



THE UNITED STATES

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, August 21, 2020

Minnesota Man Charged with COVID-Relief Fraud and Money Laundering

A Minnesota man was charged in an indictment unsealed today for allegedly fraudulently obtaining approximately \$841,000 from the Paycheck Protection Program (PPP).

Acting Assistant Attorney General Brian Rabbitt of the Justice Department's Criminal Division, U.S. Attorney Erica H. MacDonald of the District of Minnesota, Acting Special Agent in Charge Aubree M. Schwartz of the FBI's Minneapolis Field Office, Special Agent in Charge Kathy A. Enstrom of the IRS-Criminal Investigation (IRS-CI), Special Agent in Charge Justin R. Bundy of the FDIC's Office of the Inspector General (FDIC-OIG), and Acting Special Agent in Charge Brian Sullivan of the Small Business Administration Office of Inspector General (SBA-OIG), Central Region made the announcement.

Kyle William Brenizer, 32, of St. Paul, Minnesota, was charged in a criminal indictment in the District of Minnesota with wire fraud and money laundering. He made his initial appearance this afternoon before U.S. Magistrate Judge Becky R. Thorson of the District of Minnesota and remains in custody. He will appear for a detention hearing on Aug. 26.

The indictment alleges Brenizer was the owner and manager of True-Cut Construction LLC (True-Cut), a contracting and construction company located in Brooklyn Park, Minnesota. In August 2018, True-Cut and Brenizer were ordered by the Minnesota Department of Labor and Industry to cease and desist from doing business and in December 2019, True-Cut's contractor license expired and was never renewed.

Brenizer allegedly submitted a false and misleading PPP application in the name of True-Cut seeking approximately \$841,000, but the application was denied. On May 12, 2020, Brenizer again submitted a false and misleading PPP application in the name of True-Cut seeking approximately \$841,000 in PPP funds. This time, in order to conceal his involvement, Brenizer allegedly submitted the application under the name of another individual.

Brenizer falsely stated that True-Cut's average monthly payroll was over \$330,000 for approximately 30 employees. In addition, Brenizer falsely certified that he was not subject to any pending criminal charges even though he was allegedly named in multiple felony charges pending in the State of Minnesota for such charges as check forgery, identify theft, and theft by swindle. Due to these various misrepresentations and omissions, on May 13, 2020, Brenizer's second application was approved, and he received \$841,000 in PPP funds.

According to the allegations in the indictment, instead of using the PPP funds for permissible business expenses, Brenizer transferred approximately \$650,000 to a bank account unrelated to True-Cut and made a \$29,000 payment to purchase a Harley-Davidson motorcycle, spent over \$1,000 on golf expenses, among other retail and entertainment expenditures for his personal benefit.

The CARES Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the 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. Businesses must use PPP loan proceeds for 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 time period and use at least a certain percentage of the loan towards payroll expenses.

A federal criminal indictment is merely an accusation. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

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>.

The FBI, IRS-CI, FDIC-OIG and SBA-OIG investigated the case. Assistant Chief L. Rush Atkinson of the Department of Justice's Criminal Division's Fraud Section and Assistant U.S. Attorneys Matthew S. Ebert and Allison K. Ethen of the U.S. Attorney's Office for the District of Minnesota are prosecuting the case.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

Topic(s):

Coronavirus
Disaster Fraud

Component(s):

[Criminal Division](#)
[Criminal - Criminal Fraud Section](#)
[USAO - Minnesota](#)

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