

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

Wednesday, August 18, 2021

South Florida Political Consultant Charged with Defrauding Covid-19 Relief Program

Miami, Florida – Federal prosecutors have charged 28-year-old Fort Lauderdale, Florida resident Damara Holness with lying on a coronavirus relief loan application and fraudulently obtaining hundreds of thousands of dollars intended to help small businesses financially survive the Covid-19 pandemic.

According to the information filed yesterday in federal district court in Fort Lauderdale, in June 2020, Holness applied for a \$300,000 forgivable, federally-guaranteed Paycheck Protection Program (PPP) loan on behalf of Holness Consulting, Inc., a Florida company that she owned. It is alleged that to justify the requested loan amount, Holness claimed in the on-line loan application, and through supporting fraudulent payroll tax forms, that her company employed 18 people and spent an average of \$120,000 each month on payroll. In fact, Holness Consulting had zero employees and no payroll expenses. A bank in Georgia approved Holness Consulting's PPP loan application based on the lies and wired \$300,000 to the company's bank account in Florida, says the information.

Once the money hit the bank account in July 2020, Holness spent the next few months creating a paper trail to make it appear as if Holness Consulting had employees and was spending the PPP money on legitimate, approved expenses, it is alleged. According to the information, Holness issued checks from the company bank account made out to others who agreed, for a fee, to help with the fraud. At Holness' direction, the people receiving the checks would endorse and return them to Holness. Then, Holness would cash the checks at the company's bank, give a few hundred dollars to the check endorsers, and keep the rest of the cash for herself – about \$1,000 per check, says the information.

Damara Holness is a former president of the Broward County Democratic Black Caucus.

The information charges Holness with conspiring to commit wire fraud. If convicted, she faces up to 20 years in prison and a fine of up to \$250,000. Holness made her initial appearance today before U.S. Magistrate Judge Patrick M. Hunt, who sits in Ft. Lauderdale. Holness was released from custody on a \$100,000 personal surety bond.

Juan Antonio Gonzalez, Acting U.S. Attorney for the Southern District of Florida, and George L. Piro, Special Agent in Charge, FBI Miami, announced the charges.

FBI Miami investigated this case. Assistant U.S. Attorney Jeffrey Kaplan is prosecuting it. Assistant U.S. Attorney Emily Stone is handling asset forfeiture.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law designed to provide emergency financial assistance to millions of Americans who suffered financially from the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses through the Paycheck Protection Program (PPP).

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

An information is merely an allegation and a defendant are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

You may find related court documents and information 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 number 21-cr-60229.

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Topic(s):

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