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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.* George Saites,

Plaintiff and Relator,

-against-

CHRISTOS SPYROPOULOS, JOHN GEOGIADES a/k/a
IOANNIS GEOGIADES, FRANCO SUKAJ,
ESTIATORIO LIMANI LLC, LIMANI 51, LLC, LML,
LLC d/b/a PRIME 1024, and ONIRO TAVERNA LLC,

Defendants.

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

-against-

CHRISTOS SPYROPOULOS, IOANNIS GEORGIADES,
GALATIA ASPROU, ARISTOTELIS SPYROPOULOS,
IORDANIS SPYROPOULOS, LIMANI 51, LLC,
ESTIATORIO LIMANI LLC, LML HOSPITALITY LLC,
ONIRO TAVERNA LLC, BC INTERNATIONAL
GROUP, INC., and BCI SERVICES LLC,

Defendants.

22 Civ. 7001 (ER)

**COMPLAINT-IN-INTERVENTION
OF THE UNITED STATES**

JURY TRIAL DEMANDED

The United States of America (the “United States” or the “Government”), by its attorney, Damian Williams, the United States Attorney for the Southern District of New York, files this Complaint-in-Intervention against Christos Spyropoulos, Ioannis Georgiades, Galatia Asprou, Aristotelis Spyropoulos, Iordanis Spyropoulos, Limani 51, LLC (“Limani 51”), Estiatorio Limani LLC (“Estiatorio Limani”), LML Hospitality LLC (“LML Hospitality”), Oniro Taverna LLC (“Oniro Taverna”), BC International Group, Inc. (“BC International”), and BCI Services LLC (“BCI Services,” and collectively with the other corporate entities, the “Corporate Defendants,” and collectively with all defendants, “Defendants”), and alleges as follows:

PRELIMINARY STATEMENT

1. This is a civil fraud action brought by the United States against Defendants to recover damages and civil penalties under the False Claims Act (“FCA”), 31 U.S.C. §§ 3729 *et seq.*, in connection with their submission of fraudulent Paycheck Protection Program (“PPP”) loan applications and loan forgiveness applications. The United States also seeks to recover damages under the common law for payment by mistake of fact and unjust enrichment.

2. The PPP was a federal loan program overseen by the Small Business Administration (“SBA”) to assist small businesses nationwide adversely impacted by the COVID-19 emergency. Under the PPP, eligible businesses could obtain SBA-guaranteed loans to spend on payroll costs, rent or mortgage expenses, and other specified business expenses.

3. Defendants Limani 51, Estiatorio Limani, LML Hospitality, and Oniro Taverna own and operate restaurants located in New York City, Roslyn, and Woodbury,

New York. Defendants BC International and BCI Services are companies headquartered in Totowa, New Jersey, which distribute, sell, service, and repair fur textiles and apparel. Defendants Christos Spyropoulos, Ioannis Georgiades, Galatia Asprou, Aristotelis Spyropoulos, and Iordanis Spyropoulos (collectively, “Individual Defendants”) manage and/or have ownership interests in one or more of the Corporate Defendants.

4. The Corporate Defendants together applied for and received six first-draw PPP loans and six second-draw PPP loans for a total of more than \$11.9 million, nearly all of which was fully forgiven. The Individual Defendants were involved in preparing the PPP loan and forgiveness applications and personally signed the applications on behalf of the Corporate Defendants.

5. The Corporate Defendants certified in their PPP loan applications, among other things, that any PPP funds would be used only for permissible costs under the PPP Rules and that the information provided in the applications and the supporting documents was true and accurate in all material respects. In their PPP loan forgiveness applications, the Corporate Defendants certified, among other things, that: the dollar amount for which forgiveness was requested was used to pay business costs that were eligible for forgiveness; they had accurately verified the payments for the payroll costs for which they were seeking forgiveness; and the information provided in the loan forgiveness applications and supporting documents was true and correct in all material respects.

