



THE UNITED STATES

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Thursday, January 28, 2021

Man Charged with \$1.9 Million COVID-Relief Fraud

A Nevada man was charged in an indictment Wednesday for his alleged participation in a scheme to defraud multiple financial institutions by filing bank loan applications that fraudulently sought more than \$1.9 million dollars in forgivable loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Nicholas L. McQuaid, Acting Assistant Attorney General of the Justice Department's Criminal Division; Nicholas A. Trutanich, U.S. Attorney of the District of Nevada; Aaron C. Rouse, Special Agent in Charge of the FBI's Las Vegas Field Office; and Weston King, Special Agent in Charge of the SBA Office of the Inspector General's (OIG) Western Region Office made the announcement.

Jorge Abramovs, 40, of Las Vegas, was charged in an indictment filed in the District of Nevada with five counts of bank fraud, one count of making false statements to a bank, and five counts of money laundering. Abramovs had been charged initially with bank fraud in a criminal complaint and was arrested on Jan. 17, 2021. On Jan. 22, 2021, U.S. Magistrate Judge Cam Ferenbach ordered that Abramovs be detained pending trial.

The indictment alleges that Abramovs obtained nearly \$2 million in Paycheck Protection Program (PPP) loans from seven different lenders by, among other things, submitting multiple loan applications in the names of three different businesses while falsely claiming to have numerous employees earning wages. The indictment further alleges that Abramovs used the PPP funds for personal (rather than business) purposes, including purchasing a Tesla, a Bentley, two condominiums, and paying his home mortgage.

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, and in December 2020, Congress authorized another \$284 billion in additional 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 a set time period and use at least a certain percentage of the loan towards payroll expenses.

A federal criminal indictment is merely an accusation. A defendant is presumed innocent unless and until proven guilty.

The FBI and SBA-OIG investigated the case. Trial Attorney Joseph McFarlane of the Criminal Division's Fraud Section and Assistant U.S. Attorney Jessica Oliva of the U.S. Attorney's Office for the District of Nevada are prosecuting the case.

The Fraud Section leads the department's prosecution of fraud schemes that exploit the PPP. In the nine months since the PPP began, Fraud Section attorneys have prosecuted more than 100 defendants in more than 70 criminal cases.

The Fraud Section has also seized more than \$60 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at: <https://www.justice.gov/criminal-fraud/ppp-fraud>.

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>.

Attachment(s):

[Download Abramovs indictment](#)

Topic(s):

Coronavirus

Disaster Fraud

Component(s):

[Criminal Division](#)

[Criminal - Criminal Fraud Section](#)

[USAO - Nevada](#)

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