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Department of Justice

U.S. Attorney's Office

Western District of Arkansas

FOR IMMEDIATE RELEASE

Wednesday, December 16, 2020

Three From Northwest Arkansas Plead Guilty To Making False Statements To Obtain Coronavirus Relief Funds

Fayetteville, Arkansas – David Clay Fowlkes, First Assistant United States Attorney for the Western District of Arkansas, announced that Melvin Stout, age 40, of Fayetteville, AR, pleaded guilty today to making a false statement on a loan application to obtain money through the Small Business Administration's Paycheck Protection Program (PPP). Earlier this month, Stout's wife, Tiffany Acuff, age 36, of Fayetteville, and sister, Valarie Watson, age 43, of Fayetteville, also pleaded to charges in connection with obtaining loans through the PPP, which is intended for businesses struggling through the coronavirus pandemic.

The program, which provides low-interest, forgivable loans for businesses who use the funds for essential business expenses, such as payroll, is part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March 2020.

According to the plea agreements in each case, Stout, Acuff, and Watson submitted PPP loan applications that falsely represented their ownership of small businesses, which they alleged were eligible for PPP funds. Stout, was approved and received \$9,400.00, Acuff, was approved and received \$20,800.00, while Watson, applied for \$20,800.00, but was declined. Along with the applications, the defendants submitted falsified tax documents and business receipts. None of the defendants owned the businesses listed in the applications.

Stout, Acuff, and Watson's sentencings will be determined by the court at a later date, following the U.S. Probation Office's completion of a presentence investigation. Based on their guilty pleas, the maximum penalties for each defendant include imprisonment for up to five years and a fine of up to \$250,000.

The case was investigated by IRS, the FBI, and the Treasury Inspector General for Tax Administration (TIGTA). Assistant United States Attorney Hunter Bridges is prosecuting the case for the United States.

Topic(s):

Coronavirus

Component(s):

USAO - Arkansas, Western