6. Defendants made a number of false statements to inflate the amount of PPP funds they received. In particular, Defendants: (i) inflated payroll figures in their PPP loan and forgiveness applications by misrepresenting that certain family members and an acquaintance of the Individual Defendants were employed by the Corporate Defendants

when, in fact, they were not; (ii) inflated payroll figures in their PPP loan and forgiveness applications by misrepresenting that three Individual Defendants were full-time employees, when they were not; (iii) inflated payroll figures in their PPP loan and forgiveness applications by submitting incorrect full-time equivalent (“FTE”) employee calculations such that in some instances the same individual was listed as an employee of multiple Corporate Defendants and that individual’s wages was included in each of the Corporate Defendants’ PPP loan and forgiveness applications; and (iv) improperly sought loan forgiveness for payroll costs that exceeded the maximum allowed amount for certain owners and employees of the Corporate Defendants.

7. More specifically, in order to increase the PPP loans they received, Defendants falsely claimed in their PPP loan applications that six family members and an acquaintance of the Individual Defendants were employees of the Corporate Defendants’ businesses and sought PPP funds to cover those individuals’ purported salaries. However, in reality, these individuals were “no show” employees who never performed any work for the businesses and were just listed on the Corporate Defendants’ payrolls to inflate the PPP loan amounts. These “no show” employees improperly received PPP funds.

8. Defendants further inflated their PPP loans by stating that three Individual Defendants were “full time employees” of Defendant Limani 51 when, in fact, they were not.

9. In addition, Defendants likewise inflated their PPP loans by misrepresenting that certain employees worked full-time jobs for multiple Corporate Defendants, when in truth those employees only worked for one entity. Defendants falsely claimed that these employees had two or more full-time jobs and included their full salaries when calculating

the PPP loan amounts for multiple Corporate Defendants. In other words, Defendants “double counted” wages to fraudulently secure larger PPP loans.

10. Finally, Defendants misrepresented in their loan forgiveness applications that they were entitled to forgiveness for wages paid to employees and owners of the Corporate Defendants (including certain Individual Defendants) that exceeded the maximum amount permitted under the PPP Rules.

11. By engaging in the above-referenced conduct, Defendants violated the FCA by knowingly presenting and making, or causing to be presented and made, false claims and statements to the SBA and the lenders acting on the SBA’s behalf and improperly obtained millions of dollars in PPP funds.

JURISDICTION AND VENUE

12. This Court has subject matter jurisdiction over the Government’s FCA claims pursuant to 31 U.S.C. § 3730(a) and 28 U.S.C §§ 1331, 1345, and over the common law claims pursuant to 28 U.S.C. § 1345.

13. This Court may exercise personal jurisdiction over Defendants pursuant to 31 U.S.C. § 3732(a), which provides for nationwide service of process.

14. Venue is proper in this District under 31 U.S.C. § 3732(a) and 28 U.S.C. § 1391(b) because at least one of the Defendants is located and transacts business in this District.

THE PARTIES

15. Plaintiff is the United States of America and is suing on its own behalf and on behalf of the SBA, which, among other things, administers the PPP.

16. Limani 51 is a company headquartered in New York, New York, that operates

a restaurant under the name “Limani NYC.”

17. Estiatorio Limani is a company headquartered in Roslyn, New York, that operates a restaurant under the name “Limani Mezze.”

18. LML Hospitality is a company headquartered in Roslyn, New York, that operates a restaurant under the name “Prime 1024.”

19. Oniro Taverna is a company headquartered in Woodbury, New York, that operates a restaurant under the name “Limani Taverna.”

20. BC International is a company headquartered in Totowa, New Jersey, that manufactures and distributes fur textiles and apparel to retail stores across the United States.

21. BCI Services is a company headquartered in Totowa, New Jersey, that services and repairs fur textiles and apparel.

22. The Individual Defendants managed and/or had ownership interests in one or more of the Corporate Defendants. Christos Spyropoulos and Ioannis Georgiades are residents of Old Brookville, New York; Galatia Asprou is a resident of Glenwood Landing, New York; Aristotelis Spyropoulos is a resident of Syosset, New York; and Iordanis Spyropoulos is a resident of Woodbury, New York.

23. Relator George Saites (“Relator”) was employed by Defendants Limani 51 and Estratorio Limani as a manager during the relevant period. On or about August 11, 2022, Relator filed a complaint under the *qui tam* provisions of the FCA against, among others, certain of the Defendants alleging, *inter alia*, that they violated the FCA by submitting PPP loan applications with material misstatements that the loan funds would be used only for authorized purposes and then misappropriated the PPP funds by falsely

inflating payroll expenses through the creation of “no show” salaried, managerial jobs for various family members and an acquaintance of the Individual Defendants.

