



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

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FOR IMMEDIATE RELEASE

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Two Men Charged After Fraudulently Applying for Paycheck Protection Program Loans

Two men were charged this week after fraudulently applying for Paycheck Protection Program (PPP) forgivable loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, announced U.S. Attorney Trent Shores.

Rafael Maturino, 40, of Broken Arrow, was charged with bank fraud after executing a scheme to defraud First Bank of Owasso when applying for a PPP loan under false pretenses on April 28, 2020. Adam Winston James, 44, of Tulsa, was charged with aggravated identity theft after he executed a scheme to defraud Regent Bank when he applied for a PPP loan under false pretenses on May 6, 2020. The two men were charged separately but worked together to carry out their schemes.

"The Paycheck Protection Program was developed to ease the pain of COVID-19 economic restraints on working Americans," said U.S. Attorney Trent Shores. "It's shameful to see this type of criminal conduct amid a pandemic when so many of our fellow citizens are struggling. Rest assured, my team is committed to protecting these federal dollars from fraudsters."

According to court documents, Maturino applied for a PPP loan on behalf of a company he claimed to own and operate, Maturino Enterprises, Inc. Maturino submitted forms that misrepresented the company's payroll expenditures, amount of taxes paid, and the number of people employed. As a result of his alleged scheme, he received \$97,800 from the bank.

James is alleged to have applied for a PPP loan on behalf of a company he claimed to own and operate, Velocity Innovations LLC. As part of the application, James used the identification of at least seven other people without their knowledge, fraudulently claiming they were employees of Velocity Innovations LLC. James received \$125,900 from the bank as a result the scheme.

The CARES Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the Paycheck Protection Program (PPP). In April 2020, Congress authorized over \$300 billion in 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 1 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 a set period and use a certain percentage of the loan towards payroll expenses.

Alleged violations of federal law must be proven in a court of law beyond a reasonable doubt to overcome a defendant's presumption of innocence.

The Board of Governors of the Federal Reserve System and Bureau of Consumer Financial Protection Office of Inspector General; Small Business Administration Office of Inspector General; and FBI are the investigative agencies. Assistant U.S. Attorney Victor A.S. Régal is prosecuting the case.

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