



JUSTICE NEWS

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Friday, July 9, 2021

California Man Arrested for \$3.6 Million PPP and EIDL Loan Fraud

A California man was arrested Thursday on criminal charges related to his alleged scheming to submit fraudulent loan applications seeking millions of dollars in Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) COVID-19 relief funds.

According to an indictment returned last week by a federal grand jury in San Francisco, and unsealed today, Lebnitz Tran, 40, of San Jose, submitted at least 27 PPP loan applications and at least seven EIDL loan applications on behalf of multiple persons and business entities, using false and fictitious information and documents, including falsified employee information, fictitious or grossly exaggerated payroll figures, and fake tax documents. The indictment alleges that Tran sought in excess of \$8 million in PPP and EIDL funds, obtained over \$3.6 million in illicit loan proceeds, and ultimately netted approximately \$2 million from the scheme. The indictment further alleges that Tran and others used these illicit loan proceeds to make purchases at restaurants and retail stores, make deposits into personal investment accounts, buy cryptocurrency, and, in one instance, to purchase a \$100,000 Tesla from a luxury car dealership.

Tran is charged with six counts of wire fraud and three counts of bank fraud. If convicted, he faces a maximum penalty of 30 years in prison as to each count of bank fraud, and 20 years in prison as to each count of wire fraud.

Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department's Criminal Division; Acting U.S. Attorney Stephanie M. Hinds of the Northern District of California; and Special Agent in Charge Craig D. Fair of the FBI's San Francisco Field Office; and Special Agent in Charge Weston King of the Small Business Administration's Office of Inspector General (SBA-OIG) Western Region made the announcement.

The FBI and SBA-OIG are investigating the case.

Trial Attorney Christopher Jackson of the Criminal Division's Fraud Section and Assistant U.S. Attorney Sarah Griswold of the Northern District of California are prosecuting the case.

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>.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

Criminal Division

Criminal - Criminal Fraud Section

USAO - California, Northern

Press Release Number:

21-633

Updated July 9, 2021