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**Department of Justice**

U.S. Attorney's Office

Western District of North Carolina

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FOR IMMEDIATE RELEASE

Thursday, April 22, 2021

## **North Carolina Man Is Indicted For \$1.5 Million Covid-Relief Fraud**

CHARLOTTE, N.C. – A federal grand jury in Charlotte has indicted a North Carolina man for fraudulently obtaining more than \$1.5 million in COVID-19 relief guaranteed by the Small Business Administration (SBA) through the Paycheck Protection Program (PPP), announced William T. Stetzer, Acting U.S. Attorney for the Western District of North Carolina.

Robert R. Wells, Special Agent in Charge of the Federal Bureau of Investigation (FBI), Charlotte Division, and Mona Passmore, Acting Special Agent in Charge of the of the Internal Revenue Service, Criminal Investigation Division (IRS-CI), Charlotte Field Office, join Acting U.S. Attorney Stetzer in making today's announcement.

According to allegations in the federal indictment, Maurice Kamgaing, 41, of Archdale, N.C., and a former Charlotte resident, fraudulently obtained more than \$1.5 million in COVID-relief funds, by submitting fraudulent PPP loan applications to a federally insured financial institution on behalf of two businesses. The indictment alleges that the two PPP loan applications contained false and misleading information and fraudulent supporting documentation about the two businesses, including fake federal tax filings and payroll reports.

As alleged in the indictment, on April 7, 2020, Kamgaing filed a fraudulent application for a PPP loan for Apiagne, Inc. (Apiagne). The Apiagne PPP application allegedly included false information about the company's purported payroll, and fraudulent documentation about its monthly payroll disbursements. For example, according to the indictment, Apiagne's PPP loan application falsely represented that the company had an average monthly payroll of \$260,000 and needed the loan to support its ongoing operation and its 46 employees. As a result of the fraudulent representations, on or about May 6, 2020, Apiagne received a PPP loan for \$856,463, which Kamgaing used for unauthorized purposes and for his personal benefit.

According to allegations in the indictment, on April 27, 2020, Kamgaing filed another fraudulent PPP loan application on behalf of AKC Solutions, which falsely represented that the company had 23 employees, and had an average payroll of \$260,000. As a result of the fraudulent representations, a PPP loan for \$650,000 was disbursed by a financial institution on May 5, 2020, and within days of receiving the loan Kamgaing allegedly used the proceeds for improper purposes and personal expenses.

Kamgaing is charged with wire fraud in relation to a disaster benefit which carries a maximum prison sentence of 30 years in prison; two counts of making false statements to a bank which carry a maximum penalty of 30 years in prison per count; and two counts of engaging in monetary transactions in criminally derived property, which carry a maximum prison term of 10 years per count.

The charges in the indictment are allegations. The defendant is innocent unless and until proven guilty beyond reasonable doubt in a court of law.

In making today's announcement, Acting U.S. Attorney Stetzer thanked the FBI and IRS-CI for their investigation of this case.

Assistant U.S. Attorney Caryn Finley, of the U.S. Attorney's Office in Charlotte, is prosecuting the case.

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 who are 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, and in December 2020, Congress authorized another \$284 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%. PPP loan proceeds must be used by businesses for payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within a set time period and use at least a certain percentage of the loan towards payroll expenses.

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>. Members of the public in the Western District of North Carolina are also encouraged to call 704-344-6222 to reach their local Coronavirus Fraud Coordinator.

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**Topic(s):**

Coronavirus

**Component(s):**

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