

Two Men Plead Guilty to Defrauding COVID-19 Pandemic Relief Programs

Friday, May 10, 2024

For Immediate Release

U.S. Attorney's Office, Eastern District of Washington

Spokane, Washington - Vanessa R. Waldref, the United States Attorney for the Eastern District of Washington, announced today that two individuals pleaded guilty to fraud in connection with COVID-19 relief funding.

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provided a number of programs through which eligible small businesses could request and obtain relief funding intended to mitigate the economic impacts of the pandemic for small and local businesses. One such program, the Paycheck Protection Program (PPP), provided forgivable loans to eligible small businesses to retain jobs and maintain payroll during the pandemic. Another program, the Economic Injury Disaster Loan (EIDL) program, provided low-interest bridge funding for small businesses placed at risk during the pandemic.

David Kurt Schneider, 54, pleaded guilty to Conspiracy to Commit Wire Fraud and Bank Fraud. Chief United States District Judge Stanley A. Bastian accepted Schneider's guilty plea, and set sentencing for August 13, 2024, at 9:00 a.m., in Yakima.

In the plea agreement accepted by the court, and in information disclosed during court proceedings, Schneider admitted that he conspired, [along with two other defendants](#), to fraudulently obtain CARES Act funding through the PPP program, collectively obtaining over \$265,000 in PPP funding. Schneider further admitted that he and his co-defendants submitted additional fraudulent applications seeking over \$560,000 in CARES Act funding through the PPP and EIDL programs, applications which were ultimately not approved. Schneider, as part of the conspiracy, admitted all three defendants submitted false information and documents to the SBA and participating PPP lenders regarding gross revenues, number of employees, and amount spent on payroll in an attempt to obtain CARES Act funds to which they were not otherwise entitled. According to the plea agreement, Schneider and others submitted funding applications in the name of Larsen Firearms, owned by co-defendant Leif Gerald Larsen, and Solar Mobility LLC, RealNZ Water LLC, and Tempest Tactical Solutions, LLC, all owned by Schneider.

In a separate case, Nathan Michael Triano, 40, pleaded guilty to Wire Fraud. United States District Judge Thomas O. Rice accepted Tirano's guilty plea, and set sentencing for August 7, 2024, at 10:00 a.m. in Spokane.

In the plea agreement accepted by the court, and in information disclosed during court proceedings, Triano admitted he obtained six PPP loans totaling \$140,865.00 by submitting materially false and fraudulent information concerning various purported businesses. In addition to the PPP funds dispersed to Triano, the United States also incurred a loss of \$15,000.00 in lender fees for the PPPs, resulting in a total actual and intended loss of at least \$155,865.00.

"Both of these defendants repeatedly used fraudulent schemes to defraud the United States Government and take critical funds that were to be used as a lifeline to small and local businesses struggling during the COVID-19 pandemic," stated U.S. Attorney Waldref. "My Office will continue to lead the effort to prosecute those who stole money intended for those in legitimate need."

United States v. Schneider was investigated by the Eastern District of Washington COVID-19 Fraud Strike Force and by and by FBI and SBA OIG.

United States v. Triano was investigated by the Eastern District of Washington COVID-19 Fraud Strike Force and by SBA-OIG, TIGTA, DOL-OIG, DHS-HSI and DHS-OIG.

Both cases are being prosecuted by Assistant United States Attorneys Frieda K. Zimmerman and Jeremy J. Kelley.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Contact

Robert Curry

Public Affairs Specialist

USAWAE.Media@usdoj.gov

Updated May 10, 2024