



U. S. Department of Justice

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UNITED STATES ATTORNEY LAWRENCE KEEFE EXPRESSES COMMITMENT TO PROSECUTING THOSE WHO DEFRAUD THE PAYCHECK PROTECTION PLAN

TALLAHASSEE, FLORIDA – Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division announced at a press conference yesterday that charges have now been filed against the 50th defendant, nation-wide, accused of defrauding the Paycheck Protection Program (PPP). The PPP consists of loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Tiara Walker of Miami, Florida, was arrested on September 9, 2020, on charges of Wire Fraud, Bank Fraud, and Conspiracy to Commit Wire and Bank Fraud. The complaint alleges that from May to July, 2020, Walker and her co-conspirators prepared at least 90 fraudulent PPP loan applications worth more than \$24 million dollars. Forty-two of those loans were approved and funded for a total of approximately \$17.4 million dollars. In Columbia, South Carolina, seven individuals were indicted yesterday for laundering over \$750,000 of fraudulently obtained funds including over \$390,000 from a PPP loan. The South Carolina indictment marks the 50th PPP-fraud case to date across the country. Prosecutors in the Northern District of Florida are also committed to cracking down on those who would steal money meant for those who have been among the hardest-hit during the COVID-19 crisis.

"For the past few months, our prosecutors have been working tirelessly with our federal law enforcement partners, including the Small Business Administration-Office of Inspector General, IRS-Criminal Investigations, FBI, and Federal Deposit Insurance Corporation-Office of Inspector General, to detect and investigate fraudulent PPP loans," said U.S. Attorney Keefe. "Though many of these investigations are ongoing and the details of them are not yet publically known, the Northern District of Florida is devoting significant resources to prosecute offenders who divert the limited COVID-19 relief funds away from legitimate small business owners."

The CARES Act is a federal law enacted March 29, 2020. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding. The CARES Act also authorizes the SBA to provide Economic Injury Disaster Loans (EIDL) of up to \$2 million to eligible small businesses experiencing financial disruption due to the COVID-19 pandemic.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan toward payroll expenses. A criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The United States Attorney's Office for the Northern District of Florida is one of 94 offices that serve as the nation's principal litigators under the direction of the Attorney General. To access available public court documents online, please visit the U.S. District Court for the Northern District of Florida website. For more information about the United States Attorney's Office for the Northern District of Florida, visit <http://www.justice.gov/usao/fln/index.html>.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

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