

THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* NEW YORK

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Department of Justice

U.S. Attorney's Office

Southern District of New York

FOR IMMEDIATE RELEASE

Thursday, October 14, 2021

Four Defendants Charged In \$7.6 Million COVID-19 Fraud Scheme

Defendants Allegedly Submitted More Than 1,000 Fraudulent Applications for U.S. Small Business Administration Economic Injury Disaster Loans

Damian Williams, the United States Attorney for the Southern District of New York, Michael J. Driscoll, Assistant Director-in-Charge of the New York Office of the Federal Bureau of Investigation ("FBI"), and Amaleka McCall-Brathwaite, Special Agent in Charge, U.S. Small Business Administration, Office of Inspector General ("SBA-OIG"), announced today the unsealing of a complaint charging JACOB CARTER, QUADRI SALAHUDDIN, ANWAR SALAHUDDIN, and CHRISTAL RANSOM with conspiracy to commit wire fraud, wire fraud, false statements, and aggravated identity theft in connection with a scheme to defraud the U.S. Small Business Administration ("SBA"), resulting in a loss to the SBA of more than \$7.6 million. The defendants were arrested this morning. QUADRI SALAHUDDIN and ANWAR SALAHUDDIN will be presented this afternoon before United States Magistrate Judge Andrew E. Krause in White Plains federal court. JACOB CARTER will be presented this afternoon in the United States District Court for the Northern District of Texas. CHRISTAL RANSOM will be presented later today in the United States District Court for the Central District of California.

U.S. Attorney Damian Williams said: "As alleged, the defendants schemed to steal taxpayer-funded resources intended for small businesses in need of assistance during the pandemic. My Office will continue to investigate and prosecute those who would illegally seek to profit from a national emergency."

FBI Assistant Michael J. Driscoll said: "Today's defendants have become the latest in line to be charged for SBA loan fraud as a result of their alleged conduct during the COVID-19 pandemic. As this behavior continues to be uncovered, the FBI will continue to respond to illegal activity with appropriate legal action."

As alleged in the Complaint:[1]

The SBA is a federal agency of the Executive Branch that administers assistance to American small businesses. This assistance includes making direct loans to applicants through the Economic Injury Disaster Loan ("EIDL") Program. In response to the COVID-19 pandemic, Congress expanded SBA's EIDL Program to provide small businesses with low-interest loans of up to \$2 million prior to in or about May 2020 and up to \$150,000 beginning in or about May 2020, in order to provide vital economic support to help overcome the loss of revenue small businesses are experiencing due to COVID-19. Applicants seeking a

loan under the EIDL program were also now permitted to request and receive an advance of approximately \$1,000 per employee, for an amount up to \$10,000, which the SBA has generally provided while the loan application was pending.

From March through July 2020, JACOB CARTER, QUADRI SALAHUDDIN, ANWAR SALAHUDDIN, and CHRISTAL RANSOM used the identities of more than 1,000 other individuals (the “Applicants”) to submit more than 1,000 online applications to the SBA, seeking over \$10 million of funds through the SBA’s EIDL Program. (the “EIDL Applications”). In connection with the EIDL Applications, CARTER, QUADRI SALAHUDDIN, ANWAR SALAHUDDIN, and RANSOM falsely represented to the SBA, among other things, that the Applicants were the owners of businesses with 10 or more employees. Based on the fraudulent EIDL Applications, the SBA made advance payments of more than \$7.6 million to the Applicants, who often then kicked back a portion of the advance payments to CARTER, QUADRI SALAHUDDIN, ANWAR SALAHUDDIN, and RANSOM.

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JACOB CARTER, 35, of Capitol Heights, Maryland, QUADRI SALAHUDDIN, 25, and ANWAR SALAHUDDIN, 35, of Mount Vernon, New York, and CHRISTAL RANSOM, 44, of Los Angeles, California, are each charged with (1) conspiracy to commit wire fraud, which carries a maximum sentence of 20 years in prison, (2) wire fraud, which carries a maximum sentence of 20 years in prison, (3) false statements, which carries a maximum sentence of five years in prison, and (4) aggravated identity theft, which carries a mandatory two-year consecutive sentence.

The maximum potential sentences in these cases are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by a judge.

Mr. Williams praised the outstanding work of the FBI and the SBA-OIG.

The case is being prosecuted by the Office’s White Plains Division. Assistant U.S. Attorneys Jeffrey C. Coffman and Courtney Heavey are in charge of the prosecution.

The charges contained in the Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Complaint, and the description of the Complaint set forth herein, constitutes only allegations, and every fact described therein should be treated as an allegation.

Attachment(s):

[Download Jacob Carter et al. complaint \(21 mj 9734\)](#)

Topic(s):

Coronavirus

Financial Fraud

Component(s):

[USAO - New York, Southern](#)

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Press Release Number:
21-280

Updated October 14, 2021