



THE UNITED STATES

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, September 1, 2020

Michigan Man Charged with COVID-Relief Fraud

A Michigan man was arrested today in connection with a wire fraud scheme involving \$3.1 million in Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division, U.S. Attorney Matthew Schneider of the Eastern District of Michigan, Special Agent in Charge Steven M. D'Antuono of the FBI's Detroit Field Office, and Inspector General Hannibal Mike Ware of the SBA's Office of the Inspector General (OIG) made the announcement.

Antonio George, 44, of Novi, Michigan, was charged with a criminal complaint, unsealed today, in the Eastern District of Michigan with one count of wire fraud. He made his initial appearance today before U.S. Magistrate Judge David R. Grand.

The complaint alleges that George was the nexus in an attempt to obtain approximately \$3.1 million in PPP loans through applications to insured financial institutions, and others, on behalf of 19 different companies. The complaint alleges that George provided false and misleading documents about certain of the companies' respective business operations and payroll expenses. As an example of such false documentation, the complaint alleges that George submitted identical wage information and employee count records for two separate companies. One of those companies has allegedly not been operational since 2015.

The CARES Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is 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 CARES Act also authorizes the SBA to provide Economic Injury Disaster Loans (EIDL) of up to \$2 million to eligible small businesses experiencing financial disruption due to the COVID-19 pandemic.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for payroll costs, interest on mortgages, rent and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

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.

This case was investigated by the FBI and the SBA-OIG. Trial Attorney Patrick J. Suter of the Criminal Division's Fraud Section and Assistant U.S. Attorney John K. Neal of the Eastern District of Michigan are prosecuting the case.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint

Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

Attachment(s):

[Download George Criminal Complaint](#)

Topic(s):

Coronavirus

Disaster Fraud

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - Michigan, Eastern](#)

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