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Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Wednesday, September 15, 2021

Middlesex County Man Charged with \$1.3 Million in Paycheck Protection Program and Economic Injury Disaster Loan Fraud Scheme

NEWARK, N.J. – A Middlesex County, New Jersey, man was arrested today on charges related to his role in fraudulently obtaining \$1.3 million in federal Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL), Acting U.S. Attorney Rachael A. Honig announced today.

Jordan C. Larkins, 31, of Edison, New Jersey, is charged by complaint with three counts of bank fraud, seven counts of wire fraud, and two counts of money laundering. Larkins is scheduled to have his initial appearance by videoconference this afternoon before U.S. Magistrate Judge Jessica S. Allen.

According to documents filed in this case and statements made in court:

Larkins submitted three fraudulent PPP loan applications to two different lenders on behalf of three purported businesses and a total of seven EIDL applications to the Small Business Association (SBA) on behalf of four purported businesses.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1 percent. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

The applications Larkins submitted allegedly contained fraudulent representations to the participating lenders and the SBA, including bogus federal tax return documentation. According to Social Security Administration records, there were no wages or Forms W-2 processed for any of the entities between 2018

and 2020. Larkins also fabricated bank statements, the identities of certain individuals listed on the applications, and driver's licenses of purported applicants.

Lenders and the SBA approved Larkins's PPP loan applications, EIDL SBA loan applications, and EIDL advance payments, and provided Larkins's purported businesses with approximately \$1.3 million in federal COVID-19 emergency relief funds meant for distressed small businesses.

The three counts of bank fraud each carry a maximum penalty of 30 years in prison and a \$1 million fine; the seven counts of wire fraud each carry a maximum penalty of 20 years, and the two counts of money laundering each carry a maximum penalty of 10 years in prison. Both the wire fraud and money laundering counts carry a maximum fine of \$250,000 or twice the gross gain to the defendant or gross loss to the victim, whichever is greatest.

Acting U.S. Attorney Rachael Honig credited postal inspectors of U.S. Postal Inspection Service, Newark Division, under the direction of Acting Inspector in Charge Raimundo Marrero; special agents of IRS – Criminal Investigation, under the direction of Special Agent in Charge Michael Montanez; and special agents of the Social Security Administration Office of the Inspector General, New York Field Division, under the direction of Special Agent in Charge John Grasso, with the investigation leading to the charges.

The government is represented by Assistant U.S. Attorney Fatime Meka Cano of the U.S. Attorney's Office's Government Fraud Unit in Newark.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The charges and allegations contained in the complaint are merely accusations, and the defendant is presumed innocent unless and until proven guilty.

Attachment(s):

[Download Larkins.Complaint.pdf](#)

Topic(s):

Coronavirus

Component(s):

[USAO - New Jersey](#)

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