

Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

Wednesday, June 22, 2022

Feds Charge 19 Defendants with Pandemic Fraud of over \$24 Million

PHILADELPHIA - United States Attorney Jacqueline C. Romero, together with other federal law enforcement officials announced today charges against 19 defendants for defrauding federal programs funded by the CARES Act and designed to provide a financial safety net for Americans during the pandemic. Collectively these defendants sought to defraud the Paycheck Protection Program (PPP), the Economic Injury Disaster Loan (EIDL) program and the Pandemic Unemployment Assistance (PUA) program of over \$24 million.

The Coronavirus Aid, Relief, and Economic Security Act, commonly called the CARES Act, was intended to provide emergency financial assistance to the millions of Americans suffering the economic effects of the COVID-19 pandemic.

- The PPP authorized banks to provide forgivable loans to small businesses for the specific purpose of enabling the businesses to meet payroll expenses and retain employees.
- Under the EIDL program, the Small Business Administration (SBA) provided low interest loans for small businesses to obtain financial relief due to any disruption or harm to their business resulting from the COVID-19 pandemic. The loan proceeds were required to be used on normal operating expenses, such as working capital and payroll.
- The PUA program provided emergency unemployment compensation to workers who were unemployed as a result of the pandemic but who were not eligible for regular unemployment compensation.

Each of the 19 defendants is alleged to have defrauded one or more of these programs. As alleged in 4 indictments and 7 informations, each defendant applied or conspired with others to apply for benefits even though they knew they were not eligible for the benefits. They each were responsible for submitting false applications to fraudulently obtain the benefits. They each succeeded in fraudulently obtaining emergency benefits or helping others to obtain emergency benefits. In some cases, the defendants are also alleged to have spent the emergency funds, not to make payroll or for other authorized business purposes, but instead spent the money on personal items.

Frank Hamilton, 52, of Simi Valley California; Michael Jones, 55, of Azusa, California; Kenny Tran, 38, of Diamond Bar, California; Tina Chen, 39 of Diamond Bar, California; Tim Park, 37, of Northridge, California; Peter An, 37, of Chatsworth California; Joe Greco, 42, of Simi Valley, California; Edwin Bonilla, 36, of Los Angeles, California are charged with conspiring to defraud the SBA and numerous financial institutions of over \$9.4 million. These defendants submitted over 33 applications for PPP and EIDL loans seeking over \$9.4 million in loans, \$7 million of which were funded. From January 2018 through August 2021, Barrie Osborne (a co-conspirator previously charged who is now deceased), Frank Hamilton, Michael Jones, Kenny Tran, Tina Chen, Tim Park,

Peter An, Joe Greco, and Edwin Bonilla used shelf corporations (which exist on paper but have no functioning business and no employees) to apply for over \$9.4 million in SBA loans, including PPP loans and EIDL loans. After the conspirators obtained \$7 million in loan payments, they took steps to transfer the funds among themselves in an effort to disguise the transfers as payroll payments. Part of the proceeds were used to trade in the stock market, and in addition, defendant Hamilton paid off his home mortgage; defendant Jones took luxury vacations and purchased a fleet of used vehicles.

Francis J. Battista, 37, of Aston, Pennsylvania, filed 19 fraudulent applications for PPP and EIDL loans in 2020 and 2021, seeking over \$10 million in loans. Battista allegedly supported his fraudulent loan applications by submitting fake tax documents, bank records and payroll summaries. He succeeded in obtaining \$8.4 million in loan funds, and he caused the funds to be spent on unauthorized purchases and debts and laundered a significant portion of the funds. He allegedly used emergency pandemic funds to purchase a Limited Edition CPO Range Rover Sport 4WD, to make a down payment for a real estate deal, to settle old business debts, and to engage in stock trading. The government has located and seized \$6.3 million of those funds through forfeiture proceedings.

Resondoe Bradley, 44, Philadelphia, Pennsylvania, who ran a tax business and also worked as a contractor with the SBA processing EIDL loan applications during the pandemic, filed over 50 fraudulent EIDL loan applications and obtained approximately \$3.4 million in funded loans. Two of Bradley's clients have also been charged. Tamara Wheeler 50, Philadelphia Pennsylvania, filed a false EIDL application and obtained over \$180,000 in loan proceeds. Ryan Killebrew, 31 Philadelphia Pennsylvania, filed a false EIDL application and obtained \$125,000 in EIDL loan funds.

John Columbo, 53, Philadelphia, Pennsylvania, filed multiple fraudulent applications for EIDL and PPP loans worth over \$700,000 and as a result he received over \$550,000 in funds to which he was not entitled. Columbo allegedly obtained both EIDL and PPP funds by falsely stating the finances of companies, including the number of employees, the wages paid to employees, and the intended use of the emergency funds. To fraudulently increase the number of employees, he submitted a payroll schedule with false social security numbers for purported employees. To make other applications for emergency benefits, he allegedly used companies that had in fact closed all business and were defunct years before the pandemic, but which he falsely represented to be going concerns. He is also charged with obstruction of justice for filing false tax returns to make his loan applications appear to be truthful.

Lamar Ebron 35, Philadelphia, Pennsylvania, and Lamott Ebron, 32, of Philadelphia, Pennsylvania, are charged with filing fraudulent applications for PUA benefits in their own names, as well as the names of thirteen other persons, and obtained over \$400,000 in PUA benefits. These defendants are also charged with filing fraudulent applications with the Philadelphia Housing Development Corporation to obtain benefits under the Renters Assistance Program, another federally funded program under the CARES Act. The Renters Assistance Program was meant to help renters unable to pay their rent due to loss of income caused by the pandemic. In their fraudulent applications, the defendants are alleged to have sought rental assistance in the names of multiple renters on a single property, listed different landlords for the same property, sometimes used their own names as tenant or landlord, or used the names of others.

