

AMG
JLW/JMM USAO# 2023R00361

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

UNITED STATES OF AMERICA

v.

KARA DIPIETRO,

Defendant.

*
*
*
*
*
*
*
*

CRIMINAL NO. *MJM-26-358*
(Bank Fraud, 18 U.S.C. § 1344;
Forfeiture 18 U.S.C. § 982(a)(2)(A))

INDICTMENT

COUNTS ONE THROUGH SIX
(Bank Fraud)

The Grand Jury for the District of Maryland charges that:

At times relevant to this Indictment:

1. Defendant **KARA DIPIETRO** (“**DIPIETRO**”) was a resident of Baltimore County, Maryland.

Entities Associated With **DIPIETRO**

2. **DIPIETRO** was the President and CEO of multiple Maryland companies, including H.M.C., Inc. (“HMC”), Holdings Management Company Inc. (“Holdings”), and Kinetic Capital LLC (“Kinetic”).

3. In or about 2015, **DIPIETRO** purchased HMC from **DIPIETRO**’s relative.

4. From in or about 2015 until in or about 2020, HMC offered millwork and constructions service and had multiple employees.

5. On or about November 1, 2018, **DIPIETRO** filed articles of incorporation creating Kinetic.

6. On or about December 4, 2019, **DIPIETRO** filed articles of incorporation creating Holdings. **DIPIETRO** also filed paperwork for Holdings to use “HMC” as a trade name.

The Scheme to Defraud

31. Beginning in and about April 2020 and continuing through in and about May 2021, in the District of Maryland and elsewhere, the defendant,

KARA DIPIETRO,

knowingly devised and intended to devise a scheme and artifice to defraud financial institutions, including GNCU, Sandy Spring, FHB, and CB, and to obtain money and property owned by or under the custody and control of those financial institutions, by means of materially false and fraudulent pretenses, representations, and promises.

The Object of the Scheme to Defraud

32. The object of the scheme to defraud was for **DIPIETRO** to obtain PPP loan benefits for her financial gain.

Manner and Means of the Scheme to Defraud

It was part of the scheme to defraud that:

33. **DIPIETRO** submitted, and caused to be submitted, PPP loan applications that contained false statements, misrepresentations, and omissions related to multiple businesses, including false information about the applying business entity's operations, payroll expenses, and number of employees.

34. **DIPIETRO** submitted, and caused to be submitted, more than twenty PPP loan applications on behalf of HMC, Holdings, Kinetic, and similarly spelled entities.

35. **DIPIETRO** submitted, and caused to be submitted, PPP loan applications that listed false and fraudulent EINs not assigned by the IRS to the applying entity.

36. **DIPIETRO** caused the use of the HMC IP in connection with PPP applications for HMC, Holdings, Kinetic, and similarly spelled entities.

COUNT	DATE	DESCRIPTION	AMOUNT OBTAINED
1	May 2, 2020	DIPIETRO submitted and caused the submission of a PPP application to GNCU for Holdings that listed an EIN not assigned to Holdings, falsely listed Holdings' average monthly payroll, and relied upon a 2019 IRS Form 940 that was submitted to the IRS by a different entity, HMC.	\$664,331
2	May 4, 2020	DIPIETRO submitted and caused the submission of a PPP application to Sandy Spring for "HMC, Inc." that listed an EIN assigned to Holdings, and falsely certified that "[d]uring the period beginning on February 15, 2020, and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program."	\$429,004
3	June 4, 2020	DIPIETRO submitted and caused the submission of a PPP application to FHB for HMC that falsely certified that "[d]uring the period beginning on February 15, 2020, and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program."	\$433,000
4	February 4, 2021	DIPIETRO submitted and caused the submission of a PPP application to Sandy Spring on behalf of "HMC, Inc." that falsely listed an EIN assigned to Holdings, and falsely certified that "[t]he Applicant has not and will not receive another Second Draw Paycheck Protection Loan."	\$429,004
5	February 10, 2021	DIPIETRO submitted and caused the submission of a PPP application to FHB for HMC that falsely certified that "[t]he Applicant has not and will not receive another Second Draw Paycheck Protection Loan."	\$466,772
6	March 3, 2021	DIPIETRO submitted and caused the submission of a PPP application to CB for "HMC, Incorporated" that fraudulently listed an EIN not assigned to that business and falsely certified that "[t]he Applicant has not and will not receive another loan under the Paycheck Protection Program."	\$327,395

18 U.S.C. § 1344

18 U.S.C. § 2