

THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* PENNSYLVANIA

[U.S. Attorneys](#) » [Middle District of Pennsylvania](#) » [News](#)

Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Tuesday, August 31, 2021

Berwick Man Charged With Over \$400,000 In Covid-Relief Fraud

SCRANTON- The United States Attorney's Office for the Middle District of Pennsylvania announced today that Hayes D. Horner, Jr., age 67, of Berwick, Pennsylvania, was charged in a criminal information with perpetrating a wire fraud scheme to obtain and attempt to obtain over \$400,000 in COVID-19 relief guaranteed by the Small Business Administration through the Economic Injury Disaster Loan (EIDL) program.

The EIDL program is designed to help small businesses facing financial difficulties during the COVID-19 pandemic. Funded by the March 2020 CARES Act, EIDL funds are offered in low-interest rate loans, designated for specific business expenses, such as fixed debts, payroll, and business obligation.

According to Acting United States Attorney Bruce D. Brandler, the Information alleges that Horner aided his coconspirators in obtaining and attempting to obtain over \$400,000 in EIDL funds by opening two bank accounts that received EIDL funds obtained pursuant to fraudulent loan applications made in the names of other, unknowing individuals. Horner allegedly withdrew over \$58,000 in fraudulently obtained EIDL funds, and attempted unsuccessfully to wire approximately \$165,000 in fraudulently obtained EIDL funds to other accounts under his coconspirators' control. Investigators seized over \$100,000 in fraudulently obtained EIDL funds from a bank account under Horner's control.

The case was investigated by the Federal Bureau of Investigation. Assistant U.S. Attorney Phillip J. Caraballo is prosecuting the case.

On May 17, 2021, 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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Criminal Informations are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for this offense is 20 years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

###

Topic(s):

Coronavirus

Component(s):

USAO - Pennsylvania, Middle

Updated August 31, 2021