



THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* MARYLAND

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Department of Justice

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Wednesday, February 16, 2022

Twin Brothers Facing Federal Charges for Allegedly Obtaining Over \$1 Million in Covid-19 Loans and Unemployment Insurance Benefits

One of the Defendants Allegedly Used Illegally Obtained Funds to Purchase and Exchange Crypto Currency

Greenbelt, Maryland – A federal criminal complaint has been filed charging Jerry Phillips, age 24, of Temple Hills, Maryland, for the federal charges of wire fraud and aggravated identity theft; and Jaleel Phillips, age 24, of Temple Hills, Maryland, for wire fraud, in relation to an alleged scheme to unlawfully obtain COVID-19 relief loans and unemployment benefits.

Jerry and Jaleel Phillips made their initial appearances today at 1:30 p.m. and 2:30 p.m.; respectively, in U.S. District Court in Greenbelt before U.S. Magistrate Judge Charles B. Day.

The criminal complaint was announced by United States Attorney for the District of Maryland Erek L. Barron; Acting Special Agent in Charge Quenton Sallows, of the Mid-Atlantic Region, Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG); Acting Special Agent in Charge Troy W. Springer, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General; and Special Agent in Charge Darrell J. Waldon of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office.

According to the criminal complaint, IP addresses linked to Jaleel and Jerry Phillips were used to submit fraudulent Paycheck Protection Program loan applications (PPP), Economic Injury Disaster loan applications (EIDL), and unemployment insurance claims resulting in \$1 million in received funds.

As stated in the affidavit in support of the criminal complaint, the Phillips brothers allegedly created fictitious aliases, used the personal identifying information of real people, and used out of business or fake corporate entities to apply for EIDL and PPP loans, and unemployment benefits.

Further, the complaint alleges that the brothers created several financial and email accounts under aliases, including "Kenneth Williams," "Allen Gator," and "Jamal Hopkins." The aliases were supported by fake Maryland driver's licenses, social security numbers, and birth dates. The complaint further alleges that after receiving the fraudulently obtained funds, the defendants used the funds to purchase a 2020 Camaro,

furniture, home improvement items and services, and made many other purchases. Significant funds were also transferred between the various financial accounts established in the aliases' names. Additionally, the criminal complaint alleges that the defendants used several fraudulent Maryland driver's licenses to create multiple accounts in popular digital currency exchange platforms.

If convicted, Jerry Phillips and Jaleel Phillips face a maximum sentence of 20 years in federal prison for wire fraud. Jerry Phillips faces an additional two years in federal prison consecutive to any other sentence imposed for aggravated identity theft. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

A criminal complaint is not a finding of guilt. An individual charged by criminal complaint is presumed innocent unless and until proven guilty at some later criminal proceedings.

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>.

United States Attorney Erik L. Barron commended the DOL-OIG, SBA-OIG, IRS-CI, FDIC-OIG, and the Mississippi Attorney General's Office for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorney Harry M. Gruber, who is prosecuting the federal case. He also thanked the Office of Mississippi Attorney General Lynn Fitch-Public Integrity Division, for its assistance.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, please visit www.justice.gov/usao-md and <https://www.justice.gov/usao-md/report-fraud>.

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Topic(s):

Coronavirus

Disaster Fraud

Component(s):

USAO - Maryland

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