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Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Thursday, January 21, 2021

Worcester Couple Arrested on Stimulus Fraud Charges

BOSTON – A Worcester couple was arrested today and charged in connection with fraudulently applying for business loans under the CARES Act, and then spending the money on personal expenses.

Lucy Oworae, 56, and her husband, Richard Oworae, 59, were charged by criminal complaint with wire fraud and making false statements. They will make an initial appearance before U.S. Magistrate Judge David H. Hennessy this afternoon.

According to the charging documents, between late July 2020 and late August 2020, Lucy and Richard Oworae schemed to defraud the Small Business Administration (SBA) by submitting applications through SBA's website for at least three Economic Injury Disaster Loans (EIDL) totaling approximately \$194,700. The Oworaes fraudulently applied for EIDL loans, provided false statements on the loan applications and misappropriated the loan funds for their personal use.

The Oworaes allegedly created fictitious companies for the purpose of fraudulently applying for EIDL loans, and spent funds obtained from that fraud on unauthorized personal expenses and to make money transfers through a money-remitter business based in Tanzania to numerous individuals residing in Ghana.

EIDL funds are available to eligible individuals and businesses pursuant to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The provisions of the CARES Act allowed for the SBA to offer EIDL funding to business owners negatively affected by the COVID-19 pandemic. The provisions of the EIDL program require that loan proceeds only be used on certain permissible business expenses, which can include payment of fixed business debts, payroll, accounts payable, and other business-related expenses that could have been paid had the COVID-19 disaster not occurred.

The charge of wire fraud provides for a sentence of up to 20 years in prison, three years of supervised release and a fine of up to \$250,000. The charge of making false statements provides for a sentence of up to five years in prison, three years of supervised release and a fine of up to \$250,000. Sentences are imposed by a federal district court judge based on the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Andrew E. Lelling; Joseph W. Cronin, Inspector in Charge of the U.S. Postal Inspection Service; and Matthew Modafferi, Special Agent in Charge of the U.S. Postal Service Office of

Inspector General made the announcement today. Assistant U.S. Attorney Danial Bennett of Lelling's Worcester Branch Office is prosecuting the case.

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

Topic(s):

Financial Fraud

Component(s):

USAO - Massachusetts

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