



THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Northern District of Georgia

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Reality TV star indicted on federal charges

ATLANTA - Maurice Fayne, who stars in *Love & Hip Hop: Atlanta*, has been indicted by a federal grand jury. Fayne is charged with bank fraud, making a false statement to a federally-insured financial institution, and money laundering, all in connection with a Paycheck Protection Program (PPP) loan. In addition, Fayne is charged with wire fraud in connection with a Ponzi scheme.

"The emergency lending provisions of the Paycheck Protection Program were intended to help small businesses survive the COVID-19 pandemic," said U.S. Attorney Byung J. "BJay" Pak. "Fayne allegedly used PPP loan proceeds to live a luxurious lifestyle that included leasing a Rolls Royce and purchasing expensive jewelry, as well as making payments to individuals involved in a Ponzi scheme. We intend to investigate and charge anyone who inappropriately diverts these critical funds for personal gain."

"Despite the difficult times the recent Coronavirus pandemic has caused, the FBI and our federal partners continue to be vigilant in making sure funds provided by programs like PPP are used as intended," said Chris Hacker, Special Agent in Charge of FBI Atlanta. "We won't allow anyone's personal greed to misdirect federal emergency assistance to their own pockets, rather than go to the businesses who need it to stay afloat."

"The Paycheck Protection Program is intended to keep the nation's small businesses afloat during these unprecedented times," said Inspector General Hannibal "Mike" Ware of the Small Business Association Office of Inspector General. "It is unconscionable to fraudulently attempt to gain access to PPP funds at the expense of those who need it most. Our office and its law enforcement partners will aggressively investigate false statements made in attempt to receive funds from SBA's programs. I want to thank the U.S. Attorney's Office and our law enforcement partners for their dedication and pursuit of justice."

According to U.S. Attorney Pak, the indictment, and other information presented in court: From approximately August 2014 through approximately May 2020, Fayne posed as the owner of a profitable trucking business. In truth, Fayne's trucking business never generated enough revenue to cover its expenses. Nevertheless, Fayne caused approximately 20 individuals to invest over \$5 million in his trucking business. Fayne promised that he would use the investors' money to purchase and operate trucks. Instead, Fayne used the investors' money to pay his personal debts and expenses, and to fund an extravagant lifestyle for himself. During the wire fraud scheme, Fayne transferred more than \$5 million to a casino to cover his personal gambling and entertainment expenses.

On April 15, 2020, Fayne signed and submitted to United Community Bank (UCB) a PPP loan application in the name of his trucking business, Flame Trucking, stating that the business had 107 employees and an average monthly payroll of \$1,490,200. In seeking a loan in the amount of \$3,725,500, Fayne certified that the loan proceeds would be used to “retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.”

As soon as Fayne took control of the PPP loan proceeds, he began using the PPP loan proceeds for improper purposes, including the following:

- \$40,000 for past-due child support;
- \$50,000 for restitution owed in a previous fraud case;
- \$65,000 in cash withdrawals;
- \$85,000 for custom-made jewelry;
- \$136,000 to lease a 2019 Rolls-Royce;
- \$230,000 to associates who helped him run a Ponzi scheme;
- \$907,000 to help an associate start a new business.

Fayne allegedly structured those financial transactions to conceal and disguise the nature, location, source, ownership, and control of the proceeds, which raised red flags at UCB. When UCB asked Fayne to provide additional information about Flame Trucking’s finances, Fayne responded by sending UCB what he represented to be October, November, and December 2019 bank statements for Flame Trucking’s account at Arvest Bank. As Fayne knew, however, those bank statements were fraudulent, because Arvest Bank had shut down Flame Trucking’s account in September 2019.

- When Fayne was interviewed by federal agents, he claimed that he used all of the PPP loan proceeds to pay payroll and other business expenses incurred by Flame Trucking. Fayne expressly denied using any of the PPP loan proceeds for personal purposes.

During the investigation, federal agents seized the following proceeds of Fayne’s bank fraud scheme:

- \$617,000 seized from seven bank accounts;
- \$136,000 used as a down payment on the 2019 Rolls-Royce;
- \$79,482 in cash seized at Fayne’s residence;
- eight Kenworth T-680 trucks;
- six Great Dane refrigerated trailers;
- a \$3,750 diamond ring;
- a \$24,500 diamond bracelet; and
- a \$52,000 Rolex watch.

Maurice Fayne, a/k/a Arkansas Mo, 37, of Dacula, Georgia, was indicted on June 24, 2020. Members of the public are reminded that the indictment only contains charges. The defendant is presumed innocent of the charges and it will be the government’s burden to prove the defendant’s guilt beyond a reasonable doubt at trial.

The Federal Bureau of Investigation in conjunction with the Atlanta Complex Financial Crimes Task Force supported by the Gwinnett County Sheriff’s Office, and the Small Business Administration-Office of the Inspector General are investigating this case.

Assistant U.S. Attorneys Russell Phillips, Bernita Malloy, and Michael J. Brown are prosecuting the case.

This case is part of Georgia’s Coronavirus (COVID-19) Fraud Task Force, aimed at better protecting the citizens of Georgia from criminal fraud arising from the pandemic. Formed by Georgia’s leading state and federal prosecutors, the task force serves to open channels of communication between partner agencies and more rapidly share information about COVID-19 fraud, while ensuring each fraud complaint is reported

to the appropriate prosecuting agency. The task force member agencies include the Office of the Governor of Georgia, the Office of the Attorney General of Georgia, the U.S. Attorney's Office for the Northern District of Georgia, the U.S. Attorney's Office for the Middle District of Georgia and the U.S. Attorney's Office for the Southern District of Georgia. Georgia's three U.S. Attorneys, the Attorney General of Georgia, and the Executive Counsel for the Governor's Office serve on the task force. If you think you are a victim of a scam or attempted fraud involving COVID-19, contact the National Center for Disaster Fraud Hotline at 866-720-5721 or via email at www.justice.gov/DisasterComplaintForm.

For further information please contact the U.S. Attorney's Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

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