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Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Wednesday, July 15, 2020

Winchester Man Charged with COVID-Relief Fraud

Owner of Information Technology Services Company Fraudulently Sought More than \$13 million in Small Business Administration Paycheck Protection Program Loans

BOSTON – A Winchester man was indicted yesterday in connection with allegedly filing fraudulent loan applications seeking more than \$13 million in forgivable loans guaranteed by the Small Business Administration (SBA) for COVID-19 relief through the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Elijah Majak Buoi, 38, was indicted on four counts of wire fraud and one count of making a false statement to a financial institution. Buoi was arrested and charged by criminal complaint in June 2020.

According to the indictment, Buoi is the president and CEO of an information technology services company, Sosuda Tech, LLC. Between April 2020 and June 2020, Buoi allegedly submitted fraudulent applications for over \$13 million in PPP loans through SBA-approved lenders. In these applications, Buoi misrepresented the number of employees and payroll expenses and falsely certified that the United States was the primary residence for his employees. Buoi also allegedly submitted falsified documentation in support of his applications for PPP funds. The indictment further alleges that Buoi ultimately received over \$2 million in PPP funds.

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 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 percent. 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 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.

The charge of wire fraud provides for a sentence of up to 20 years in prison, up to three years of supervised release and a fine of up to \$250,000 or twice the gross gain or loss from the offense. The charge of making

a false statement to a financial institution provides for a sentence of up to 30 years in prison, up to three years of supervised release and a fine of up to \$250,000 or twice the gross gain or loss from the offense. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Andrew E. Lelling; Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division; Joseph R. Bonavolonta, Special Agent in Charge of the Federal Bureau of Investigation, Boston Field Division; Kristina O'Connell, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; Inspector General Mark Bialek of the Board of Governors of the Federal Reserve System and the Consumer Protection Bureau, Office of Inspector General; Kevin Kupperbusch, Special Agent in Charge of the Small Business Association, Office of Inspector General, Eastern Regional Office; and Inspector General Jay N. Lerner of the Federal Deposit Insurance Corporation, Officer of Inspector General made the announcement today. Assistant U.S. Attorneys Mackenzie Queenin and Carol Head of Lelling's Office and Trial Attorney Della Sentilles of the Criminal Division's Fraud Section are prosecuting the case.

Massachusetts residents with information about attempted fraud involving COVID-19 should contact (add our hotline/email). Information about allegations of attempted fraud involving COVID-19 can also report it by calling the Department of Justice's National Center for Disaster Fraud (BCDF) hotline by phone (1-866-720-5721) or via an online reporting form available at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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

Topic(s):

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Component(s):

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