



THE UNITED STATES

## Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, December 17, 2020

### **North Carolina Restaurant Owner and Son Charged with COVID-Relief Fraud**

Two individuals were charged in an indictment that was unsealed today for their alleged participation in a scheme to obtain, through multiple fraudulent loan applications, more than \$1.7 million in COVID-19 relief guaranteed by the Small Business Administration through the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division and U.S. Attorney R. Andrew Murray of the Western District of North Carolina made the announcement.

Izzat Freitekh, 55, of Waxhaw, North Carolina, and his son Tarik Freitekh, also known as Tareq Freitekh, 33, whose last known residence was in Glendale, California, were each charged in an indictment filed in the Western District of North Carolina with one count of conspiracy to commit wire fraud and one count of bank fraud. In addition, Izzat Freitekh was charged with one count of false statements.

The indictment alleges that the defendants submitted and caused to be submitted fraudulent PPP loan applications on behalf of three sets of companies:

- Applications that included false and fraudulent IRS tax documentation submitted on behalf La Shish Kabob Restaurant located in Charlotte, and, separately, La Shish Catering.
- An application which included fraudulent IRS tax documents submitted on behalf of Green Apple Catering LLC (Green Apple), representing that Green Apple paid \$4.8 million to employees in 2019 despite evidence that the company did not exist until March 2020.
- An application that included false company payroll information and fraudulent IRS tax documents submitted on behalf of Aroma Packaging Systems.

The indictment further alleges that Izzat Freitekh made materially false statements to law enforcement agents that a company called "Kyber Capital" was responsible for submitting the PPP loan applications at issue.

The Department of Justice, working with law enforcement partners, seized and recovered approximately \$1.3 million of the disbursed PPP funds in the matter.

The CARES Act is a federal law enacted March 29, 2020. 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 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.

An indictment 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 U.S. Postal Inspection Service, IRS – Criminal Investigation, and Treasury Inspector General for Tax Administration. Trial Attorney Joshua N. DeBold of the Criminal Division’s Fraud Section and Deputy Criminal Chief Jenny Grus Sugar of the U.S. Attorney’s Office for the Western District of North Carolina 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](http://www.Justice.gov/Celebrating150Years).

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**Attachment(s):**

[Download Freitekh Indictment](#)

**Topic(s):**

Coronavirus

Disaster Fraud

**Component(s):**

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - North Carolina, Western](#)

**Press Release Number:**

20-1366

*Updated December 17, 2020*