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Department of Justice

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District of Oregon

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Portland Man Pleads Guilty to Bank Fraud After Stealing Covid-Relief Funds

PORTLAND, Ore.—A Portland man pleaded guilty today for perpetrating a scheme to steal funds intended to help small businesses during the COVID-19 pandemic.

Benjamin Tifekchian, 47, pleaded guilty to bank fraud.

According to court documents, in May 2019, Tifekchian incorporated Bencho Jewelry Inc. (Bencho) in the State of Oregon and served as the company's sole owner and officer. Bencho never had any employees and never generated more than \$500 in revenue in any calendar year.

After Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020 to provide emergency financial assistance to millions of Americans suffering the economic effects caused by the COVID-19 pandemic, Tifekchian devised and perpetrated a scheme to defraud the Small Business Administration (SBA) by fraudulently applying for CARES Act-authorized Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) loans on behalf of Bencho.

In EIDL applications submitted to SBA in April and August 2020, Tifekchian falsely claimed Bencho had generated as much as \$758,000 in revenue, had been operating for 20 years, and employed 12 people. SBA denied both applications. In June 2020, Tifekchian successfully obtained more than \$884,000 in PPP funding after falsely claiming Bencho employed 78 people and had an average monthly payroll of \$353,698. SBA guaranteed the loan and paid Bank of America, the FDIC-insured loan issuer, more than \$26,000 in fees.

Tifekchian used the PPP loan to pay for gambling, vacations, and other personal expenses. Suspecting fraud, Bank of America froze the loan funds, but only after Tifekchian had spent more than \$68,000.

On July 13, 2021, a federal grand jury in Portland returned a two-count indictment charging Tifekchian with bank fraud and wire fraud.

Tifekchian faces a maximum sentence of 30 years in prison, a \$1 million fine and five years' supervised release. With his continued acceptance of responsibility, the government will recommend Tifekchian be

sentenced to at least 21 months in prison. Tifekchian will be sentenced on April 18, 2022, before U.S. District Court Judge Karin J. Immergut.

As part of the plea agreement, Tifekchian has agreed to pay \$910,773.35 in restitution, including \$26,527 to SBA.

U.S. Attorney Scott Erik Asphaug of the District of Oregon made the announcement.

This case was investigated by the U.S. Treasury Inspector General for Tax Administration (TIGTA), the SBA Office of Inspector General, and the FBI. Assistant U.S. Attorney Ryan W. Bounds is prosecuting the case.

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

Topic(s):

Coronavirus

Financial Fraud

Component(s):

USAO - Oregon

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