

PRESS RELEASE

California Man Charged with Federal Cares Act Fraud

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For Immediate Release

U.S. Attorney's Office, Eastern District of Louisiana
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NEW ORLEANS – U.S. Attorney Duane A. Evans announced that **NIPUN DESAI**, formerly of Hammond, La., but now a California resident, age 55, was charged on March 8, 2024, with making false statements related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

On March 27, 2020, the President of the United States signed into law the CARES Act, which provided emergency assistance, administered by the United States Small Business Administration (SBA), to small business owners affected by the Coronavirus (COVID-19) pandemic. The two primary sources of funding for small businesses were the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loans (EIDL) program.

According to the charging document, on or about April 2, 2021, **DESAI** made false statements to an approved lender regarding a closed hotel in order to obtain an SBA backed PPP loan for \$146,947.50. At the time of the loan application, **DESAI**'s hotel had no employees or payroll.

DESAI faces up to five years in prison for making the false statements, a fine of up to \$250,000, up to three years of supervised release, and the payment of a \$100 mandatory special assessment fee.

U.S. Attorney Evans reiterated that this is merely a charge and that the guilt of the defendant must be proven beyond a reasonable doubt.

For more information on the Department of Justice'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>.

As part of the Pandemic Response Accountability Committee (PRAC) Task Force, this investigation was conducted by U.S. Department of Veterans Affairs - Office of Inspector General. The PRAC was established to promote transparency and facilitate coordinated oversight of the federal government's COVID-19 pandemic response. The PRAC's 20 member Inspectors General identify major risks that cross program and agency boundaries to detect fraud, waste, abuse, and mismanagement in the more than \$5 trillion in COVID-19 spending, including spending via the Paycheck Protection Program (PPP), and Economic Injury Disaster Loan (EIDL) program. This case was also supported by the PRAC's Pandemic Analytics Center of Excellence, which applies the latest advances in analytic and forensic technologies to help OIGs and law enforcement pursue data-driven pandemic relief fraud investigations.

U.S. Attorney Evans praised the work of the U.S. Department of Veterans Affairs - Office of Inspector General, the Department of Labor – Office of Inspector General, and the U.S. Bankruptcy Trustee's Office (Region 5) in investigating this matter. Assistant U.S. Attorney Edward J. Rivera of the Financial Crimes Unit is in charge of the prosecution.

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