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Department of Justice

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Western District of North Carolina

FOR IMMEDIATE RELEASE

Monday, February 22, 2021

Charlotte Woman Who Allegedly Exploited The Coronavirus Pandemic To Obtain A Fraudulent Loan Appears In Federal Court

CHARLOTTE, N.C. – U.S. Attorney Andrew Murray announced that Jasmine Johnnae Clifton, 24, of Charlotte, appeared in court today on federal charges, for fraudulently obtaining a COVID-19 loan for almost \$150,000 from the U.S. Small Business Administration (SBA).

Matthew D. Line, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation Division, Charlotte Field Office (IRS-CI), and Tommy D. Coke, Inspector in Charge of the Atlanta Division of the U.S. Postal Inspection Service, which oversees Charlotte, join U.S. Attorney Murray in making today's announcement.

On Wednesday, February 17, 2021, a federal grand jury sitting in Charlotte indicted Clifton on charges of wire fraud in relation to a disaster benefit, and fraud in connection with major disaster or emergency benefits. According to allegations in the criminal bill of indictment, Clifton engaged in a scheme to defraud the SBA by obtaining an Economic Injury Disaster Loan (EIDL) based on false information.

The CARES Act is a federal law enacted March 29, 2020, and it is designed to provide emergency financial assistance to millions of Americans suffering the economic effects caused by the COVID-19 pandemic. The CARES Act established several new temporary programs and provided for the expansion of others, including the EIDL program, which is an SBA program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

The indictment alleges that Clifton created Jazzy Jas LLC, an online retail clothing sales business, in April 2019. On July 24, 2020, Clifton submitted a fraudulent loan application to the SBA for Jazzy Jas, despite the fact the company had been dissolved by Clifton several months prior. As a result of the fraudulent application, which included false information about revenues and a fraudulent tax document, Clifton obtained \$149,900 in disaster relief funds that were intended to be provided to an existing business harmed by the COVID-19 pandemic. On or about August 14, 2020, the EIDL funds were deposited directly into Clifton's bank account. Clifton allegedly used the government funds to make purchases at numerous retail stores, including at Nordstrom, Ikea, Neiman Marcus, Rooms To Go, Louis Vuitton, Best Buy and other retail shopping outlets. Clifton also made purchases at multiple diamond stores.

Clifton was released on bond following today's court appearance. The charge of wire fraud in relation to disaster benefit carries a maximum prison term of 30 years and a \$1,000,000 fine. The maximum penalty for fraud in connection with major disaster or emergency benefits is 30 years in prison and a \$250,000 fine.

The charges in the indictment are allegations. The defendant is presumed innocent unless and until proven guilty beyond reasonable doubt in a court of law.

In making today's announcement U.S. Attorney Murray thanked IRS-CI and USPIS for their investigation which led to the charges.

Assistant U.S. Attorney William Bozin, of the U.S. Attorney's Office in Charlotte, is prosecuting the case.

The Department of Justice and the U.S. Attorney's Office for the Western District of North Carolina remain vigilant in detecting, investigating, and prosecuting wrongdoing related to the COVID-19 pandemic. If you think you are a victim of coronavirus fraud or have information pertaining to fraud involving COVID-19, contact the National Center for Disaster Fraud Hotline at 866-720-5721 or submit a complaint online using the [NCDF Web Complaint Form](#). Members of the public in the Western District of North Carolina are also encouraged to call 704-344-6222 to reach their local Coronavirus Fraud Coordinator.

Topic(s):

Coronavirus

Component(s):

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