RELEVANT BACKGROUND

I. THE PAYCHECK PROTECTION PROGRAM

24. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) (Pub. L. 116-136) became law and provided emergency assistance and health care response for individuals, families, and businesses affected by the coronavirus pandemic. SBA received funding and authority through the CARES Act to modify existing loan programs and establish a new loan program to assist small businesses nationwide adversely impacted by the COVID-19 emergency.

25. The CARES Act authorized loans to eligible small businesses struggling to pay employees and other business expenses as a result of the devastating effect of the COVID-19 pandemic.

26. Section 1102 of the CARES Act temporarily permitted the SBA to guarantee 100 percent of 7(a) loans under a new program titled the “Paycheck Protection Program.”¹

27. On April 24, 2020, the Paycheck Protection Program and Health Care Enhancement Act (Pub. L. 116-139) became law and provided additional funding and authority for the PPP. On June 5, 2020, the Paycheck Protection Program Flexibility Act of 2020 (Pub. L. 116-142) became law and modified certain provisions of the PPP, including provisions relating to the maturity of PPP loans, the deferral of PPP loan payments, and the forgiveness of PPP loans.

¹ The 7(a) Loan Program is SBA’s primary business loan program for providing financial assistance to small businesses. *See* SBA, *7(a) loans*, <https://www.sba.gov/funding-programs/loans/7a-loans> (last accessed June 14, 2024). The program “provides loan guaranties to lenders that allow them to provide financial help for small businesses with special requirements.” *Id.*

28. Under the PPP, businesses were required to spend loan proceeds on payroll costs, rent or mortgage expenses, or other specified business expenses.

29. The SBA delegated authority to third-party lenders to underwrite and approve the PPP loans. In order to obtain a PPP loan, a qualifying business (through its authorized representative) was required to sign and submit a PPP loan application online through the lender's application platform.

30. The PPP loan application required the business (through its authorized representative) to acknowledge the PPP Rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan.

31. For example, applicants for PPP loans were required to certify in their PPP applications, among other things, that:

a. "All SBA loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rule";

b. "The funds will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule";

c. "[I]f the funds are knowingly used for unauthorized purposes, the federal government may hold [the Applicant] legally liable, such as for charges of fraud";

d. "The Applicant will provide to the Lender documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of" eligible expenses; and

e. “[T]he information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects.”

32. Once the borrower submitted its PPP loan application to a lender, the participating lender processed the PPP loan application. If a PPP loan application was approved by the participating lender, it thereafter funded the PPP loan using its own monies, which were 100% guaranteed by the SBA.

33. Qualifying borrowers who exhausted the entirety of their first PPP loan on authorized uses were permitted to apply for a second-draw PPP loan. Like first-draw PPP loans, second-draw loans were calculated based on the applicant’s average monthly payroll costs. As part of their second-draw applications, applicants were required to make the PPP Loan Certifications set forth in ¶¶ 30–31.

34. Pursuant to the CARES Act, the amount of PPP funds a business was eligible to receive for both first- and second-draw loans was determined by the number of employees employed by the business and their average payroll costs. Any employee salary in excess of \$100,000 annually was excluded from the calculation. Businesses applying for a PPP loan had to provide documentation to confirm that they had in the past paid employees the compensation represented in the loan application.

35. After the lender processed and approved a borrower’s PPP loan application, the lender submitted to the SBA the “Lender’s Application - Paycheck Protection Program Loan Guaranty” applying for a guarantee on the loan. In that application, the lender certified that the borrower had made the required certifications regarding its eligibility. Therefore, if a borrower made misrepresentations on its PPP loan application, the borrower’s false

certifications caused the lender to submit a loan guarantee application to the SBA that contained the borrower's false statement.

