



How the PRAC Fights Fraud

The Pandemic Response Accountability Committee (PRAC) was created to serve the American public by promoting transparency and facilitating coordinated oversight of the federal COVID-19 pandemic response. The PRAC Fraud Task Force brings together agents from Offices of Inspectors General (OIG) to investigate fraud in pandemic relief programs, such as the COVID-19 Economic Injury Disaster Loan (COVID-19 EIDL) program, the Paycheck Protection Program (PPP), and pandemic unemployment insurance (UI) programs.

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The PRAC Fraud Task Force and many of our law enforcement partners are boosted by the PRAC’s innovative Pandemic Analytics Center of Excellence (PACE), which uses advanced analytic tools incorporating multiple pandemic program data sources to uncover suspicious network activity and identify anomalies that may indicate potential fraud. As of January 2024, the PACE has provided investigative support to more than 45 federal law enforcement and Inspector General partners on over **709 pandemic-related investigations** with nearly **8,050 subjects** and **an estimated fraud loss of \$1.87 billion**.



Current public PRAC Task Force cases

Total potential fraud	Programs defrauded	Scheme details and DOJ press release link	Highlights
<div><div>\$53M</div><div>Texas</div></div>	PPP	<p>In the largest PRAC Fraud Task Force investigation to date, 14 people were charged with defrauding the PPP of more than \$53M. They allegedly falsified information and provided doctored documents in their applications. PACE analytics helped support case development.</p> <p>Press Release</p>	<div>14</div> <div>Individuals</div> <div></div>
<div><div>\$1M</div><div>New York</div></div>	PPP/ COVID-19 EIDL	<p>Two individuals were sentenced to 34 years combined for using stolen identities, sham tax records, and corporate documents to apply for more than \$10M in PPP and COVID-19 EIDL funds, of which they secured more than \$1M. The pair submitted a total of 14 fraudulent loan applications.</p> <p>Press Release</p>	<div>34</div> <div>Years combined</div> <div></div>
<div><div>\$7M</div><div>Virginia</div></div>	PPP/ COVID-19 EIDL	<p>Two individuals were sentenced to five years and one year, respectively, for their roles in a fraud scheme in which they falsified payroll records and created fake IRS tax documents and revenue for multiple companies to obtain more than \$7M in PPP and COVID-19 EIDL relief funds. As part of the scheme, approximately \$620K was transferred from one conspirator to the other.</p> <p>Press Release</p>	<div>\$620K</div> <div>Transferred</div> <div></div>
<div><div>\$3.1M</div><div>California</div></div>	PPP	<p>An individual was charged with submitting at least seven fraudulent PPP loan applications, seeking over \$5M in relief funds, for his four LLC companies, which were allegedly shell companies. He ultimately obtained over \$3.1M in relief funds.</p> <p>Press Release</p>	<div>4</div> <div>LLC Shell Companies</div> <div></div>
<div><div>\$1.6M</div><div>Maryland</div></div>	PPP/ COVID-19 EIDL	<p>An individual faces an 18-count indictment for allegedly making false statements about her businesses, including falsifying employee and revenue totals to apply for relief funds. She allegedly submitted at least six fraudulent applications each for PPP and COVID-19 EIDL funds, and she used the funds for personal expenses such as plastic surgery, home renovations, and other family expenses.</p> <p>Press Release</p>	<div>18</div> <div>Count Indictment</div> <div></div>
<div><div>\$1.1M</div><div>Louisiana</div></div>	PPP	<p>An individual pleaded guilty for her role in a scheme involving at least 110 PPP loan applications that all contained the same invoices and federal tax forms with the same business name and amounts. The defendant recruited several individuals into the scheme and submitted the paperwork to secure the funding while taking kickbacks after the funds were delivered.</p> <p>Press Release</p>	<div>110</div> <div>PPP Loan Applications</div> <div></div>



PRAC Fraud Task Force cases continued

Total potential fraud	Programs defrauded	Scheme details and DOJ press release link	Highlights
<div><div>\$12.4M</div><div>Missouri</div></div>	PPP/UI	<p>A bank manager pleaded guilty to unemployment insurance fraud and for assisting and facilitating fraudulent PPP applications for a business owner for \$12.4M, in exchange for kickbacks including Kansas City Chiefs playoff tickets.</p> <p>Press Release</p>	<div>110</div> <div>Kickbacks Including Playoff Tickets</div> <div></div>
<div><div>\$350K</div><div>Virginia</div></div>	PPP	<p>A business owner agreed to pay \$350,000 to settle a case in which he, with the help of a co-conspirator, fraudulently obtained seven PPP loans by allegedly inflating business income and payroll records for his four businesses.</p> <p>Press Release</p>	<div>4</div> <div>Businesses Inflated</div> <div></div>
<div><div>\$1M</div><div>Oklahoma</div></div>	PPP	<p>Six individuals were charged with allegedly creating fake businesses and identities to fraudulently acquire nearly \$1M in PPP loans.</p> <p>Press Release</p>	<div>6</div> <div>Individuals & Fake Businesses</div> <div></div>
<div><div>\$2.8M</div><div>Ohio</div></div>	PPP	<p>Two individuals were charged in a \$2.8M pandemic relief scheme where they allegedly falsely claimed affiliation with a pizza chain employing 98 individuals.</p> <p>Press Release</p>	<div>1</div> <div>Pizza Chain</div> <div></div>
<div><div>\$451K</div><div>West VA</div></div>	PPP/ COVID-19 EIDL	<p>An individual pleaded guilty to stealing over \$451,000 in PPP and COVID-19 EIDL funds, of which he used over \$47,000 on his personal mortgage.</p> <p>Press Release</p>	<div>\$47K</div> <div>Personal Mortgage</div> <div></div>
<div><div>\$74K</div><div>Florida</div></div>	COVID-19 EIDL	<p>An individual pleaded guilty to fraudulently obtaining \$74,000 through the COVID-19 EIDL program, for a business he did not own, while he was in federal custody.</p> <p>Press Release</p>	<div>1</div> <div>Loan while in Federal Custody</div> <div></div>

Disclaimer: An indictment is a formal accusation of a serious crime. However, all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

For more information:

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