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Georgia Woman Pleads Guilty to Bank Fraud For COVID-Relief Fraud Scheme

A Georgia woman pleaded guilty today in the Northern District of Georgia for perpetrating a scheme to fraudulently obtain more than \$7.9 million in Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

According to court documents, Hunter VanPelt, aka Ellen Corkrum, 49, of Roswell, submitted six fraudulent PPP loan applications to four different lenders on behalf of entities she owned or controlled, namely: Georgia Nephrology Physician Associated, United Healthcare Group & Co., Nephrology Network Group LLC, First Corporate International, Corkrum Consolidated Inc., and Kiwi International Inc. Through the six PPP loan applications, VanPelt fraudulently sought more than \$7.9 million in PPP loan funds, of which more than \$6 million was disbursed to accounts controlled by VanPelt.

VanPelt falsely represented the number of employees and payroll expenses in each of the six PPP loan applications. To support the fraudulent PPP loan applications, VanPelt submitted fraudulent tax records, bank statements, and payroll reports. VanPelt, who legally changed her name from Ellen Corkrum to Hunter VanPelt in July 2016, submitted three of the PPP loan applications using the VanPelt name and three additional PPP loan applications using the Corkrum name.

The Department of Justice, working with law enforcement partners, seized and recovered approximately \$2.1 million of the disbursed PPP funds in this matter. An additional \$1.6 million of the disbursed PPP funds were seized by a bank and returned to the lender.

“VanPelt brazenly exploited this devastating national emergency for personal gain, and she is now being held accountable for her fraudulent conduct,” said Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department’s Criminal Division. “PPP funds should be reserved for legitimate businesses and their hard-working employees who have suffered economically as a result of the pandemic. The Department of Justice is committed to ensuring that anyone who takes advantage of COVID-19 relief programs will be brought to justice.”

“The Paycheck Protection Program helps businesses keep their workforces employed during the COVID-19 crisis,” said Acting U.S. Attorney Kurt Erskine for the Northern District of Georgia. “When these funds are diverted by fraud, such as in this case, workers and the businesses that employ them unfortunately suffer.”

“The Paycheck Protection Program is key to survival for many small businesses during the COVID-19 crisis,” said Special Agent in Charge Chris Hacker of FBI Atlanta. “It is particularly disturbing that anyone would try to capitalize off a federal program at those businesses’ expense. The FBI will persist in its efforts to stop such fraud.”

“To support small and community banks, the Federal Home Loan banks can accept Paycheck Protection Program (PPP) loans as collateral when making loans to their members,” said Special Agent in Charge Edwin S. Bonano of the Federal Housing Finance Agency, Office of Inspector General. “The Office of Inspector General is proud to work with our partners in law enforcement to prevent, detect, and deter attempts to perpetrate fraud in the Federal Home Loan

Bank System and steal the assistance intended for small business owners and employees under this important part of the CARES Act.”

VanPelt pleaded guilty to bank fraud. She is scheduled to be sentenced on Jan. 4, 2022, and faces a maximum penalty of 30 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The FBI and FHFA-OIG are investigating the case.

Trial Attorney Chris Wenger of the National Rapid Response Strike Force of the Criminal Division’s Fraud Section and Assistant U.S. Attorney Christopher Huber, Deputy Chief of the Complex Frauds Section of the U.S. Attorney’s Office for the Northern District of Georgia, are prosecuting the case.

The Fraud Section leads the department’s prosecution of fraud schemes that exploit the PPP. In the months since the PPP began, Fraud Section attorneys have prosecuted more than 100 defendants in more than 70 criminal cases. The Fraud Section has also seized more than \$65 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at: <https://www.justice.gov/criminal-fraud/ppp-fraud>.

In May, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department’s response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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>.

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Coronavirus

Disaster Fraud

Component(s):

[Criminal Division](#)

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