



THE UNITED STATES ATTORNEY'S OFFICE
NORTHERN DISTRICT *of* ILLINOIS

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Department of Justice

U.S. Attorney's Office

Northern District of Illinois

FOR IMMEDIATE RELEASE

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Suburban Chicago Restaurateur Charged With COVID-Relief Fraud

CHICAGO – The owner of a restaurant in suburban Chicago has been indicted on a federal fraud charge for allegedly fraudulently obtaining more than \$175,000 in a forgivable Paycheck Protection Program loan guaranteed by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act.

MELISSA TURASKY, 43, of Lake in the Hills, Ill., was charged in an indictment returned Thursday in the Northern District of Illinois with one count of bank fraud and one count of making false statements to a financial institution. Arraignment in U.S. District Court in Chicago has not yet been scheduled.

The indictment was announced by John R. Lausch, Jr., United States Attorney for the Northern District of Illinois; and Christopher Diiorio, Special Agent-in-Charge of the U.S. Secret Service Chicago Field Office. The U.S. Small Business Administration participated in the investigation.

The government is represented by Assistant U.S. Attorney Alexandra Morgan.

“The Paycheck Protection Program was designed as a lifeline for small businesses struggling to survive the COVID-19 pandemic,” said U.S. Attorney Lausch. “Our office is committed to working with our law enforcement partners to root out abuse of the important relief programs established under the CARES Act.”

The CARES Act was enacted in March to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the PPP, which allows qualifying small businesses and other organizations to receive loans with a maturity of two years and a low interest rate of one percent. PPP loan proceeds must be used by businesses on 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 24 weeks of receipt and use at least 60% of the forgiven amount for payroll.

According to the indictment, Turasky owned Gifford's Bar and Restaurant, which did business as Gifford's Kitchen and Social, in Elgin, Ill. In early March, Gifford's was no longer operational and had been evicted from its restaurant rental space. By the end of March, all of Gifford's employees had been terminated, the indictment states.

Turasky applied for and obtained \$176,822 in PPP funds for Gifford's by submitting a fraudulent loan application to a bank, the indictment states. Turasky fraudulently provided figures approximating Gifford's monthly payroll and other business expenses, to make it falsely appear that Gifford's continued to have payroll and business operating expenses, the indictment states.

The public is reminded that an indictment is merely an accusation. The defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law. The bank fraud and false statement charges are each punishable by up to 30 years in federal prison. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory U.S. Sentencing Guidelines.

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>.

Attachment(s):

[Download Turasky indictment](#)

Topic(s):

Coronavirus
Consumer Protection
Financial Fraud

Component(s):

[USAO - Illinois, Northern](#)

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