

Department of Justice

U.S. Attorney's Office

Western District of Arkansas

FOR IMMEDIATE RELEASE

Friday, May 27, 2022

**HOT SPRINGS MAN SENTENCED TO 27 MONTHS FOR
PANDEMIC FUNDS FRAUD**

Hot Springs, Arkansas – David Clay Fowlkes, United States Attorney for the Western District of Arkansas, announced that on May 26, 2022, James Heritage, 39 of Hot Springs, Arkansas, was sentenced to 27 months in prison and ordered to pay \$469,082.73 in restitution after pleading guilty to two counts relating to fraud committed against the United States Small Business Administration's Paycheck Protection Program (PPP) and numerous state unemployment benefits administrators.

According to plea documents in the case, Heritage applied for and received a PPP loan for \$183,937.32, using falsified employee and payroll data. In addition, Heritage applied for and received Pandemic Unemployment Assistance, a supplemental form of unemployment benefits, from thirty different states, by falsely representing to those states' benefits administrators that he was eligible for the benefits.

Both the Paycheck Protection Program and Pandemic Unemployment Assistance program are parts of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a federal law passed in March 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic.

The case was investigated by the Department of Labor Office of the Investigator General, the Federal Bureau of Investigations, the United States Postal Inspection Service, and the Small Business Administration Office of the Inspector General. Assistant United States Attorney Hunter Bridges prosecuted the case for the United States.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department'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>.

Component(s):

[USAO - Arkansas, Western](#)

Updated May 27, 2022