36. The SBA provided for forgiveness of first- and second-draw PPP loans. In order to receive forgiveness, borrowers were required to submit signed loan forgiveness applications and documents containing the information and certifications in SBA Form 3508, 3508EZ, or a third-party lender equivalent. In their loan forgiveness applications, borrowers needed to certify and document, *inter alia*, their payroll costs and expenditures that would qualify for forgiveness without exceeding the \$100,000 per year cap applicable to ordinary employees (calculated pro rata, *i.e.*, \$8,333.33 per month) and the \$20,833 total cap applicable to owner-employees. In addition, the PPP loan forgiveness application required the business (through its authorized representative) to make certain other certifications in order to be eligible to obtain forgiveness for a PPP loan.

37. For example, applicants for PPP loan forgiveness were required to certify in their PPP loan forgiveness applications, among other things, that:

- a. "The dollar amount for which forgiveness is requested . . . was used to pay business costs that are eligible for forgiveness";
- b. "The dollar amount for which forgiveness is requested . . . for any owner-employee (with an ownership stake of 5% or more) or self-employed individual/general partner, does not exceed 2.5 months' worth of compensation received during the year used to calculate the PPP loan amount, capped at \$20,833 per individual in total across all businesses" (the "PPP Owner Compensation Rule");
- c. "[I]f the funds were knowingly used for unauthorized purposes, the

federal government may pursue recovery of loan amounts and/or civil or criminal fraud charges”;

d. “The Borrower has accurately verified the payments for the eligible payroll and nonpayroll costs for which the Borrower is requesting forgiveness”;

e. “The information provided in this application and the information provided in all supporting documents and forms is true and correct in all material respects”; and

f. For each individual employee, the total amount of compensation eligible for forgiveness could not exceed a prorated annual salary of \$100,000 (the “PPP Employee Compensation Rule”).

II. THE FALSE CLAIMS ACT

38. The FCA establishes treble damages liability to the United States for an individual who, or entity that, “knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval,” 31 U.S.C. § 3729(a)(1)(A); or “knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim,” *id.* § 3729(a)(1)(B).

39. “Knowingly” is defined to include actual knowledge, reckless disregard, and deliberate ignorance. *Id.* § 3729(b)(1). No proof of specific intent to defraud is required. *Id.*

40. In addition to treble damages, the FCA also provides for assessment of a civil penalty for each violation or each false claim.

FACTUAL ALLEGATIONS

41. Defendants’ PPP loan applications and loan forgiveness applications were materially false in four ways, each independently violative of the FCA. Defendants

inflated their PPP loan amounts and the amounts forgiven by: (1) falsely claiming that six family members of the Individual Defendants and one acquaintance of the Individual Defendants were bona fide employees of entities applying for PPP loans when, in fact, they were not; (2) falsely claiming that three Individual Defendants were full-time employees employed by Limani 51 when, in fact, they were not; (3) falsely claiming that individuals were full-time employees of multiple loan recipients and including their full salaries in the calculation of the loan and forgiveness amounts for each of those companies; and (4) seeking forgiveness for wages paid to owners of the Corporate Defendants and certain employees that exceeded the maximum amount permitted, in violation of the PPP Owner Compensation Rule and the PPP Employee Compensation Rule. Defendants engaged in this deceptive and unlawful conduct despite certifying in both their loan applications and loan forgiveness applications that their applications were true, accurate, and in compliance with PPP Rules.

42. Had the lenders known of Defendants' misrepresentations, the lenders would not have approved the PPP loan amounts requested. In addition, had the SBA known of Defendants' misrepresentations, the SBA would not have forgiven the full amount of these PPP loans. Thus, as a result of Defendants' fraud, Defendants obtained millions of dollars in PPP funds to which they were not entitled.

I. Limani 51

43. On April 10, 2020, Limani 51 submitted a first-draw PPP loan application to Valley National Bank seeking a PPP loan of \$859,772.00. Ioannis Georgiades signed Limani 51's first-draw PPP loan application as Limani 51's authorized representative. Limani 51 thereafter received a \$859,772.00 first-draw PPP loan from Valley National Bank, which was guaranteed by the SBA.

44. On January 20, 2021, Limani 51 submitted a second-draw PPP loan application to Alma Bank seeking a PPP loan of \$1,185,758.98. Ioannis Georgiades signed Limani 51's second-draw PPP loan application as Limani 51's authorized representative. Limani 51 thereafter received a \$1,185,758.98 second-draw PPP loan from Alma Bank, which was guaranteed by the SBA.

