

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Central District of Illinois

FOR IMMEDIATE RELEASE

Monday, December 7, 2020

Two Central Illinois Men Indicted on Charges of Fraud Related to Small Business Administration COVID-19 Disaster Loan Program

SPRINGFIELD, Ill. – A grand jury has returned indictments in unrelated cases against two Central Illinois men, one from Springfield and the other from Beardstown, that allege fraud in connection with major disaster or emergency benefits available through the Small Business Administration.

The indictment against Charles J. Jones, 25, of the 500 block of N. 13th St., Springfield, Ill., alleges that in June 2020, Jones submitted an application for an Economic Injury Disaster Loan for a business, known as “Just Like Jilla,” which did not exist. The indictment alleges that Jones made false representations on the loan application including that the business had existed more than one year, that it employed 11 people, and, had gross revenues of \$1.2 million. In addition, Jones allegedly denied having been convicted of a felony within five years of when he completed the loan application. The SBA wired approximately \$160,000 in loan proceeds into Jones’ bank account. Jones is also charged with four counts of wire fraud.

A second indictment, against Peter Garrido-Baez, 44, of the 500 block of E. 3rd St., Beardstown, Ill., alleges that Garrido-Baez applied for and received two SBA Covid-19 related loans for “Garrido Apartments;” one for approximately \$26,000 and one for approximately \$72,500. After the loan proceeds were received, Garrido-Baez allegedly transferred \$72,500 into a different account at a local bank and then had \$79,800 wired from the local bank to a bank account in the Dominican Republic. The applicable loan agreement mandates that loan proceeds be solely used as working capital to alleviate economic injury caused by disaster and expressly prohibits using any portion of the loan proceeds to relocate outside the disaster area. Garrido-Baez allegedly wired the money to the Dominican Republic for construction and building apartment buildings in the Dominican Republic. Garrido-Baez is also charged with seven counts of wire fraud and one count of money laundering.

Each of the men has been issued a summons to appear on Jan. 5, 2021, for arraignment in federal court in Springfield. If convicted, the maximum statutory penalty for fraud in connection with major disaster or emergency benefits is up to 30 years in prison. The maximum penalties for both mail fraud and money laundering is up to 20 years in prison.

The charges were investigated by the Internal Revenue Service, Criminal Investigation Division as part of a Central Illinois Task Force directed at combatting COVID-19 related fraud. Other participating agencies in the task force include the Small Business Administration, Office of Inspector General; U.S. Secret Service;

Federal Deposit Insurance Corporation, Office of Inspector General; U.S. Postal Inspection Service; U.S. Department of Labor, Office of Inspector General; and, the Federal Bureau of Investigation. First Assistant U.S. Attorney Doug Quivey is representing the government in the case prosecutions.

Covid-19 disaster relief and enhanced unemployment benefits are intended to help people and businesses suffering as a result of the pandemic. If members of the public suspect anyone fraudulently obtained or misused benefits, they should contact the National Center for Disaster Fraud (NDCF) Hotline at 1-866-720-5721 or submit the NDCF Web Complaint Form. The NDCF is a national coordinating agency within the Department of Justice's Criminal Division dedicated to improving the detection, prevention, investigation, and prosecution of criminal conduct related to natural and man-made disasters and other emergencies, such as the coronavirus (COVID-19). Hotline staff will obtain information regarding complaints, which will then be reviewed by law enforcement officials. More information is available at <https://www.justice.gov/disaster-fraud>

Members of the public are reminded that an indictment is merely an accusation; each defendant is presumed innocent unless proven guilty.

Topic(s):

Coronavirus

Disaster Fraud

Financial Fraud

Component(s):

USAO - Illinois, Central

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