

PRESS RELEASE

Cincinnati man sentenced to prison for submitting false PPP loan application

Wednesday, March 6, 2024

For Immediate Release

U.S. Attorney's Office, Southern District of Ohio

Defendant claimed to run a business during same timeframe he was incarcerated, used halfway house as business address

CINCINNATI – A Cincinnati man was sentenced in U.S. District Court to 18 months in prison for committing wire fraud as part of a scheme to fraudulently obtain a Covid relief loan.

Kelton McClarrin, 33, received nearly \$21,000 from the Paycheck Protection Program (PPP) under false pretenses and used the money for personal expenditures including jail commissary services, CashApp, Grubhub, DoorDash, Facebook purchases and hotels.

According to court documents, McClarrin applied for a Covid relief loan on May 16, 2021, falsely claiming in the application that he was the sole owner of a business named "Kelton McClarrin." McClarrin claimed his business was established in 2019 and had a gross income of \$100,000 for that year. McClarrin also submitted a forged bank statement in support of the loan application.

McClarrin was sentenced to two years in prison in a Hamilton County case on May 7, 2019. He remained incarcerated until Nov. 17, 2020, when he was paroled to a halfway house. He used the address of the halfway house as his business address on the loan application.

In April 2022, McClarrin applied for loan forgiveness for the \$21,000 PPP loan. He stated on the application forms that he had 20 employees and had spent \$20,000 of the loan on payroll costs.

McClarrin was arrested in August 2023 and pleaded guilty in October 2023.

Kenneth L. Parker, United States Attorney for the Southern District of Ohio, announced the sentence imposed on March 5 by U.S. District Judge Douglas R. Cole. The case was investigated by the Social Security's Office of Inspector General with assistance from the U.S. Department of Labor Office of Inspector General, the U.S. Marshals, and the Ohio Department of Rehabilitation and Corrections. Special Assistant United States Attorney Timothy Landry is representing the United States in this case.

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