45. On July 8, 2021, Limani 51 submitted a PPP loan forgiveness application to Valley National Bank seeking forgiveness for the entirety of Limani 51's first-draw PPP loan. Galatia Asprou signed the loan forgiveness application as Limani 51's authorized representative. The SBA forgave the entirety of Limani 51's first-draw PPP loan.

46. On February 9, 2022, Limani 51 submitted a second-draw PPP loan forgiveness application to Alma Bank seeking forgiveness for the entirety of Limani 51's second-draw PPP loan. Ioannis Georgiades signed Limani 51's second-draw PPP loan forgiveness application as Limani 51's authorized representative. The SBA forgave the entirety of Limani 51's second-draw PPP loan.

47. Limani 51 knowingly made misrepresentations in its PPP loan applications and forgiveness applications that resulted in its receiving PPP loan funds in excess of what it was entitled to receive.

48. In its first-draw PPP loan forgiveness application, second-draw PPP loan application, and second-draw PPP loan forgiveness application, Limani 51 inflated its payroll and employee headcounts by including wages attributable to six family members and one acquaintance of the Individual Defendants in the calculation of the PPP loan and PPP loan forgiveness amounts, even though such individuals were "no show" employees

who never performed any work for Limani 51.

49. Moreover, in its first-draw PPP loan forgiveness application, second-draw PPP loan application, and second-draw PPP loan forgiveness application, Limani 51 misrepresented and inflated its payroll and employee headcounts by stating that Galatia Asprou, Aristotelis Spyropoulos, and Iordanis Spyropoulos were “full time employees” of the entity when they were not.

50. Finally, in its first-draw and second-draw PPP loan applications and its first-draw and second-draw PPP loan forgiveness applications, Limani 51 listed an individual as a “full time employee” and included his full salary in the calculation of the PPP loan amounts and forgiveness amounts. However, Estiatorio Limani, Oniro Taverna, and Prime 1024 also listed the same individual as a “full time employee” in the PPP loan applications they submitted and also included his full salary in the calculation of each of their PPP loan amounts and forgiveness amounts.

II. Estiatorio Limani

51. On May 1, 2020, Estiatorio Limani submitted a first-draw PPP loan application to Investor’s Bank seeking a PPP loan of \$731,124.00. Ioannis Georgiades signed Estiatorio Limani’s first-draw PPP loan application as Estiatorio Limani’s authorized representative. Estiatorio Limani thereafter received a \$731,124.00 first-draw PPP loan from Investor’s Bank, which was guaranteed by the SBA.

52. On February 6, 2021, Estiatorio Limani submitted a second-draw PPP loan application to Northeast Bank seeking a PPP loan of \$1,023,571.00. Ioannis Georgiades signed Estiatorio Limani’s second-draw PPP loan application as Estiatorio Limani’s authorized representative. Estiatorio Limani thereafter received a \$1,023,571.00 second-draw PPP loan from Northeast Bank, which was guaranteed by the SBA.

53. On June 29, 2021, Estiatorio Limani submitted a first-draw PPP loan forgiveness application to Investor's Bank seeking forgiveness for the entirety of Estiatorio Limani's first-draw PPP loan. Ioannis Georgiades signed Estiatorio Limani's first-draw PPP loan forgiveness application as Estiatorio Limani's authorized representative. The SBA forgave the entirety of Estiatorio Limani's first-draw PPP loan.

54. On January 10, 2022, Estiatorio Limani submitted a second-draw PPP loan forgiveness application to Northeast Bank seeking forgiveness for the entirety of Estiatorio Limani's second-draw PPP loan. Ioannis Georgiades signed Estiatorio Limani's second-draw PPP loan forgiveness application as Estiatorio Limani's authorized representative. The SBA forgave the entirety of Estiatorio Limani's second-draw PPP loan.

55. Estiatorio Limani knowingly made misrepresentations in its PPP loan applications and forgiveness applications that resulted in its receiving PPP loan funds in excess of what it was entitled to receive.

