



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Friday, January 8, 2021

Miami Nurse Charged with Defrauding Covid-19 Relief Programs

Miami, FL. – Federal prosecutors have charged a Miami nurse with fraud and other crimes in a criminal complaint that accuses him of lying on coronavirus relief loan applications and fraudulently obtaining close to half a million dollars in relief money intended to help small businesses survive disasters like the current pandemic.

The complaint affidavit alleges that Giraldo Caraballo, 55, falsely applied for and received approximately \$420,000 in a Paycheck Protection Program (PPP) loan from a bank on behalf of Professional Skills Inc., a company that he controlled. According to the affidavit, Caraballo falsely claimed on the PPP loan application that the company had 28 employees and an average monthly payroll of \$168,000. The affidavit also alleges that Caraballo applied for and received approximately \$55,000 in Economic Injury Disaster Loan (EIDL) relief. In his EIDL application, Caraballo falsely claimed that his company had four employees and a 12-month gross revenue of \$180,000. In fact, Caraballo's company had zero employees and no payroll expenses. Caraballo spent the relief money on personal expenses and transferred \$239,000 into a personal bank account, says the affidavit.

Caraballo made his initial appearance today before U.S. Magistrate Judge Jacqueline Becerra. His arraignment is scheduled for January 29, 2020, in federal magistrate court in Miami.

U.S. Attorney Ariana Fajardo Orshan of the Southern District of Florida and Special Agent in Charge George L. Piro of the FBI Miami Field Office made the announcement.

FBI investigated this case. Assistant U.S. Attorney Eli S. Rubin is prosecuting it. Assistant U.S. Attorney Nicole Grosnoff is handling asset forfeiture.

The Coronavirus Aid, Relief, and Economic Security (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. Since its enactment, Congress has authorized hundreds of billions of 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.

Another source of relief is funding for the EIDL program, which is administered by the U.S. Small Business Administration. The EIDL program provides low-interest financing to small businesses, renter, and homeowners in regions affected by declared disasters. The EIDL Advance is issued to affected employers based on the number of employees the applicant certifies having.

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>.

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.

You may find related court documents and information on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>, under case number 21-mj-02014.

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Topic(s):

Coronavirus

Component(s):

USAO - Florida, Southern

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