



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Eastern District of California

FOR IMMEDIATE RELEASE

Wednesday, April 21, 2021

Bakersfield Medical Practice Agrees to Resolve False Claims Act Allegations Involving Cares Act Paycheck Protection Program

SACRAMENTO, Calif. — Sandeep S. Walia, M.D., a Professional Medical Corporation (Walia PMC), and Sandeep S. Walia, M.D., the corporation's owner and president, have agreed to pay a combined \$70,000 in damages and penalties to resolve allegations that they knowingly made a false statement to obtain a loan under the Paycheck Protection Program (PPP) of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Acting U.S. Attorney Phillip A. Talbert announced today.

As part of the settlement, Walia PMC also agreed to repay the \$430,000 PPP loan that it obtained because of the false statement, with interest.

The CARES Act was enacted on March 29, 2020, 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, and in December 2020, Congress authorized nearly \$285 billion in additional PPP funding.

During the first round of the PPP, no eligible borrower was permitted to receive more than one PPP loan. The SBA determined this limitation was necessary to help ensure that as many eligible borrowers as possible could obtain a PPP loan. This helped advance Congress's goal of keeping workers employed and paid across the United States in 2020.

The settlement resolves allegations that Dr. Walia falsely certified to a PPP lender that his medical practice had not received a PPP loan after it had already received one for approximately \$280,000 from a different lender. As a result, Walia PMC obtained a second PPP loan for \$430,000, to which it was not entitled. Walia PMC did not seek forgiveness for the \$430,000 loan, but its false statement caused a false claim to be made to the SBA for processing fees. This settlement resolves allegations that Walia and Walia PMC's conduct violated the False Claims Act, which allows the government to recover damages and penalties for the presentation of false claims for payment to the United States. Walia and Walia PMC cooperated fully with the investigation.

"The second PPP loan should have been disbursed to another small business suffering financially during the COVID-19 pandemic," said Acting U.S. Attorney Talbert. "The Department of Justice and our partners at the

SBA will use all of the tools at our disposal, including civil fraud statutes, to recover funds for federal programs intended to help those in need during this national emergency.”

“It is unacceptable to fraudulently attempt to gain access to a program aimed at assisting small businesses that are struggling to survive for personal gain and profit,” said SBA OIG’s Western Region Special Agent in Charge Weston King. “OIG and its law enforcement partners will relentlessly pursue fraudsters and bring them to justice. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

Assistant U.S. Attorney Matthew R. Belz handled the case for the United States. The investigation was conducted with the U.S. Small Business Administration, Office of Inspector General.

Attachment(s):

[Download settlement_agreement.pdf](#)

Topic(s):

False Claims Act

Component(s):

[USAO - California, Eastern](#)

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