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Department of Justice

U.S. Attorney's Office

Southern District of New York

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FOR IMMEDIATE RELEASE

Tuesday, March 23, 2021

## **Three Defendants Charged In \$1.6 Million Covid-19 Fraud Scheme**

**Alicia Ayers, Andrea Ayers, and Traci Proctor arrested for submitting more than 300 applications for U.S. Small Business Administration Economic Injury Disaster Loans**

Audrey Strauss, the United States Attorney for the Southern District of New York, William F. Sweeney Jr., Assistant Director-in-Charge, New York Division, 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 ALICIA AYERS, ANDREA AYERS, and TRACI PROCTOR 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 \$1.6 million. All three defendants were arrested this morning. ALICIA AYERS and ANDREA AYERS will be presented this afternoon before United States Magistrate Judge Judith C. McCarthy. TRACI PROCTOR will be presented in United States District Court for the Northern District of Georgia.

U.S. Attorney Audrey Strauss said: "As alleged, the defendants schemed to defraud the SBA by submitting disaster loan and grant applications for non-existent businesses. In so doing, they stole funds intended for the many small businesses that are struggling as a result of the COVID-19 pandemic. We thank the FBI and SBA-OIG for their partnership in investigating the scheme alleged."

FBI Assistant Director William F. Sweeney Jr. said: "While small businesses throughout the country were clamoring for the economic support they so desperately needed after the first quarter of the pandemic, those charged today allegedly saw the SBA's Economic Injury Disaster Loan Program as nothing more than an opportunity to turn a quick profit. As alleged, Ayers, Ayers, and Proctor filed more than 300 online applications on behalf of others that included false information to support their claims. This resulted in nearly \$1.7 million worth of payments from the SBA, a portion of which the defendants received in the form of kickbacks. No matter how creative the scheme is, rest assured those who siphon money from taxpayer funded programs will be aggressively pursued. This investigation remains ongoing, and we ask anyone with information to call us at 1-800-CALL-FBI or reach us online at [tips.fbi.gov](https://tips.fbi.gov)."

SBA OIG's Eastern Region Special Agent-in-Charge Amaleka McCall-Brathwaite said: "Law enforcement will aggressively unmask fraudsters who allegedly hid behind stolen identities to gain access to SBA's EIDL

funds. SBA OIG will aggressively pursue evidence of fraud with its law enforcement partners. I want to thank the U.S. Attorney's Office for its leadership and dedication to pursuing justice."

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.

In June and July 2020, ALICIA AYERS, ANDREA AYERS, and TRACI PROCTOR used the identities of approximately 300 other individuals (the "Applicants") to submit approximately 315 online applications to the SBA, seeking over \$3 million of funds through the SBA's EIDL Program. (the "EIDL Applications"). In connection with the EIDL Applications, ALICIA AYERS, ANDREA AYERS, and PROCTOR falsely represented to the SBA, among other things, that the Applicants were the owners of businesses with ten or more employees. In fact, however, the applications falsely reported the businesses' numbers of employees, and the vast majority of the purported businesses appear not to have existed at all. Based on the fraudulent EIDL Applications, the SBA made advance payments of approximately \$1,690,000 to the Applicants, who often then kicked back a portion of the advance payments to ALICIA AYERS, ANDREA AYERS, and TRACI PROCTOR.

\* \* \*

ALICIA AYERS, 34, and ANDREA AYERS, 54, of Mount Vernon, New York, and TRACI PROCTOR, 47, of Clarkston, Georgia, are 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 2 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.

Ms. Strauss 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.

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[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.

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**Attachment(s):**

[Download alicia\\_ayers\\_et\\_al\\_21\\_m\\_3110\\_2021.03.18\\_complaint.pdf](#)

**Topic(s):**

Financial Fraud

**Component(s):**

USAO - New York, Southern

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