

THE UNITED STATES ATTORNEY'S OFFICE  
NORTHERN DISTRICT *of* TEXAS

[U.S. Attorneys](#) » [Northern District of Texas](#) » [News](#)

**Department of Justice**

U.S. Attorney's Office

Northern District of Texas

FOR IMMEDIATE RELEASE

Tuesday, October 19, 2021

## **Liberian National Pleads Guilty to \$23 Million COVID-19 Relief Fraud**

A Liberian national who orchestrated a fraudulent scheme to secure more than \$23 million in forgivable Paycheck Protection Program (PPP) loans pleaded guilty today to a federal financial crime, announced Acting U.S. Attorney for the Northern District of Texas Chad E. Meacham.

Steven Jalloul, a 43-year-old tax consultant from the Dallas area, was first charged via criminal complaint in September 2020 and indicted later that month. He pleaded guilty on Tuesday to a superseding information charging him with one count of engaging in monetary transactions using property derived from unlawful activity.

"The Paycheck Protection Program was designed to help hardworking businesspeople keep their companies afloat during the pandemic – not to line the pockets of unscrupulous accountants," said Acting U.S. Attorney Chad Meacham. "The Justice Department will prosecute anyone who attempts to exploit pandemic-era financial programs. There are countless businesses ravaged by COVID-19 that deserved this money; Mr. Jalloul did not."

According to plea papers, Mr. Jalloul admitted he defrauded lenders participating in the [Paycheck Protection Program](#) — a measure authorized by Congress in the early days of the pandemic to award forgivable loans to small business impacted by COVID-19 — while awaiting sentencing in a separate tax fraud case.

In court documents, he admitted that he submitted roughly 170 falsified PPP loan applications to lenders (including through a fintech company) seeking more than \$23 million on behalf of over 160 clients of his tax preparation business, Royalty Tax & Financial Services LLC.

Mr. Jalloul admitted he inflated clients' employee rosters and monthly payroll expenses in order to increase the amount of PPP funds for which their businesses would be eligible. He generally charged clients a 2 to 20 percent commission on the PPP loans they received and even listed his ex-wife as Royalty Tax's authorized representative, without her consent, when seeking an inflated PPP loan for his own business.

In total, 97 false PPP loan applications were ultimately approved, and Mr. Jalloul's clients were awarded more than \$12 million in PPP money. Those clients paid him at least \$972,114 in fees.

Mr. Jalloul now faces up to 10 years in federal prison for the PPP fraud. His sentencing date has not yet been set.

He is already behind bars at FCI-Seagoville, having pleaded guilty to tax fraud in the separate case in January 2020; in that case, he was sentenced to six years in federal prison.

The Dallas Field Offices of the Federal Deposit Insurance Corporation, Office of Inspector General, and the Internal Revenue Service, Criminal Investigation conducted the investigation. Assistant U.S. Attorneys Fabio Leonardi and Marty Basu are prosecuting the case. Assistant U.S. Attorney Dimitri Rocha is handling the asset-forfeiture component of the case.

The Paycheck Protection Program was authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a federal law enacted on March 29, 2020, to provide emergency financial assistance to Americans suffering economic hardship due to the COVID-19 pandemic. The PPP initially provided for up to \$349 billion in forgivable loans to small businesses for payroll costs and certain other expenses, including rent; in April 2020, Congress authorized more than \$300 billion in additional PPP funding. The PPP allows qualifying small businesses to receive loans with a maturity of two years and an interest rate of 1 percent. In addition, the PPP allows both the interest and principal on the loans to be forgiven if the business spends the money on qualifying expenses within a designated period of time.

---

**Topic(s):**

Coronavirus

Financial Fraud

**Component(s):**

USAO - Texas, Northern

**Contact:**

Erin Dooley

Press Affairs

214-659-8707

erin.dooley@usdoj.gov

Updated October 19, 2021