



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

District of Colorado

FOR IMMEDIATE RELEASE

Thursday, March 31, 2022

Florida Woman Pleads Guilty to Submitting Fraudulent EIDL and PPP Applications in \$865k Wire Fraud Scheme

Denver – The U.S. Attorney's Office for the District of Colorado announced that Patricia Gilroy, 58, of Naples, Florida, pleaded guilty to one count of wire fraud for a wire fraud scheme in which she received \$865,351 as a result of fraudulent Economic Injury Disaster Loans (EIDL) and Paycheck Protection Program (PPP) applications that she submitted.

On March 27, 2020, the President of the United States signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided emergency assistance, administered by the United States Small Business Administration (SBA), to small business owners affected by the Coronavirus (COVID-19) pandemic. The two primary sources of funding for small businesses were the PPP and EIDL program.

According to the plea agreement, from April 2020 through April 2021, defendant Patricia Gilroy submitted fraudulent EIDL and PPP applications to the SBA and participating lenders on behalf of ten inactive, shell companies that she controlled seeking loans from the EIDL and PPP programs. In these applications, Gilroy made false statements about the number of employees and the amount of gross revenues and cost of goods sold that the companies had in the 12 months prior to January 31, 2020. In the applications, Gilroy also falsely agreed to use the funds solely as working capital for the companies when, in fact, she intended to use the funds for other purposes, including making personal investments. Three of the PPP applications, three applications for second PPP draws, and two EIDL applications were approved and funded. As a result, companies controlled by Gilroy received \$856,351 in PPP and EIDL proceeds.

The investigation in this case was conducted by the U.S. Treasury Inspector General for Tax Administration and the Small Business Administration–Office of Inspector General in connection with their work on the Colorado-based EIDL Fraud Task Force. The prosecution was handled by Pegeen Rhyne and Sarah Weiss, Assistant U.S. Attorneys, District of Colorado, Denver.

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>.

CASE NUMBER: 22-cr-00063-DDD

Topic(s):

Consumer Protection

Labor & Employment

Component(s):

USAO - Colorado

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