Vincent Rotondi, 44, Langhorne, Pennsylvania, who was employed as a detective by the City of Philadelphia in the Philadelphia District Attorney's Office, filed multiple claims for PUA benefits and obtained over \$30,000 to which he was not entitled. In addition to filing fraudulent applications, Rotondi is alleged to have filed 40 false weekly certifications in which he reported that he was not working and received no income, despite the fact that he was working full-time during that period for the City of Philadelphia.

Steven Ball-Vaughn, 39, Oreland, Pennsylvania, filed multiple fraudulent applications for PPP and EIDL program loans, and obtained over \$70,000 in benefits to which he was not entitled. Ball-Vaughn allegedly submitted fraudulent applications to three banks and, despite the requirement that the funds be used for business expenses, he used program funds for personal and unauthorized expenses, including at restaurants, theme parks, electronic stores and gambling sites.

Michael Daniels, 47, of Philadelphia, Pennsylvania, who was employed at the time of the offense by the City of Philadelphia as a constituent services representative for a member of Philadelphia City Council, was charged with theft of public money for taking over \$27,000 worth of PUA benefits. Daniels allegedly certified repeatedly that he was unemployed and not receiving any income, while he was employed and being paid by the City of Philadelphia.

Tai Brown, 19, of Collingdale, Pennsylvania, was charged with theft of public money and the government is seeking forfeiture of \$44,238 in PUA funds that are proceeds of the offense.

“Our office has been able to bring charges against these 19 defendants, who deliberately defrauded programs of over \$24 million that were intended to help individuals who lost their jobs because of the pandemic and small businesses that were struggling to survive during the global pandemic,” said U.S. Attorney Jacqueline C. Romero. “Thanks to the hard work of our agency partners in the Covid Fraud Working Group of the Eastern District of Pennsylvania, we are protecting the integrity of our taxpayer funded programs from fraudsters, a priority for our office and our law enforcement partners.”

“The Covid pandemic has caused serious hardships for so many families and businesses,” said Jacqueline Maguire, Special Agent in Charge of the FBI’s Philadelphia Division. “But then, you’ve got all the criminal opportunists who apparently looked at pandemic relief programs as their golden ticket. Together with our partners, the FBI continue to doggedly pursue anyone defrauding the federal government like this. You’ll be prosecuted to the fullest extent of the law, and that ‘easy money’ won’t seem so easy after all.”

“The charges announced today show IRS-CI’s commitment to defend the integrity of the pandemic relief programs,” said Yury Kruty, Special Agent in Charge of IRS-Criminal Investigation. “IRS-CI will continue to aggressively investigate those who schemed to defraud these programs that were intended to help struggling individuals and businesses.”

“An important part of the mission of the Office of Inspector General is to investigate allegations of fraud related to unemployment insurance programs. We will continue to work with the Pennsylvania Department of Labor and Industry and our law enforcement partners to investigate these types of allegations,” stated Syreeta Scott, Special Agent-in-Charge of the Philadelphia Region, U.S. Department of Labor, Office of Inspector General.

“Instead of using these government funds to help keep small businesses afloat and provide financial relief to those suffering from the COVID-19 pandemic, these individuals are alleged to have stolen the money for their own personal use and enrichment, taking it out of the hands of those who truly needed it,” said William S. Walker, Special Agent in Charge for Homeland Security Investigations, Philadelphia. “HSI is proud to join our partners in the Covid Fraud Working Group as we continue to focus our efforts on uncovering fraud schemes perpetrated during the pandemic.”

“Attempts to defraud the government, and ultimately our nation’s community members with legitimate businesses within our financial infrastructure, will not go unanswered for,” said U.S. Secret Service Philadelphia Field Office Special Agent in Charge Michael Centrella. “So long as efforts to exploit pandemic relief funds continue, so will Secret Service investigators and our partners ceaseless investigative work to ensure our national financial environment remains safe and secure.”

“This indictment demonstrates the commitment of the Treasury Inspector General for Tax Administration to investigate and bring to justice those who would corruptly manipulate and use IRS resources in order to exploit Federal programs for unlawful personal gain,” said J. Russell George, the Treasury Inspector General for Tax Administration. “We appreciate the efforts of the U.S. Department Justice and our law enforcement partners in this effort.

“Fraudsters that conspired to falsify information in order to access funds vital to the nation’s small businesses for personal gain will be brought to justice,” said SBA OIG’s Eastern Region Special Agent in Charge Amaleka McCall-Brathwaite. “OIG will continue to relentlessly root out fraud and protect the integrity of SBA’s programs. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

These cases were investigated by special agents of seven different federal agencies – FBI, Department of Labor Office of Inspector General, Homeland Security Investigations, IRS-Criminal Investigations, United States Secret Service, Small Business Administration Office of Inspector General, and U.S. Treasury Inspector General for Tax Administration. All of these agencies are members of the Covid Fraud Working Group of the Eastern District of Pennsylvania. The Working Group, begun in March 2020 and led by the U.S. Attorney’s Office, combines resources and expertise of nineteen federal agencies and the Pennsylvania Office of Attorney General to fight pandemic-related fraud. These cases are being prosecuted by AUSA Judy Smith; AUSA Nancy Potts, AUSA David Metcalf, AUSA Nancy Rue, AUSA Tim Lanni and Trial Attorneys David A. Stier and Patrick B. Gushue of the Criminal Division’s Money Laundering and Asset Recovery Section.

An indictment, information, or criminal complaint is an accusation. A defendant is presumed innocent unless and until proven guilty.

Topic(s):

Financial Fraud

Component(s):

USAO - Pennsylvania, Eastern

Updated June 22, 2022