

PRESS RELEASE

Parker Man Indicted for Economic Injury and Disaster Loan and Payroll Protection Program Fraud Scheme

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For Immediate Release

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

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DENVER – The United States Attorney’s Office for the District of Colorado announces Tarek Kassem, 63, of Parker, Colorado, was indicted by a federal grand jury for wire fraud and money laundering.

According to the indictment, from March 2020 and through at least March 2023, the defendant applied for and received more than \$1.4 million dollars in Small Business Association (SBA) Economic Injury Disaster Loans (EIDL) and more than \$300,000 in Payroll Protection Program (PPP) funds under three business names. These applications contained a number of false and fraudulent certifications and representations, including representations that funds would be used to pay eligible business expenses, when, in fact, the bulk of the proceeds were used for the defendant’s personal benefit. The defendant also applied for, and obtained, unemployment benefits in the State of Colorado during the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was enacted in March 2020 and was designed to provide emergency financial assistance to Americans dealing with the economic impact of the COVID-19 pandemic. The CARES Act created the PPP, a program administered by the SBA that provided loans to small businesses to retain workers, maintain payroll, and certain other expenses consistent with PPP rules. Additionally, the CARES Act authorized the SBA to provide EIDLs to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic.

The defendant made his initial appearance on March 26, 2024, before Chief Magistrate Judge Michael E. Hegarty. The charges contained in the indictment are allegations and the defendant is presumed innocent unless and until proven guilty.

This case is being investigated by Internal Revenue Service – Criminal Investigation, the Federal Bureau of Investigation, and the Department of Labor – Office of Inspector General. The case is being prosecuted by Assistant United States Attorney Nicole Cassidy.

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>.

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