

PRESS RELEASE

# Woman Admits Multimillion-Dollar COVID-19 Relief Program Fraud Scheme

Thursday, July 18, 2024

## For Immediate Release

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – A North Carolina woman admitted conspiring to submit fraudulent applications leading to the issuance of 29 Paycheck Protection Program (PPP) loans totaling more than \$3.5 million, U.S. Attorney Philip R. Sellinger announced today.

Lisa Smith, 61, of Cornelius, North Carolina, pleaded guilty before U.S. District Judge Karen M. Williams in Camden federal court on July 17, 2024, to an information charging her with one count of bank fraud conspiracy.

According to documents filed in these cases and statements made in court:

In early 2021, Smith submitted PPP loan applications for two companies that she controlled. The applications included fake bank statements and fake IRS tax forms, and significantly overstated the companies' number of employees and payroll expenses. Smith obtained \$125,000 in PPP loans based on these fraudulent applications. Smith and her conspirators recruited individuals who owned companies with little or no operations to apply for PPP loans. Smith helped the recruited individuals submit PPP loan applications that contained fake bank statements and fake IRS tax forms, and that contained materially false representations about the companies' number of employees and payroll expenses. Based on these fraudulent PPP loan applications, more than 25 PPP loans totaling more than \$3.5 million were approved and funded. Smith received a percentage of the loan proceeds as compensation for her role.

The count of conspiracy to commit bank fraud is punishable by a maximum of 30 years in prison and a \$1 million fine. Sentencing is scheduled for Nov. 21, 2024.

U.S. Attorney Sellinger credited special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, New York Region, under the direction of Special Agent in Charge Patricia Tarasca; special agents of the FBI’s South Jersey Resident Agency, under the direction of Special Agent in Charge Wayne A. Jacobs in Philadelphia; special agents of the Social Security Administration, Office of the Inspector General, Boston-New York Field Division, under the direction of Acting Special Agent in Charge Bradley Parker; and special agents of the U.S. Department of Labor, Office of the Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the guilty plea.

The government is represented by Assistant U.S. Attorney Daniel A. Friedman and Jason M. Richardson, Attorney in Charge of the U.S. Attorney’s Office’s Camden Office.

[smith.information.pdf](#)

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