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February 4, 2022
FOR IMMEDIATE RELEASE
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MARYLAND U.S. ATTORNEY'S OFFICE CONTINUES TO FIGHT FRAUD **RELATED TO THE COVID-19 PANDEMIC**

Announces New Partnerships with the Special Inspector General for Pandemic Recovery and Department of Labor, Office of Inspector General to Allow a Quicker and More Coordinated Response to CARES Act Fraud

Baltimore, Maryland – Today Maryland United States Attorney Erek L. Barron announced that the U.S. Attorney's Office for the District of Maryland has entered into a memorandum of understanding (MOUs) with Special Inspector General Brian D. Miller of the Special Inspector General for Pandemic Recovery (SIGPR) and Deputy Inspector General James D. Powell of the U.S. Department of Labor, Office of Inspector General (DOL-OIG), Office of Investigations, regarding the investigation and prosecution of fraud relating to The Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The CARES Act was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic.

“While many of our neighbors have suffered to make ends meet during this ongoing pandemic, others stole taxpayer money meant to put food on the kitchen table,” said U.S. Attorney Erek L. Barron. “These partnerships allow us to beef up our efforts to prosecute those who steal from the American taxpayers.”

“SIGPR's partnership with the U.S. Attorney's Office for the District of Maryland has already produced results and we are excited to continue our work to protect pandemic relief funds from fraud, waste, and abuse.”

Since the start of 2021, the Maryland U.S. Attorney's Office has charged 23 defendants with criminal offenses based on fraud schemes connected to the COVID-19 pandemic. These cases involve attempts to defraud over \$14 million and more than \$419,000 has been seized as the proceeds of these fraud schemes. These cases were made possible by the coordination, perseverance, and skill of the many law enforcement partners working with us to bring to justice those committing COVID-19-related fraud.

The SIGPR MOU will allow the U.S. Attorney's Office and SIGPR to enhance their efforts to provide a coordinated response to CARES Act funding fraud, with an emphasis on organized criminal activity; to link and associate isolated CARES Act-related complaints with larger schemes and related criminal activity; to speed up the prosecution of these cases and deter future fraud by increasing awareness of successful criminal prosecutions and civil enforcement actions against individuals and businesses engaging in CARES Act fraud.

The DOL-OIG MOU will allow up to two DOL-OIG special agents to be co-located in the U.S.

Attorney's Offices in Baltimore and Greenbelt, allowing a quicker response and more comprehensive and coordinated investigations involving CARES Act fraud, especially related to unemployment insurance fraud.

U.S. Attorney Barron also provided the following updates on the status of the Maryland U.S. Attorney's Office's efforts to combat COVID-19 related fraud, including schemes targeting the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL) program and Unemployment Insurance (UI) programs.

Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) fraud

The PPP and EIDL fraud cases charged federally in Maryland during 2021 involve a range of conduct, from individual business owners who inflated their payroll expenses to obtain larger loans than they otherwise would have qualified for, to fraudsters applying for multiple loans using false claims about their purported business entities, and/or charities. Most charged defendants misappropriated loan proceeds for prohibited purposes, such as the purchase of houses, cars, jewelry, and other luxury items. For example, Brandon Fitzgerald-Holley, of Suitland, Maryland, used his non-operational nonprofit, the Coalition for Social Justice and Reform Incorporated (the Coalition), to fraudulently obtain \$305,854 in PPP loan funds, even though the Coalition had no employees, income, or regular operations since its formation in 2018. Fitzgerald-Holley admitted that he used the funds to purchase personal items including clothing, a pool table, televisions, electronic equipment, a 2020 Dodge Charger Scat, and various accessories for the vehicle. He also used the funds to fund a vacation rental. Fitzgerald-Holley is awaiting sentencing.

In addition to Fitzgerald-Holley, the U.S. Attorney's Office has charged eight other defendants with PPP and/or EIDL fraud. Those charges remain pending.

Unemployment Insurance (UI) fraud

More than \$860 billion in federal funds were appropriated for UI benefits through September 2021, to assist individuals who lost their jobs due to COVID-19. Investigation indicates that international organized criminal groups have targeted these funds by using stolen identities to file for UI benefits throughout the country. Domestic fraudsters have also committed UI fraud. For example, an indictment filed in September 2021 alleges that from February 2020 through February 2021, three Maryland men, Gladstone Njokem, Martin Tabe, Sylvester Atekwane, and others conspired to fraudulently obtain more than \$2.7 million in unemployment benefits. The indictment alleges that the conspirators impersonated victims in order to submit fraudulent UI claims, by obtaining the personally identifiable information (PII) of victims, often under false pretenses. The defendants allegedly shared the PII amongst themselves and with others and used the victims' PII to submit fraudulent applications for UI benefits in Maryland, Michigan, and Tennessee. The defendants are awaiting trial.

