

PRESS RELEASE

Houston Woman Pleads Guilty to Cares Act Fraud and Theft of Government Funds

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For Immediate Release

U.S. Attorney's Office, Eastern District of Louisiana

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NEW ORLEANS – U.S. Attorney Duane A. Evans announced that **TEMIKA SANTEMORE**, age 43, a resident of Houston, Texas, pleaded guilty on September 12, 2023 before U.S. District Judge Jay C. Zainey to a two-count bill of information charging her with making false statements and theft of government funds related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The CARES Act is a federal law enacted on March 29, 2020, to provide emergency financial assistance in connection with economic effects of the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the Paycheck Protection Program (“PPP”). In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1%. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

In addition, the Economic Injury Disaster Loan (“EIDL”) program was a U.S. Small Business Administration (SBA) program that provided low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The CARES Act provided funding for EIDL loans for business affected by the COVID-19

pandemic. In contrast to the PPP, EIDL loan amounts were determined based on the recipient businesses' historical revenue and disbursed directly to the recipient by the SBA.

According to the charging documents, **SANTEMORE** made false statements to the SBA for the purpose of fraudulently obtaining pandemic-related relief loans funded by the federal government, including PPP funds, which she received in the amount of approximately \$13,540. **SANTEMORE** also applied for an EIDL from the SBA in July of 2020 and illegally received \$5,000 for a dormant business that she owned.

Sentencing is set for December 12, 2023. **SANTEMORE** faces a sentence of up to five years in prison, up to \$250,000 in fines, and up to three years of supervised release for the false statements count. She faces up to ten years in prison, up to \$250,000 in fines, and up to three years of supervised release for the theft count. There is also a \$100 mandatory special assessment fee for each count due after conviction.

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>.

U.S. Attorney Evans praised the work of the Amtrak Office of Inspector General – Criminal Investigations, the Department of Labor – Office of the Inspector General, and the Federal Bureau of Investigation in investigating this matter. Assistant U.S. Attorney Edward J. Rivera of the Financial Crimes Unit is in charge of the prosecution.

Contact

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United States Attorney's Office, Eastern District of Louisiana

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