

PRESS RELEASE

New Britain Woman Admits Fraudulently Obtaining COVID-19 Relief Funds

Thursday, April 3, 2025

For Immediate Release

U.S. Attorney's Office, District of Connecticut

Marc H. Silverman, Acting United States Attorney for the District of Connecticut, today announced that VICTORIA KATES, 34, of New Britain, waived her right to be indicted and pleaded guilty yesterday before U.S. District Judge Sarala V. Nagala in Hartford to offenses related to her fraudulent receipt of COVID-19 relief funds.

According to court documents and statements made in court, on March 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. One program created by the CARES Act was a temporary federal unemployment insurance program for pandemic unemployment assistance ("Pandemic Unemployment Assistance"). Pandemic Unemployment Assistance provided unemployment insurance ("UI") benefits for employed individuals who were not eligible for other types of UI due to their employment status. The CARES Act also created a new temporary federal program called Federal Pandemic Unemployment Compensation ("FPUC") that provided additional weekly benefits to those eligible for Pandemic Unemployment Assistance or regular UI. The Connecticut Department of Labor (CT-DOL) administers UI benefits for residents of Connecticut.

From March 2020 through May 2021, Kates defrauded the CT-DOL of \$217,056 by filing fraudulent unemployment applications with the CT-DOL on behalf of her family, acquaintances, and others. Kates prepared and submitted the original applications and, in certain instances, submitted required weekly recertifications of the applicant's purported continued unemployment status. Kates took a portion of the payouts as a fee.

As an example, in August 2020, Kates submitted an online unemployment application to the CT-DOL for a friend that made several false representations, including that the applicant was a self-employed driver who worked 40 hours per week, when, in fact, the applicant was neither self-employed nor worked the hours represented. Kates also used

her home address as the applicant's address. Based on the original application and weekly certifications, the CT-DOL made \$27,993 in payments, with Kates taking at least \$1,000 to \$1,500 as a fee. When the CT-DOL demanded proof of legal wages and proof of address, Kates created and provided to the CT-DOL a fraudulent IRS form showing the applicant's purported gross wages for 2019, and a cropped photograph of a business envelope to make it appear that the applicant had lived at the represented address.

Another source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and certain other expenses through the Paycheck Protection Program (PPP). In April 2020, Congress authorized more than \$300 billion in additional PPP funding. The PPP allowed qualifying small businesses and other organizations to receive unsecured loans at an interest rate of 1%. PPP loan proceeds were to be used by businesses on payroll costs, interest on mortgages, rent and utilities. The PPP allowed the interest and principal to be forgiven if businesses spent the proceeds on these expenses within a certain period of time of receipt and used at least a certain percentage of the amount to be forgiven for payroll.

The PPP was overseen by the Small Business Administration, which has authority over all PPP loans. Individual PPP loans, however, were issued by private approved lenders, which received and processed PPP applications and supporting documentation, and then made loans using the lenders' own funds, which were guaranteed by the SBA.

In 2021, Kates applied for and received \$16,250 through the PPP loan program by making false representations, including overstating her yearly gross income. Kates also provided a false IRS filing to support the income figure on the application. She subsequently provided additional fraudulent information to obtain forgiveness of the loan.

Kates pleaded guilty to two counts of wire fraud, an offense that carries a maximum term of imprisonment of 20 years on each count. Judge Nagala scheduled sentencing for September 2. Kates is released on a \$40,000 bond pending sentencing.

This matter is being investigated by the U.S. Department of Homeland Security – Office of Inspector General and the U.S. Department of Labor – Office of the Inspector General. The case is being prosecuted by Assistant U.S. Attorney Christopher W. Schmeisser.

Individuals with information about allegations of fraud involving COVID-19 are encouraged to report it by calling the Department of Justice's National Center for

Disaster Fraud Hotline at 866-720-5721, or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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