



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Monday, January 31, 2022

Somerset County Woman Charged with \$1 Million Paycheck Protection Program and Economic Injury Disaster Loan Fraud Scheme

NEWARK, N.J. – A Somerset County, New Jersey, woman was charged for her role in fraudulently obtaining over \$1 million in federal Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL), U.S. Attorney Philip R. Sellinger announced today.

Nivah Garcis, 51, of North Plainfield, New Jersey, is charged by complaint with one count of bank fraud and one count of money laundering. She made her initial appearance by videoconference today before U.S. Magistrate Judge Edward S. Kiel and was released on \$100,000 unsecured bond.

According to documents filed in this case and statements made in court:

Garcis submitted two fraudulent PPP loan applications to a lender on behalf of two purported businesses and three fraudulent EIDL loan applications to the Small Business Administration (SBA) on behalf of three purported businesses.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was 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 PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1 percent. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

The applications Garcis submitted each allegedly contained fraudulent representations to the lender – a Federal Home Loan Bank member – and the SBA, including bogus federal tax documents purportedly from

the IRS. Garcis also fabricated the existence of employees and wages paid through the purported businesses. According to IRS records, however, none of the purported tax documents that Garcis submitted in support of her loan applications were ever in fact filed with the IRS. Based on Garcis's alleged misrepresentations, her loan applications for her purported businesses were approved for approximately \$1.05 million in federal COVID-19 emergency relief funds meant for distressed small businesses. Garcis then used the proceeds for various personal expenses, including a BMW SUV.

The count of bank fraud carries a maximum penalty of 30 years in prison and a \$1 million fine. The count of money laundering carries a maximum potential penalty of 10 years in prison and a maximum fine of \$250,000 or twice the gross gain to the defendant or gross loss to the victim, whichever is greatest.

U.S. Attorney Sellinger credited special agents of the Social Security Administration, Office of the Inspector General, under the direction of Special Agent in Charge Sharon MacDermott; special agents of IRS – Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez; special agents of the U.S. Attorney's Office for the District of New Jersey, under the direction of Special Agent in Charge Thomas Mahoney; postal inspectors of the U.S. Postal Inspection Service, under the direction of Acting Inspector in Charge Raimundo Marrero; special agents of the Federal Housing Finance Agency, Office of Inspector General, under the direction of Special Agent in Charge Robert Manchak; special agents of the Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau, Office of Inspector General, under the direction of Acting Special Agent in Charge Stephen Donnelly; special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, under the direction of Special Agent in Charge Patricia Tarasca in New York; and special agents of the Department of Homeland Security, Homeland Security Investigations, under the direction of Jason J. Molina in Newark, with the investigation leading to the charges.

The government is represented by Assistant U.S. Attorneys Katherine M. Romano and David E. Dauenheimer of the U.S. Attorney's Office's Government Fraud Unit in Newark.

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 charges and allegations contained in the complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Attachment(s):

[Download Garcis.Complaint.pdf](#)

Topic(s):

Coronavirus

Component(s):

[USAO - New Jersey](#)

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