56. In its second-draw PPP loan application and second-draw PPP loan forgiveness application, Estiatorio Limani inflated its payroll and employee headcount by including wages attributable to an acquaintance of the Individual Defendants in the calculation of the PPP loan and PPP loan forgiveness amounts, even though that individual was a "no show" employee who never performed any work for Estiatorio Limani.

57. In addition, in its first-draw and second-draw PPP loan applications, as well as its first-draw and second-draw PPP loan forgiveness applications, Estiatorio Limani listed an individual as a "full time employee" and included his full salary in the

calculation of the PPP loan amounts and forgiveness amounts. However, Limani 51, Oniro Taverna, and Prime 1024 also listed the same individual as a “full time employee” in the PPP loan applications they submitted and also included his full salary in the calculation of each of their PPP loan amounts and forgiveness amounts.

III. Oniro Taverna

58. On April 7, 2020, Oniro Taverna submitted a first-draw PPP loan application to JPMorgan Chase Bank, N.A. seeking a PPP loan of \$329,497.00. Galatia Asprou signed Oniro Taverna’s first-draw PPP loan application as Oniro Taverna’s authorized representative. Oniro Taverna thereafter received a \$329,497.00 first-draw PPP loan from JPMorgan Chase Bank, N.A., which was guaranteed by the SBA.

59. On or about January 28, 2021, Oniro Taverna submitted a second-draw PPP loan application to Alma Bank seeking a PPP loan of \$461,296.67. Oniro Taverna thereafter received a \$461,296.67 second-draw PPP loan from Alma Bank, which was guaranteed by the SBA.

60. On June 25, 2021, Oniro Taverna submitted a first-draw PPP loan forgiveness application to JPMorgan Chase Bank, N.A. seeking forgiveness for the entirety of Oniro Taverna’s first-draw PPP loan. Galatia Asprou signed Oniro Taverna’s first-draw PPP loan forgiveness application as Oniro Taverna’s authorized representative. The SBA forgave the entirety of Oniro Taverna’s first-draw PPP loan.

61. On January 26, 2022, Oniro Taverna submitted a second-draw PPP loan forgiveness application to Alma Bank seeking forgiveness for the entirety of Oniro Taverna’s second-draw PPP loan. Christos Spyropoulos signed Oniro Taverna’s second-draw PPP loan forgiveness application as Oniro Taverna’s authorized representative. The SBA forgave the entirety of Oniro Taverna’s second-draw PPP loan.

62. Oniro Taverna knowingly made misrepresentations in its PPP loan applications and forgiveness applications that resulted in its receiving PPP loan funds in excess of what it was entitled to receive.

63. In its second-draw PPP loan application and second-draw PPP loan forgiveness application, Oniro Taverna inflated its payroll and employee headcount by including wages attributable to an acquaintance of the Individual Defendants in the calculation of the PPP loan and PPP loan forgiveness amounts, even though the acquaintance was a “no show” employee who never undertook any work for Oniro Taverna and therefore was ineligible for consideration.

64. In addition, in its first-draw PPP loan and forgiveness applications, Oniro Taverna listed an individual as a “full time employee” and included his full salary in the calculation of the PPP loan amount and forgiveness amount. However, Prime 1024 also listed the same individual as a “full time employee” in the PPP loan application it submitted and also included his full salary in the calculation of its PPP loan amount and forgiveness amount.

IV. Prime 1024

65. On April 13, 2020, Prime 1024 submitted a first-draw PPP loan application to Alma Bank seeking a PPP loan of \$396,084.62. Prime 1024 thereafter received a \$396,084.62 first-draw PPP loan from Alma Bank, which was guaranteed by the SBA.

66. On January 20, 2021, Prime 1024 submitted a second-draw PPP loan application to Alma Bank seeking a PPP loan of \$554,518.47. Christos Spyropoulos signed Prime 1024’s second-draw PPP loan application as Prime 1024’s authorized representative. Prime 1024 thereafter received a \$554,518.47 second-draw PPP loan from Alma Bank, which was guaranteed by the SBA.

67. On July 19, 2021, Prime 1024 submitted a first-draw PPP loan forgiveness application to Alma Bank seeking forgiveness for the entirety of Prime 1024's first-draw PPP loan. Christos Spyropoulos signed Prime 1024's first-draw PPP loan forgiveness application as Prime 1024's authorized representative. The SBA forgave the entirety of Prime 1024's first-draw PPP loan.

