



THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* TENNESSEE

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Department of Justice

U.S. Attorney's Office

Middle District of Tennessee

FOR IMMEDIATE RELEASE

Friday, January 21, 2022

Smyrna Man Charged In Paycheck Protection Program Fraud

\$41,611.84 Spent on Maserati Quattroporte

NASHVILLE – A Smyrna, Tennessee man was charged today with money laundering in relation to a fraudulent scheme in which he obtained a small business loan under the Paycheck Protection Program (PPP), announced U.S. Attorney Mark Wildasin for the Middle District of Tennessee.

Shawn Palmer, 53, the sole owner of Palmers Transportation, Inc., in La Vergne, Tenn., was charged in a criminal Information, which alleges that in June 2020, Palmer fraudulently applied for and received a PPP loan in the amount of \$514,370.

According to the charging document, in June 2020, Palmer sent several documents to an individual who assisted him in applying for a PPP loan. These documents were then submitted to Kabbage, Inc., a lender approved by the Small Business Administration to provide funds under the program which was designed to provide a direct incentive for small businesses to keep their workers on the payroll during the COVID-19 pandemic.

Palmer's loan application falsely represented that Palmers Transportation had 27 employees, when in fact it had two, including himself; and although Palmers Transportation's 2019 income tax return indicated its gross revenue was less than \$200,000 the application falsely represented an average monthly payroll of \$205,748; gross receipts of \$6,744,254.12 for tax year 2019; and represented that Palmers Transportation had gross wages of \$2,322,567 and \$87,311 in state income tax withholdings for tax year 2019.

After the loan was approved and deposited into Palmer's account, the individual who assisted him with the loan application sent a text message to Palmer requesting \$25,000. Palmer used portions of the loan proceeds to establish and fund other accounts and used the funds for non-authorized expenditures such as purchasing a 2020 Ford F-350; a Maserati Quattroporte; and a 2020 Freightliner Coronado.

The Information also contains a forfeiture allegation in which the government seeks to recover money and property which represent the proceeds of the crime.

If convicted, Palmer faces up to 10 years in prison and a \$250,000 fine.

This case was investigated by the Small Business Administration-Office of Inspector General; the IRS-Criminal Investigation; and the FBI. Assistant U.S. Attorney Stephanie N. Toussaint and Special Assistant U.S. Attorney Anna Haffner are prosecuting the case.

The charge is merely an accusation. The defendant is presumed innocent until proven guilty in a court of law.

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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Topic(s):

Coronavirus

Financial Fraud

Component(s):

USAO - Tennessee, Middle

Contact:

David Boling

Public Affairs Officer

615-736-5956

david.boling2@usdoj.gov

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