



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

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Owner of Jet Charter Company Settles False Claims Act Allegations Regarding Misappropriation of Paycheck Protection Program Loan

Seth A. Bernstein, the owner of jet charter company All in Jets LLC dba JetReady, located in Florida, has agreed to pay \$287,055 to settle allegations that he misappropriated Paycheck Protection Program (PPP) loan proceeds for his personal expenses. JetReady is a jet charter operator with its principal place of business in Fort Lauderdale, Florida.

The United States alleged that Bernstein, on behalf of JetReady, applied for and received a PPP loan totaling \$1,173,382 in April 2020. Within a day of receiving the loan proceeds, Bernstein allegedly diverted \$98,929 of the funds to pay for personal, non-company related expenses. JetReady has since filed for bankruptcy in the Southern District of New York.

“Paycheck Protection Program loans were intended to provide critical relief to small businesses so that they could retain employees and keep their doors open,” said Acting Assistant Attorney General Brian M. Boynton of the Justice Department’s Civil Division. “We will ensure that those who misused these taxpayer-funded loans and denied other eligible businesses access to such assistance are held accountable.”

“The Paycheck Protection Program was enacted over a year ago to help small businesses and their employees financially survive the COVID-19 pandemic,” said Acting U.S. Attorney Juan Antonio Gonzalez for the Southern District of Florida. “Since this and other programs under the CARES Act were initiated, our Office has prioritized investigating and bringing to justice those who illegally seek to benefit from the global health crisis and the programs put in place to help those in need.”

“The Paycheck Protection Program is intended to provide a lifeline to the nation’s small businesses and its employees” said Inspector General Hannibal “Mike” Ware of the SBA Office of Inspector General (OIG). “OIG will aggressively investigate allegations of wrongdoing in SBA’s pandemic response programs. I want to thank the Department of Justice for its dedication to achieving this settlement.”

“The result in this case is the product of enhanced efforts by federal agencies, such as the Small Business Administration working with Department of Justice and other federal law enforcement agencies, to detect Paycheck Protection Program abuses, pursue individuals and companies that engage in such abuses and protect the integrity of the PPP program,” said SBA General Counsel Peggy Delinois Hamilton.

Congress enacted the PPP on March 29, 2020, as part of the CARES Act, to provide emergency financial support to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. The CARES Act authorized billions in loans to small businesses struggling to pay employees and other business expenses. Under the PPP, eligible businesses could obtain loans guaranteed by the Small Business Administration (SBA). Businesses were required to spend loan proceeds for employee compensation, rent or mortgage, and other specified expenses and, depending on their use of the loan proceeds, could qualify for loan forgiveness, up to the full amount of the loan.

Today’s civil settlement includes the resolution of claims brought under the *qui tam* or whistleblower provisions of the False Claims Act by Victoria Hablitzel, a former JetReady employee. Under those provisions, a private party can file an

action on behalf of the United States and receive a portion of any recovery. Ms. Hablitzel will receive \$57,411. The case is captioned *U.S. ex rel. Hablitzel v. All in Jets, LLC and Seth A. Bernstein*, No. 20-cv-61410 (S.D. Fla.).

The resolution obtained in this matter was the result of a coordinated effort between the Civil Division's Commercial Litigation Branch, Fraud Section, and the U.S. Attorney's Office for the Southern District of Florida, with assistance from the SBA's Office of General Counsel and OIG.

This matter was handled by Trial Attorney Jonathan Gold of the Civil Division and Assistant U.S. Attorney James A. Weinkle of the Southern District of Florida.

On May 17, 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>.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Attachment(s):

[Download Bernstein Settlement Agreement.pdf](#)

Topic(s):

Disaster Fraud

False Claims Act

Component(s):

[Civil Division](#)

[USAO - Florida, Southern](#)

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