



Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, April 21, 2022

New Jersey Pawn Shop and its Owner Settle False Claims Act Allegations Relating to Paycheck Protection Program Loan

Daniel Markus Inc., which operated pawn shops in New Jersey, and its owner have agreed to pay \$50,000 in civil penalties to settle allegations that the company violated the False Claims Act and the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by obtaining more than one Paycheck Protection Program (PPP) loan in 2020. The company also agreed to repay the duplicative PPP loan in full to its lender, relieving the U.S. Small Business Administration (SBA) of liability to the lender for the federal guaranty of approximately \$240,000 on the improper loan.

“PPP loans were intended to provide critical relief to small businesses,” said Principal Deputy Assistant Attorney General Brian M. Boynton, head of the Justice Department’s Civil Division. “The department is committed to pursuing those who knowingly violated the requirements of the PPP or other COVID-19 assistance programs and obtained relief funds to which they were not entitled.”

“This resolution demonstrates that the department will identify those who took advantage of relief packages meant to help the American people and will take steps to recover ill-gotten funds whenever possible,” said Associate Deputy Attorney General Kevin A. Chambers, the department’s Director of COVID-19 Fraud Enforcement.

“OIG continues to identify and bring to justice anyone who wrongfully obtains benefits from SBA programs,” said Special Agent-in-Charge Amaleka McCall-Brathwaite for SBA Office of Inspector General (OIG). “OIG remains committed to rooting out bad actors and protecting the integrity of SBA programs. I want to thank the Department of Justice and our law enforcement partners for their dedication and pursuit of justice.”

Congress created the PPP in March 2020, as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, to provide emergency financial support to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. The CARES Act authorized billions of dollars in forgivable loans to small businesses struggling to pay employees and other business expenses. Throughout 2020, PPP loan applicants were required to certify that they would not receive more than one PPP loan prior to Dec. 31, 2020. This settlement resolves allegations that Daniel Markus Inc. knowingly and improperly received and retained a second, duplicative PPP loan in 2020.

The settlement with Daniel Markus Inc., and its owner, Margarita Risis, resolved a lawsuit filed under the whistleblower provision of the False Claims Act, which permits private parties to file suit on behalf of the United States for false claims and share in a portion of the government’s recovery. The civil lawsuit was filed by J. Bryan Quesenberry, and, as part of the resolution, he will receive approximately \$3,500 as a share of the False Claims Act recovery.

The resolution obtained in this matter was the result of a coordinated effort between the Civil Division’s Commercial Litigation Branch, Fraud Section and the U.S. Attorney’s Office for the District of New Jersey, with assistance from the SBA’s Office of General Counsel and Office of the Inspector General.

This matter was handled by Trial Attorney Jared S. Wiesner of the Civil Division and Assistant U.S. Attorney David V. Simunovich of the District of New Jersey.

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. Run out of the Office of the Deputy Attorney General, the Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international actors committing civil and criminal fraud 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>.

Tips and complaints from all sources about potential fraud affecting COVID-19 government relief programs can be reported by visiting the webpage of the Civil Division's Fraud Section, which can be found [here](#). Anyone with information about allegations of attempted fraud involving COVID-19 can also 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>.

The claims resolved by the settlement are allegations only, and there has been no determination of liability.

Attachment(s):

[Download Daniel Markus Inc. settlement.pdf](#)

Topic(s):

False Claims Act

Component(s):

[Civil Division](#)

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