

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Tuesday, June 28, 2022

Camden County Woman Admits Fraudulently Obtaining 30 Loans Meant to Help Small Businesses During COVID-19 Pandemic

CAMDEN, N.J. – A Camden County, New Jersey, resident today admitted conspiring to fraudulently obtain 30 Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL) totaling more than \$3 million, and to laundering the proceeds, U.S. Attorney Philip R. Sellinger announced.

Rhonda Thomas, 38, of Sicklerville, New Jersey, pleaded guilty by videoconference before U.S. District Judge Karen M. Williams to an information charging her with one count of bank fraud conspiracy and one count of money laundering.

According to documents filed in this case and statements made in court:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted in March 2020 and was designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. The CARES Act also authorized the Small Business Administration to provide EIDL of up to \$2 million to eligible small businesses that were experiencing substantial financial disruption due to the COVID-19 pandemic.

To obtain a PPP or EIDL loan, a qualifying small business was required to apply and provide information on its operations, including the number of employees and expenses. In addition, businesses generally had to provide supporting documentation.

In 2020 and 2021, Thomas submitted at least 10 PPP application and three EIDL applications for companies she controlled. She represented to the lenders that her companies had employees and payroll expenses that they did not have. In fact, many of her companies were nominal businesses with no employees or payroll expenses.

Thomas also conspired with other purported business owners to submit at least 20 fraudulent PPP and EIDL loan applications. She prepared and submitted these loan applications, which falsely stated the number of employees, payroll, and expenses of the businesses.

Thomas forged tax forms and altered bank statements that she submitted to the lenders as part of the loan applications.

Based on Thomas's misrepresentations, lenders approved approximately 30 PPP and EIDL loans and disbursed more than \$3.1 million in federal COVID-19 emergency relief funds meant for distressed small businesses to Thomas and her conspirators. Thomas personally received more than \$330,000 from lenders based on the fraudulent loan applications for her companies and received kickbacks of

more than \$700,000 from other business owners for her role in preparing and submitting fraudulent loan applications.

Thomas used the fraudulently obtained PPP and EIDL loan proceeds to pay for personal expenses. In March 2022, Thomas withdrew approximately \$60,000 of the loan proceeds in cash at a credit union in Camden County.

The charge of bank fraud conspiracy carries a maximum penalty of 30 years in prison and a fine of \$1 million. The count of money laundering is punishable by a maximum of 10 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greatest. As part of her guilty plea, Thomas agreed to make restitution in the full amounts of the PPP and EIDL loans. Sentencing is scheduled for Nov. 1, 2022.

U.S. Attorney Sellinger credited special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, under the direction of Patricia Tarasca, Special Agent-in-Charge, New York Regional Office; special agents of the Social Security Administration, Office of the Inspector General, New York Field Division, under the direction of Special Agent in Charge Sharon MacDermott; special agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Jacqueline Maguire in Philadelphia; special agents of the U.S. Department of Labor, Office of the Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Daniel A. Friedman of the U.S. Attorney's Office's Criminal Division in Camden and Senior Litigation Counsel Jason M. Richardson of the U.S. Attorney's Office Civil Rights Division in Camden.

Attachment(s):

[Download Thomas.Information.pdf](#)

Topic(s):

Coronavirus

Component(s):

[USAO - New Jersey](#)

Press Release Number:

22-244

Updated June 28, 2022