



THE UNITED STATES

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Northern Virginia Company Settles False Claims Act Allegations of Improper Paycheck Protection Program Loan

Zen Solutions Inc., a Virginia-based company, has agreed to pay approximately \$31,000 in damages and civil penalties to settle allegations that it violated the False Claims Act by obtaining more than one Paycheck Protection Program (PPP) loan in 2020. Zen Solutions also agreed to repay the duplicative PPP loan in full to its lender, relieving the U.S. Small Business Administration (SBA) of liability to the lender for the federal guaranty of approximately \$192,000 on the improper loan.

“PPP loans were intended to provide critical relief to small businesses so that they could pay employees and maintain operations,” said Acting Assistant Attorney General Brian M. Boynton of the Justice Department’s Civil Division. “The department is committed to pursuing those who knowingly violated the requirements of the PPP or other COVID-19 assistance programs and obtained relief funds to which they were not entitled.”

“PPP funds were set aside by Congress to aid Americans in desperate need as a result of the global pandemic,” said U.S. Attorney Jessica D. Aber for the Eastern District of Virginia. “Abusing these funds prevents them from going to those truly in need and wastes public funding at the expense of the American taxpayers. As a result, pursuing PPP loan fraud is a high priority for our office.”

“The continual commitment of the Office of Inspector General (OIG) is to shield SBA funds intended to support the nation’s robust small business community,” said Special Agent in Charge Amaleka McCall-Brathwaite of SBA OIG. “OIG remains committed to rooting out bad actors and protecting the integrity of SBA programs. I want to thank the U.S. Department of Justice and our law enforcement partners for their dedication and pursuit of justice.”

Congress created the PPP in March 2020, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to provide emergency financial support to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. The CARES Act authorized billions of dollars in forgivable loans to small businesses struggling to pay employees and other business expenses. Throughout 2020, PPP loan applicants were required to certify that they would not receive more than one PPP loan prior to Dec. 31, 2020. This settlement resolves allegations that Zen Solutions applied for and received a second, duplicative PPP loan in 2020.

Zen Solutions provides staffing services in the fields of information technology, data analytics, cyber security and litigation support. The settlement with Zen Solutions resolved a lawsuit filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and share in a portion of the government’s recovery. The civil lawsuit was filed by J. Bryan Quesenberry. As part of this resolution, he will receive a share of the recovery.

The resolution obtained in this matter was the result of a coordinated effort between the Civil Division’s Commercial Litigation Branch, Fraud Section, and the U.S. Attorney’s Office for the Eastern District of Virginia, with assistance from the SBA’s Office of General Counsel and Office of the Inspector General.

This matter was handled by Trial Attorney Jared S. Wiesner of the Civil Division and Assistant U.S. Attorneys Kristin Starr and William Hochul of the Eastern District of Virginia.

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>.

Tips and complaints from all sources about potential fraud affecting COVID-19 government relief programs can be reported by visiting the webpage of the Civil Division's Fraud Section, which can be found [here](#). Anyone with information about allegations of attempted fraud involving COVID-19 can also 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>.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Attachment(s):

[Download Zen Solutions settlement agreement.pdf](#)

Topic(s):

Coronavirus

False Claims Act

Component(s):

[Civil Division](#)

[USAO - Virginia, Eastern](#)

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