68. On January 26, 2022, Prime 1024 submitted a second-draw PPP loan forgiveness application to Alma Bank seeking forgiveness for the entirety of Prime 1024's second-draw PPP loan. Christos Spyropoulos signed Prime 1024's second-draw PPP loan forgiveness application as Prime 1024's authorized representative. The SBA forgave the entirety of Prime 1024's second-draw PPP loan.

69. Prime 1024 knowingly made misrepresentations in its PPP loan applications and forgiveness applications that resulted in its receiving PPP loan funds in excess of what it was entitled to receive.

70. In its second-draw PPP loan application and second-draw PPP loan forgiveness application, Prime 1024 inflated its payroll and employee headcount by including wages attributable to an acquaintance of the Individual Defendants in the calculation of the PPP loan and PPP loan forgiveness amounts, even though the acquaintance was a "no show" employee who never performed any work for Oniro Taverna.

71. In its first-drawn PPP loan and forgiveness applications, and second-draw PPP loan and forgiveness applications, Prime 1024 listed an individual as a "full time employee" and included his full salary in the calculation of the PPP loan amount and forgiveness amount. However, Estiatorio Limani, Limani 51, and Oniro Taverna also

listed this individual as a “full time employee” in the PPP loan applications they submitted and also included his full salary in the calculation of their PPP loan amounts and forgiveness amounts.

V. BC International and BCI Services

72. On or about April 2024, BC International submitted a first-draw PPP loan application to Webster Bank, N.A. seeking a PPP loan of \$3,637,632.00. Christos Spyropoulos signed BC International’s first-draw PPP loan application as BC International’s authorized representative. BC International thereafter received a \$3,637,632.00 first-draw PPP loan from Webster Bank, N.A., which was guaranteed by the SBA.

73. On February 1, 2021, BC International submitted a second-draw PPP loan application to Alma Bank seeking a PPP loan of \$1,999,990.00. Christos Spyropoulos signed BC International’s second-draw PPP loan application as BC International’s authorized representative. BC International thereafter received a \$1,999,990.00 second-draw PPP loan from Alma Bank, which was guaranteed by the SBA.

74. On June 30, 2021, BC International submitted a first-draw PPP loan forgiveness application to Webster Bank, N.A. seeking forgiveness for the entirety of BC International’s first-draw PPP loan. Christos Spyropoulos signed BC International’s first-draw PPP loan forgiveness application as BC International’s authorized representative. The SBA forgave the entirety of BC International’s first-draw PPP loan.

75. On January 31, 2022, BC International submitted a second-draw PPP loan forgiveness application to Alma Bank seeking forgiveness for the entirety of BC International’s second-draw PPP loan. Christos Spyropoulos signed BC International’s second-draw PPP loan forgiveness application as BC International’s authorized

representative. The SBA forgave the entirety of BC International's second-draw PPP loan.

76. On April 4, 2020, BCI Services submitted a first-draw PPP loan application to Valley National Bank seeking a PPP loan of \$373,647.00. Aristotelis Spyropoulos signed BCI Services' first-draw PPP loan application as BCI Services' authorized representative. BCI Services thereafter received a \$373,647.00 first-draw PPP loan from Valley National Bank, which was guaranteed by the SBA.

77. On March 24, 2021, BCI Services submitted a second-draw PPP loan application to Valley National Bank seeking a PPP loan of \$373,647.00. Iordanis Spyropoulos signed BCI Services' second-draw PPP loan application as BCI Services' authorized representative. BCI Services thereafter received a \$373,647.00 second-draw PPP loan from Valley National Bank, which was guaranteed by the SBA.

78. Thereafter, BCI Services submitted a first-draw PPP loan forgiveness application to Valley National Bank seeking forgiveness for the majority of BCI Services' first-draw PPP loan. The SBA forgave the amount of BCI Services' first-draw PPP loan for which BCI Services sought forgiveness.

