



OFFICE OF THE STATE ATTORNEY

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FOR FURTHER INFORMATION CONTACT:

Marc Freeman

mfreeman@sa15.org

561-355-7263

State Attorney's Office Announces Arrests Revealing Nearly \$3 Million in Paycheck Protection Program Fraud

The money was supposed to help local businesses cover their payrolls and survive the pandemic. But investigators discovered that the funds were spent in a casino, and to buy a Jaguar SUV, furniture, airline tickets, meals and other personal expenses.

This illegal activity has led to the recent arrests of six more individuals accused of fraudulently obtaining nearly \$3 million from the federal Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) program, State Attorney Dave Aronberg announced.

A task force started one year ago by the State Attorney's Office and the Palm Beach County Sheriff's Office continues to target people who misused the rescue loans that became available for small businesses in 2020. There have been 11 arrests so far, including one by Riviera Beach police, on state felony charges of organized scheme to defraud and money laundering. A 12th arrest is expected soon.

Under the PPP and EIDL programs, small businesses struggling financially from the COVID-19 pandemic received billions of dollars in forgivable loans to pay employee salaries and expenses. But a number of individuals across the country used it as a money grab, pretending to run businesses needing help with payroll expenses, interest on mortgages, and rent and utilities.

Task force investigators have been working on dozens of cases referred by federal authorities and public tips. The cases amount to \$20 million in fraudulent loans from the program, where applicants have claimed nonexistent employees and other false business expenses.

"PPP fraudsters are being held accountable for fleecing taxpayers while our country was in the midst of a pandemic," State Attorney Dave Aronberg said. Citizens are encouraged to call the task force Tip Line: 1-844-324-5463.