

PRESS RELEASE

California Man Sentenced to 12 Months and One Day for 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 – Acting U.S. Attorney Michael M. Simpson announced that **NIPUN DESAI ("DESAI")**, formerly of Hammond, La., but now a California resident, age 56, was sentenced to 12 months plus one day by U.S. District Judge Wendy B. Vitter for 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 court records, on or about January 25, 2021, **DESAI** made false statements to an approved lender in order to obtain an SBA backed PPP loan in the amount of \$146,947.50 for a hotel in Metairie, LA. At the time of the loan application, **DESAI's** hotel was permanently closed and had no employees or payroll.

In addition to incarceration, which is to be divided between time in the Bureau of Prisons and home incarceration, **DESAI** was sentenced to 2 years of supervised release. He was also ordered to repay the SBA approximately \$234,000 and the Louisiana Workforce Commission \$26,000. He also paid a mandatory special assessment fee of \$100 and a fine of \$25,000.

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.

Acting U.S. Attorney Simpson 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 was in charge of the prosecution.

Contact

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United States Department of Justice

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