

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of South Carolina

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Blythewood Woman Sentenced to Two Years for Fraud Relating to \$1.2 in Coronavirus Funds

Approximately \$860,000 Recovered in First CARES ACT Case to be Sentenced in the District of South Carolina

COLUMBIA, SOUTH CAROLINA — United States Attorney Corey F. Ellis announced today that Bridgett Dorsey, 39, of Blythewood, was sentenced to two years in federal prison after pleading guilty to engaging in more than \$1.2 million in fraud related to the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act, and to committing tax fraud. The sentence is the first handed down in the District of South Carolina for a case involving CARES Act fraud.

“The Defendant in this case not only stole from the federal government and engaged in tax fraud, but she prevented funds from reaching the hands of those who needed it the most. That this occurred during a pandemic makes her crimes particularly egregious,” said U.S. Attorney Ellis. “This case highlights the Department of Justice’s commitment to prosecuting those who illegally take advantage of COVID-19 to line their own pockets. Fortunately, the quick and capable work of our federal partners permitted the recovery of a substantial amount of stolen funds.”

“It is always a shame to see the rampant abuse of programs designed to help ordinary people struggling through the pandemic,” said Brian Thomas Assistant Special Agent in Charge, Internal Revenue Service (IRS) Criminal Investigation, Charlotte Field Office. “The IRS will continue to thoroughly investigate and vigorously target those who exploit the pandemic to commit tax fraud, and this case speaks to those efforts.”

“The Treasury Inspector General for Tax Administration aggressively pursues those who attempt to defraud the American public by fraudulently obtaining taxpayer-funded loans through the Coronavirus, Aid, Relief, and Economic Security Act Paycheck Protection Program which is designed to assist legitimate business owners during the pandemic,” said J. Russell George, Treasury Inspector General for Tax Administration (TIGTA). “We will continue to work with our law enforcement partners and the U.S. Attorney’s Office to ensure this criminal activity is held to account.”

The CARES Act is a federal law enacted in March 2020 designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the Coronavirus. Two primary sources of relief provided by the CARES Act were the Paycheck Protection Program (“PPP”) and the

Economic Injury Disaster Loan ("EIDL") program. PPP loans consisted of more than \$640 billion in forgivable loans to small businesses for payroll, mortgage interest, rent, and utilities. The EIDL program provided low-interest loans to business owners to pay for items like accounts payable and other bills that could not be paid as a result of COVID-19.

Evidence presented to the court showed that from April 2020 through August 2020, Dorsey fraudulently applied for and received \$1,253,460.35 by way of seven EIDL and two PPP loans, along with two EIDL cash advances, on behalf of seven businesses for which she was the alleged owner. Each of the applications Dorsey submitted contained materially false information, including overstating the businesses' revenues, inflating the number of employees, or providing addresses where businesses did not exist. In some cases, Dorsey created and submitted false documentation or created businesses for the sole purpose of obtaining the loans.

During their investigation into Dorsey's Coronavirus-related fraud, agents with the IRS and TIGTA discovered Dorsey had also been engaged in fraudulent tax return preparation through one of her businesses, Virtual Financial Services. Specifically, Dorsey prepared multiple tax returns on behalf of others and claimed deductions she knew were false.

The quick work of IRS and TIGTA enabled the agencies to seize more than \$500,000 of stolen funds that were in bank accounts controlled by Dorsey, and another account with approximately \$130,000 was frozen. These funds will be applied toward the restitution Dorsey owes in the case. Additionally, Dorsey paid approximately \$184,000 in restitution before sentencing.

Senior United States District Judge Cameron McGowan Currie sentenced Dorsey to 24 months in federal prison, to be followed by a three-year term of court-ordered supervision. There is no parole in the federal system. The court also ordered her to pay more than \$1 million in restitution stemming from her CARES Act-related fraud, in addition to \$13,865 in restitution to the IRS as a result of her tax fraud.

The case was investigated by the IRS and TIGTA. Assistant United States Attorney Derek Shoemake, who also serves as the Office's Coronavirus Fraud Coordinator, prosecuted the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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Topic(s):

Coronavirus

Financial Fraud

Tax

Component(s):

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