A total of six defendants, including Njokem, Tabe, and Atekwane, are charged with UI fraud and those charges remain pending.

Fraudulent Websites

To date, the U.S. Attorney's Office in Maryland has shut down 17 fraudulent websites which appear to have been used to collect the personal information of individuals visiting the site, in order to use the information for nefarious purposes, including fraud, phishing attacks, and/or deployment of malware. The seized websites were almost identical to the names of authentic U.S. websites, including COVID-19 vaccine manufacturers, retailers, and purported COVID-19 treatment. Several of the seized websites purported to sell vaccines and other treatments for the COVID-19 virus. Often, the fake domains mimicked the stylistic designs and language of the authentic U.S. website. After the seizures, individuals visiting the website see a message that the website has been seized by the federal government and are redirected to another website for

additional information.

Of the three defendants charged with attempting to use a fraudulent website to sell fake COVID-19 vaccines, two are awaiting trial and one has pleaded guilty to his role in the fraud scheme.

Other COVID-19 related fraud schemes

Nicholas Milano White was sentenced to eight years in federal prison and was ordered to pay \$29,324 in restitution for conspiring to steal mail, stealing benefits under the CARES Act, and aggravated identity theft. White was arrested after stealing mail from multiple U.S. Postal Service collection boxes in the Baltimore metropolitan area in March 2020, and Postal Inspectors learned that he had been conducting a bank fraud scheme that involved falsifying and cashing stolen checks. After his arrest, White continued engaging in fraud, including submitting a false claim for Florida state unemployment benefits using the personally identifying information of another person, and illegally acquiring and cashing an Economic Impact Payment check issued in the name of a couple residing in Maryland, in the amount of \$2,900. In another case, Tyrese Carter, a former Federal Emergency Management Agency employee detailed to work in a Small Business Administration (SBA) virtual call center, was assigned to assist potential disaster loan applicants by answering questions about the SBA's EIDL program. Carter admitted that he posed as an SBA employee to induce a victim business owner to wire him funds received. Specifically, Carter emailed the victim using an account created in the name of the purported SBA employee and directed the victim to wire funds to a PayPal account created in the name of "SBA Financial." Carter was sentenced to three years of probation and was ordered by pay restitution of \$8,738.

Other defendants are charged with allegedly selling fraudulent COVID-19 vaccination cards and fraudulently obtaining funds by claiming financial hardship as a result of COVID-19, respectively. Those charges remain pending. Another defendant was convicted of selling misbranded disinfectants in response to the COVID-19 pandemic.

What Can You Do?

We encourage the public to follow these three steps when accessing COVID-19 related information and services online:

First, be careful where you click. Fraudulent websites are designed to look like legitimate websites. Websites may have small spelling errors or an additional letter or two in website URLs and email addresses, or a different domain suffix. Check email addresses and links to ensure you're where you want to be.

Second, guard your personal information. Don't enter it on an unknown website or in response to an unsolicited email. Criminals are trying to capture your information to compromise your identity and access your financial accounts. Your response may also deploy malware that compromises your digital device.

Third, always remember: the COVID-19 vaccine is not for sale. Only a limited number of manufacturers have authorization to provide the vaccine in the U.S. The federal government is covering the cost of the vaccine for all people living in the U.S. You will never be asked to pay for a vaccine.

In addition to the DOL-OIG and SIGPR, U.S. Attorney Barron recognized the efforts of a wide range of law enforcement partners for their work in COVID-19 related cases, including Homeland Security Investigations (HSI); the FBI; the U.S. Secret Service; the IRS-CI; the Department of Defense Office of Inspector General, Defense Criminal Investigative Service; the U.S. Postal Inspection Service; the Offices of Inspectors General from SBA, Department of Homeland Security, Social Security Administration, Federal Deposit Insurance Corporation, Department of Health and Human Services, and the Department of Veterans Affairs.

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>.

To report a COVID-19-related fraud scheme or suspicious activity, contact the National Center for Disaster Fraud (NCDF) by calling the NCDF Hotline at 1-866-720-5721 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to fight fraud, please visit www.justice.gov/usao-md and <https://www.justice.gov/usao-md/report-fraud>.

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