



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Friday, August 7, 2020

Three Men Who Allegedly Used Existing Shell Companies and Prior Fraud Experience to Exploit Covid-19 Relief Programs Charged in South Florida Federal Court

MIAMI – Federal prosecutors have charged one Florida man and two Massachusetts men for their alleged participation in a fraud and money laundering-ring established in 2019 to carry out business email compromise-schemes and that defendants used, most recently, to steal close to \$2 million from Covid-19 relief programs.

Ariana Fajardo Orshan, U.S. Attorney for the Southern District of Florida, George L. Piro, Special Agent in Charge, FBI, Miami Field Office, Brian Swain, Special Agent in Charge, United States Secret Service (USSS), Miami Field Office, Kyle A. Myles, Special Agent in Charge, Federal Deposit Insurance Corporation, Office of Inspector General (FDIC-OIG), Office of Investigation's, Atlanta Regional Office, Kevin A. Kupperbusch, U.S. Small Business Administration, Investigations Division (SBA-OIG), Eastern Regional Office, and Dale Forrester, Special Agent in Charge, Treasury Inspector General for Tax Administration (TIGTA), Cybercrimes Division, made the announcement.

The criminal complaint charges **Jimpcy One**, of Broward County, **Gousman Lemy**, of Norfolk County, Massachusetts, and **Frantz Guillaume, Jr. a/k/a Sandro Saintfleur**, of Norfolk County, Massachusetts, with conspiracy to commit money laundering, bank fraud, and money laundering. The complaint charges One and Guillaume with additional counts of aggravated identity theft and making false statements to a financial institution.

According to the complaint affidavit, unknown co-conspirators of the defendants initiated the scheme around 2019, when they hacked and took control of a business email account. Through false emails that co-conspirators allegedly sent from the hacked account, co-conspirators tricked a separate business, a victim, into wiring over \$900,000 into an account that defendants allegedly controlled. Defendants then sought to conceal the origin of this fraudulently obtained money by transferring it among the bank accounts of various shell companies that defendants controlled, according to the affidavit.

When the coronavirus pandemic hit the United States in 2020, defendants allegedly initiated a new fraud scheme using existing shell companies from the email compromise scheme, as well as newly created and reactivated shell companies. Defendants allegedly submitted false and fraudulent loan applications under two U.S. government relief programs authorized by the CARES Act to help small businesses and their

employees survive the Covid-19 economic crisis: the Paycheck Protection Program (“PPP”) and the Economic Injury Disaster Loan Program (“EIDL”). In June and July 2020, through false submissions in the names of their shell companies, defendants fraudulently applied for and received close to \$2 million in PPP and EIDL funds, according to the affidavit.

Defendants One and Lemy are in custody and had their initial appearances yesterday before U.S. Magistrate Judge Patrick M. Hunt, who sits in Ft. Lauderdale. Defendant Guillaume remains at large. A copy of the criminal complaint and affidavit is attached to this release.

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

The EIDL is a U.S. Small Business Administration (“SBA”) program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters. The CARES Act authorized the SBA to provide EIDL loans of up to \$2 million to eligible small businesses affected by the COVID-19 pandemic. Similar to PPP loans, applicants must certify that they meet certain requirements. Companies may use EIDL funds for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. PPP and EIDL loans may not be used for the same expenses.

FBI Miami, USSS Miami, FDIC-OIG, SBA-OIG, SBA-OIG, and TIGTA are handling the investigation. Assistant U.S. Attorney Brooke Watson is prosecuting the case. Assistant U.S. Attorney Nicole S. Grosnof is handling asset forfeiture.

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>.

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.

Related court documents and information appear on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>, under case no. 20-mj-06325.

Attachment

Criminal complaint and affidavit

Topic(s):

Financial Fraud

Component(s):

USAO - Florida, Southern

