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**Department of Justice**

U.S. Attorney's Office

Eastern District of New York

FOR IMMEDIATE RELEASE

Thursday, October 8, 2020

## **Brooklyn Man Charged with Covid-19 Related Fraud**

### **Defendant Falsely Claimed that He Owned a Car Wash and Stole Emergency Relief Funds Earmarked for Small Businesses Suffering Economic Effects of the Pandemic**

A criminal complaint has been filed in federal court in Brooklyn charging Jeremy Trapp with wire fraud in connection with the Economic Injury Disaster Loan program. Trapp is in federal custody on other charges, and made his initial appearance on the new charge yesterday before United States Magistrate Judge Vera M. Scanlon. The defendant remains detained pending trial.

Seth D. DuCharme, Acting United States Attorney for the Eastern District of New York, and William F. Sweeney, Jr., Assistant Director-in-Charge, Federal Bureau of Investigation, New York Field Office (FBI), announced the charge.

"As alleged, Trapp filed an application containing outright lies in order to steal government funds intended to help small businesses and their employees survive the economic fallout of the COVID-19 pandemic," stated Acting United States Attorney DuCharme. "The Department of Justice will ensure that taxpayer and pandemic relief funds are not misappropriated, but are used for their intended purpose and deserving recipients."

"While small business owners around the country were scrambling to make ends meet and find ways to compensate their employees during the COVID-19 pandemic, Trapp blatantly lied on an application for economic stimulus, as alleged today," stated FBI Assistant Director-in-Charge Sweeney. "Without a legitimate business to claim or any employees to pay, he wasn't at all eligible for the funding he eventually received. Stealing federal aid reserved for those suffering from the pandemic's economic fallout is an easy way to rack up criminal charges. As a result, the one thing Trapp is now eligible for is the chance of spending a significant amount of time behind bars."

The Economic Injury Disaster Loan program (EIDL) provides qualifying small businesses with low-interest loans. The Coronavirus Aid, Relief and Economic Security (CARES) Act expanded EIDL to provide economic support to help offset the temporary loss of revenue experienced by businesses due to the COVID-19 pandemic. As alleged in the complaint and other court documents, Trapp applied for an EIDL loan and grant in June 2020. In the application, Trapp claimed that he was the sole proprietor of a car wash business located at his home address in Brooklyn, a multi-unit residential building. Trapp further

represented that he employed ten individuals and that his gross revenue for the 12 months prior to the COVID-19 pandemic was \$150,000. Based on Trapp's false representations, the Small Business Administration approved a \$42,500 loan and \$10,000 grant to Trapp, and these funds were deposited into Trapp's bank account. On July 13, 2020, Trapp withdrew approximately \$9,000 in cash from the bank account.

The government's investigation revealed that Trapp did not operate a commercial car wash business, did not employ anyone and had no gross revenue from the purported business.

The charge in the complaint is an allegation, and the defendant is presumed innocent unless and until proven guilty. If convicted, Trapp faces up to 20 years' imprisonment on the fraud charge.

The government's case is being prosecuted by Assistant United States Attorney Francisco J. Navarro.

**The Defendant:**

JEREMY TRAPP

Age: 24

Brooklyn, New York

E.D.N.Y. Docket No. 20-MJ-915

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**Attachment(s):**

[Download Trapp Covid19 Fraud Complaint.pdf](#)

**Topic(s):**

Coronavirus

Financial Fraud

**Component(s):**

[USAO - New York, Eastern](#)

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