

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Thursday, March 17, 2022

Stoughton Man Arrested for \$400,000 COVID-Relief Fraud

BOSTON – A Stoughton man was arrested and charged today in connection with allegedly filing a fraudulent loan application in order to obtain over \$400,000 in Paycheck Protection Program (PPP) loan funds.

Adley Bernadin, 44, was charged with one count of wire fraud. Bernadin was released on conditions following an initial appearance in federal court in Boston before U.S. District Court Magistrate Judge Marianne B. Bowler this morning.

According to the criminal complaint, in May 2020, Bernadin submitted a fraudulent application on behalf of a purported home health care company for a PPP loan of over \$400,000. It is alleged that in the application, which he submitted through a Small Business Administration approved lender, Bernadin misrepresented information about the purported home health care company's employees and payroll expenses and falsified a tax form in an effort to qualify the business for the PPP loan. For example, Bernadin allegedly reported that the purported home health care business had a monthly payroll of \$175,200, however, records do not support this representation.

After receiving the PPP funds, Bernadin allegedly used the money to make home mortgage payments and to write checks to individuals with whom he is believed to have a personal relationship.

The CARES Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain approved expenses, through the PPP.

The charge of wire fraud provides for a sentence of up to 20 years in prison, three years of supervised release and a fine of \$250,000, or twice the gross gain or loss from the scheme, whichever is greater. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

United States Attorney Rachael S. Rollins and William A. Kalb, Special Agent in Charge of the U.S. Treasury Inspector General for Tax Administration, Northeast Field Division, made the announcement today. Assistant U.S. Attorney Benjamin A. Saltzman of Rollins' Securities, Financial & Cyber Fraud Unit is prosecuting 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>.

The details contained in the complaint are allegations. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

USAO - Massachusetts

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