

 An official website of the United States government
[Here's how you know](#)



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, June 11, 2021

Two Charged as Co-Conspirators for Nearly \$1 Million COVID-19 Relief Fraud Scheme and Money Laundering

A New York man and an Oklahoma woman were arrested Wednesday in Buffalo, New York and Altus, Oklahoma, respectively, on a criminal complaint filed in the Western District of New York charging them for their roles in fraudulently obtaining and laundering nearly \$1 million in funds from the COVID-19 relief Paycheck Protection Program (PPP).

According to court documents, from May 2020 through October 2020, Adam D. Arena, 44, of Buffalo, and Amanda J. Gloria, 44, of Altus, allegedly conspired to fraudulently obtain and misuse a nearly \$1 million PPP emergency relief loan through the U.S. Small Business Administration (SBA). Arena and Gloria allegedly submitted a false loan application to an SBA-approved participating lender on behalf of a defunct business owned by Arena called ADA Auto Group LLC. This loan application allegedly contained materially false representations and certifications about Arena's business and how the loan would be used. After fraudulently obtaining the loan, Arena and Gloria are alleged to have misused the loan proceeds on personal expenses the purchase of two cars.

Arena is charged with one count of conspiracy to commit bank fraud, one count of conspiracy to engage in monetary transactions with criminally derived proceeds, one substantive count of bank fraud, and three substantive counts of engaging in monetary transactions with criminally derived proceeds. Gloria is charged with one count of conspiracy to commit bank fraud, one count of conspiracy to engage in monetary transactions with criminally derived proceeds, one substantive count of bank fraud, and one substantive count of engaging in monetary transactions with criminally derived proceeds.

Arena made his initial court appearance Wednesday before U.S. Magistrate Judge Michael J. Roemer of the U.S. District Court for the Western District of New York. Gloria made her initial appearance today before U.S. Magistrate Judge Shon T. Erwin of the U.S. District Court for the Western District of Oklahoma. If convicted, Arena and Gloria each face a maximum penalty of 30 years in prison for each conspiracy and substantive count of bank fraud, and a maximum of 10 years in prison for each conspiracy and substantive count of engaging in monetary transactions with criminally derived proceeds. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department's Criminal Division; U.S. Attorney James P. Kennedy Jr. for the Western District of New York; Special Agent in Charge Stephen Bolognia of the FBI's Buffalo Field Office; and Acting Special Agent in Charge Thomas Fattorusso of the IRS Criminal Investigation (IRS-CI) Criminal Investigation Division made the announcement.

The FBI and IRS-CI are investigating the case.

Trial Attorney Cory E. Jacobs of the Criminal Division's Fraud Section and Assistant U.S. Attorney Laura A. Higgins of the U.S. Attorney's Office for the Western District of New York are prosecuting the case.

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 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 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%. 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 Fraud Section leads the Department of Justice's prosecution of fraud schemes that exploit the CARES Act. In the months since the CARES Act was passed, Fraud Section attorneys have prosecuted more than 100 defendants in more than 70 criminal cases. The Fraud Section has also seized more than \$65 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real-estate properties and luxury items purchased with such proceeds. More information can be found at: <https://www.justice.gov/criminal-fraud/cares-act-fraud>.

Anyone with general information about allegations of attempted fraud involving COVID-19 can report it by calling the Justice Department'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>.

A criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Attachment(s):

[Download Arena et al complaint](#)

Topic(s):

Coronavirus

Disaster Fraud

Financial Fraud

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - New York, Western](#)

Press Release Number:

21-553

Updated June 11, 2021