

THE UNITED STATES ATTORNEY'S OFFICE
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Department of Justice

U.S. Attorney's Office

Northern District of Oklahoma

FOR IMMEDIATE RELEASE

Thursday, June 4, 2020

Arkansas Project Manager Charged in Oklahoma with COVID-Relief Fraud

Information Technology Professional Fraudulently Sought More than \$8 Million in CARES Act SBA Paycheck Protection Program Loans

TULSA, Okla. – A project manager employed by a major retailer was charged in a complaint unsealed today for allegedly filing fraudulent bank loan applications seeking more than \$8 million in forgivable loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, U.S. Attorney Trent Shores for the Northern District of Oklahoma, Acting Deputy Inspector General Richard Parker of the Federal Housing Finance Agency Office of Inspector General (FHFA OIG) and Inspector General Jay N. Lerner of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG) and Inspector General Hannibal "Mike" Ware of the Small Business Administration Office of Inspector General (SBA OIG) made the announcement.

Benjamin Hayford, 32, of Centerton, Arkansas, was charged in a federal criminal complaint filed in the Northern District of Oklahoma with wire fraud, bank fraud, making false statements to a financial institution, and making false statements to the SBA.

Hayford allegedly sought millions of dollars in forgivable loans guaranteed by the SBA from multiple banks by claiming fictitious payroll expenses. To support his applications, Hayford allegedly provided lenders with fraudulent payroll documentation purporting to establish payroll expenses that were, in fact, non-existent. In addition, Hayford represented to a financial institution that the Limited Liability Partnership for which he applied for relief was established in January 2020 and was operating as of Feb. 15, 2020. In fact, a search of the contents of Hayford's email account revealed that Hayford did not create the partnership until April 2020, several days before he began applying for Paycheck Protection Program (PPP) loans.

"It is disgraceful that anyone would exploit loans meant to protect America's small business owners during this public health crisis," said U.S. Attorney Trent Shores. "Unfortunately, COVID-fraudsters are out there and active. Their victims are people who perform the back-breaking and emotionally challenging work to live their dream as a business owner and give back to their communities. My Coronavirus Anti-Fraud Team is

more than capable to hold individuals accountable for illegally taking money from our financial institutions and from hard working Americans.”

The 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.

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 to be forgiven if businesses spend the proceeds on these expenses within eight weeks of receipt and use at least 75 percent of the forgiven amount for payroll.

A federal criminal complaint is merely an accusation. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Deputy Chief Brian R. Young of the Criminal Division’s Fraud Section and Assistant U.S. Attorney Victor A.S. Régal for the Northern District of Oklahoma are prosecuting the case. The U.S. Attorney’s Office for the Western District of Arkansas provided valuable assistance in this matter.

The Justice Department acknowledges and thanks the FHFA OIG, the SBA OIG, and the FDIC OIG for their efforts investigating this matter.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

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