



THE UNITED STATES

Department of Justice

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Washington, D.C. General Contractor Charged with COVID-Relief Fraud

The owner of a residential construction contracting firm based in Washington, D.C., was charged with allegedly submitting fraudulent documents to a bank in connection with applications seeking more than \$400,000 in a forgivable Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division, Acting U.S. Attorney Michael R. Sherwin for the District of Columbia, Special Agent in Charge James A. Dawson of the FBI Washington Field Office's Criminal Division, Inspector General Hannibal "Mike" Ware of the Small Business Administration's Office of Inspector General (SBA OIG), and J. Russell George, the Treasury Inspector General for Tax Administration (TIGTA) made the announcement.

Oludamilare Olugbuyi, 40, of Washington, D.C., was charged in a federal criminal complaint filed in the District of Columbia with making false statements to a financial institution. According to the complaint, Olugbuyi submitted several fake and fraudulent documents to a financial institution in support of two PPP loan applications seeking more than \$400,000 in forgivable loans for a construction firm that he owned. Specifically, Olugbuyi submitted what purported to be several IRS Forms 1099-MISC reporting hundreds of thousands of dollars in disbursements made to independent contractors.

The complaint alleges that the social security numbers reflected on the forms were either invalid or assigned to other people. In addition, Olugbuyi allegedly submitted to the financial institution what purported to be a tax return reporting \$175,565 in adjusted gross income for tax year 2019. According to IRS records, however, on April 14, 2020, Olugbuyi filed an IRS Form 1040 reporting \$1 in total income for 2019. This document, known as a "non-filer return," qualified Olugbuyi to receive a \$1,200 Coronavirus Aid, Relief, and Economic Security Act (CARES) economic impact payment.

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 on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses a certain amount of the PPP loan proceeds on payroll expenses.

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 Christine Macey are prosecuting the case. The Justice Department acknowledges and thanks the FBI, TIGTA, and the SBA OIG for their efforts investigating this matter.

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>.

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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Financial Fraud

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