

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

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Department of Justice

U.S. Attorney's Office

Northern District of Ohio

FOR IMMEDIATE RELEASE

Friday, July 16, 2021

Chesterland Man Charged with COVID-19 Relief Fraud

Acting U.S. Attorney Bridget M. Brennan announced that a federal grand jury returned a four-count indictment charging Robert Bearden, 49, of Chesterland, Ohio, with three counts of wire fraud and one count of theft of government funds.

According to the indictment, in July of 2020, the Defendant allegedly devised a scheme to fraudulently obtain Economic Injury Disaster Loans (EIDL) guaranteed by the U.S. Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, including approximately \$60,000 in loans identified in the indictment.

The indictment states that the Defendant allegedly carried out the scheme in a number of ways including, submitting EIDL applications through the SBA's online application portal that contained false information about existing and non-existing businesses; submitting fraudulent EIDL applications in the name of third parties in return for a kickback of a portion of the funds received and by using the personal identifying information of persons interested in obtaining government pandemic assistance to submit loan applications on their behalf that ultimately went into accounts controlled by the Defendant.

Furthermore, the indictment identifies three fraudulent EIDL loans for a total of approximately \$60,000 that the Defendant applied for in July of 2020. After receiving a fraudulent loan in his own name, the Defendant recruited a purported third-party borrower only to use the third party's information to obtain a \$12,300 loan issued not to the third party's account but to the Defendant's own account. In another instance, the Defendant obtained a \$34,800 loan for another third party in exchange for a \$6,000 kickback.

An indictment is only a charge and is not evidence of guilt. A defendant is entitled to a fair trial in which it will be the government's burden to prove guilt beyond a reasonable doubt.

If convicted, the Defendant's sentence will be determined by the Court after review of factors unique to this case, including the Defendant's prior criminal record, if any, the Defendant's role in the offense, and the characteristics of the violation.

In all cases, the sentence will not exceed the statutory maximum, and in most cases, it will be less than the maximum.

This investigation was conducted by the FBI and the IRS – Criminal Investigations. This case is being prosecuted by Assistant U.S. Attorneys Elliot Morrison and Brian M. McDonough.

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 the 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>.

Topic(s):

Coronavirus
Disaster Fraud

Component(s):

[USAO - Ohio, Northern](#)

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