79. On February 2, 2022, BCI Services submitted a second-draw PPP loan forgiveness application to Valley National Bank seeking forgiveness for the entirety of BCI Services' second-draw PPP loan. Iordanis Spyropoulos signed BCI Services' second-draw PPP loan forgiveness application as BCI Services' authorized representative. The SBA forgave the entirety of BCI Services' second-draw PPP loan.

80. BC International and BCI Services knowingly made misrepresentations in their PPP loan applications and forgiveness applications that resulted in their receiving

PPP loan funds in excess of what they were entitled to receive.

81. In their first-draw and second-draw PPP loan applications, BC International and BCI Services listed the same individuals as “full time employees” of both companies even though they were not “full time employees” at either company. Both companies also included the full salaries of these employees in their forgiveness applications.

82. In addition, BC International and BCI Services misrepresented in their first-draw and second-draw PPP loan forgiveness applications that they were entitled to forgiveness for wages paid to their owners and certain employees that exceeded the maximum amount permitted under the PPP Owner Compensation Rule and the PPP Employee Compensation Rule.

FIRST CLAIM

Violations of the False Claims Act: Presenting False or Fraudulent Claims (31 U.S.C. § 3729(a)(1)(A))

83. The Government incorporates by reference each of the preceding paragraphs as if fully set forth herein.

84. Through the acts set forth above, Defendants knowingly presented, or caused to be presented, false or fraudulent claims for payment or approval, in violation of the FCA, 31 U.S.C. § 3729(a)(1)(A). Specifically, Defendants requested, received, and obtained forgiveness for PPP loans in excess of the amount that were entitled to by making material misrepresentations in PPP loan applications and PPP loan forgiveness applications.

85. Defendants presented or caused to be presented these claims with actual knowledge of their falsity, or in deliberate ignorance or reckless disregard of whether or not they were false.

86. By reason of these false or fraudulent claims, the Government has been

damaged in a substantial amount to be determined at trial, and is entitled to recover treble damages plus a civil monetary penalty for each false claim.

SECOND CLAIM
**Violations of the False Claims Act: Use of False
Statements (31 U.S.C. § 3729(a)(1)(B))**

87. The Government incorporates by reference each of the preceding paragraphs as if fully set forth herein.

88. Through the acts set forth above, Defendants made and used, or caused to be made and used, false records and statements material to the payment of false or fraudulent claims by the SBA in violation of 31 U.S.C. § 3729(a)(1)(B). These false records and statements included the misrepresentations in the PPP loan applications and PPP loan forgiveness applications and the false certifications in these applications.

89. Defendants made, used, or caused to be made and used, these false records and statements with actual knowledge of their falsity, or in deliberate ignorance or reckless disregard of whether or not they were false.

90. By reason of the false records or statements, the Government has been damaged in a substantial amount to be determined at trial, and is entitled to recover treble damages plus a civil monetary penalty for each violation.

THIRD CLAIM
Payment by Mistake of Fact

91. The Government incorporates by reference each of the preceding paragraphs as if fully set forth herein.

92. The Government seeks relief against Defendants to recover monies paid under mistake of fact.

93. The lenders acting on behalf of the SBA and the United States made

payments based on the mistaken and erroneous belief that the PPP loan applications included accurate information and complied with PPP Rules. The PPP loans were also forgiven based on the mistaken and erroneous belief that the PPP loan forgiveness applications included accurate information and complied with PPP Rules.

94. By reason of the foregoing, the Government has sustained damages in a substantial amount to be determined at trial.

FOURTH CLAIM
Unjust Enrichment

95. The Government incorporates by reference each of the preceding paragraphs as if fully set forth herein.

96. Through the acts set forth above, Defendants received PPP funds to which they were not entitled and therefore were unjustly enriched. The circumstances are such that, in equity and good conscience, Defendants should not retain those payments, the amount of which is to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, the Government respectfully requests that judgment be entered in its favor against Defendants as follows:

(a) On the First and Second Claims (FCA violations), for a sum equal to treble damages and civil penalties to the maximum amount allowed by law;

(b) On the Third and Fourth Claims (Payment by Mistake of Fact and Unjust Enrichment), a sum equal to the damages to the extent allowed by law; and

(c) Granting the Government costs and such further relief as the Court may deem proper.

Dated: New York, New York
June 14, 2024

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