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SOUTHERN DISTRICT *of* FLORIDA

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**Department of Justice**

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Thursday, September 17, 2020

## **Texas Man Charged in Miami Federal Court with Using False Payroll Documents To Obtain \$1.2 Million in Covid Relief**

MIAMI – Texas resident Uzoamaka Leonard Ohaebosim, 46, has been charged in the Southern District of Florida with federal bank fraud and making false statements to a financial institution after allegedly lying about his movie company's payroll expenses and obtaining \$1.2 million in Paycheck Protection Program (PPP) funds.

Ohaebosim was arrested in Texas and made his initial appearance in federal court there today. Authorities have seized the money.

U.S. Attorney Ariana Fajardo Orshan of the Southern District of Florida, Special Agent in Charge Kyle Myles of the Federal Deposit Insurance Corporation (FDIC) Office of Inspector General (OIG), Office of Investigation's Atlanta Regional Office, Eastern Regional Office, Gary Smith, Special-Agent-in-Charge, Southern Field Division, Treasury Inspector General for Tax Administration (TIGTA), Special Agent in Charge Michael J. De Palma of the IRS-Criminal Investigation (CI) Miami Office, and Special Agent in Charge Kevin A. Kupperbusch of the U.S. Small Business Association (SBA)-OIG, Investigations Division made the announcement.

The criminal complaint alleges that Ohaebosim sought approximately \$1.2 million in PPP loans through applications to an insured financial institution. The complaint alleges that Ohaebosim submitted a PPP loan application that made numerous false and misleading statements regarding his company's payroll expenses. Specifically, as part of the loan application, Ohaebosim allegedly provided a false IRS payroll tax form indicating that his company, Spite the Movie, LLC ("STM"), had over 100 employees who had received wages of approximately \$983,000 with taxes withheld of approximately \$122,000 in the first quarter of 2020. In truth, and in fact, STM had not paid these employees and had not filed this form with the IRS. Relying on this false IRS form, the financial institution in South Florida approved and funded approximately \$1.2 million in PPP loans. Law enforcement has seized these funds.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is 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. Businesses must use PPP loan proceeds for 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 criminal complaint is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

This case was investigated by the FDIC-OIG, TIGTA, IRS-CI, and the SBA-OIG. Assistant U.S. Attorney Michael Berger of the Southern District of Florida is prosecuting the case.

Related court documents and information appear on the website of the District Court for the Southern District of Florida at [www.flsd.uscourts.gov](http://www.flsd.uscourts.gov) or at <http://pacer.flsd.uscourts.gov>, under case no. 20-cr-03573.

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**Topic(s):**

Coronavirus

Financial Fraud

**Component(s):**USAO - Florida, Southern

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