Indictment are hereby re-alleged and incorporated by reference for the purpose of alleging forfeitures pursuant to Title 18, United States Code, Section 982(a)(7) and Title 18, United States Code, Sections 982(a)(1).

Upon conviction of the offense in violation of Title 18, United States Code, Sections 1343 and 1349 set forth in this Information, the Defendant, LAKEITH FAULKNER, shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the offenses.

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

- 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 of America shall be entitled to forfeiture of substitute property pursuant to Title 21, United States Code, Section 853(p), as incorporated by Title 18, United States Code, Section 982(b)(1), and Title 28, United States Code, Section 2461(c).

DATE: _____

11/1/22

UNITED STATES OF AMERICA, by



CLAY JOYNER

United States Attorney

Mississippi Bar No. 10316

