

THE UNITED STATES ATTORNEY'S OFFICE
CENTRAL DISTRICT *of* CALIFORNIA

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Department of Justice

U.S. Attorney's Office

Central District of California

FOR IMMEDIATE RELEASE

Thursday, July 8, 2021

Owner of Trucking Companies Arrested on Charges Alleging Scheme to Fraudulently Obtain More Than \$600,000 in COVID-Relief Loans

SANTA ANA, California – The owner of trucking companies in the Inland Empire and elsewhere in California, who was out on bond awaiting trial in a separate federal criminal case, was arrested today on a criminal complaint alleging he fraudulently obtained more than \$667,000 in Paycheck Protection Program (PPP) COVID-19 pandemic relief funds.

Carl Bradley Johansson, 62, of Newport Beach, was arrested this morning and is charged with one count of bank fraud and one count of conspiracy to commit bank fraud. He is expected to make his initial court appearance this afternoon in United States District Court in Santa Ana.

Johansson was on pretrial release in a separate case that remains scheduled to go on trial on September 14. In that matter, Johansson is alleged to have schemed to defeat federal transportation laws by ordering the illegal repair of an oil tanker that resulted in a fatal explosion in 2014, and to have unlawfully avoided the payment of at least \$298,562 in federal income taxes from 2012 to 2017.

According to an affidavit filed with the complaint unsealed today, in April 2020, under Johansson's direction, the Ontario-based trucking company Western Distribution LLC applied for a PPP loan in the amount of \$436,390. Johansson's son was listed as the company's owner on the loan application and the loan application was approved.

Under Johansson's direction, Western Distribution LLC immediately spent its PPP funds in May and June 2020, in large part on expenses unrelated to its payroll. Rather than use the funds to keep the company's employees on staff, Johansson laid off most of the company's employees, but rehired many of them in late 2020.

Also in April 2020, a different Johansson-controlled trucking company – a Merced County-based business identified in the affidavit as "Company A" – applied to another federally insured bank for its own PPP loan in the amount of \$286,505, according to the affidavit. Johansson's 85-year-old mother was listed as Company A's owner on its PPP loan application, which was approved in the amount of \$286,500.

To create the impression that Western Distribution LLC had spent more of its PPP loan on its payroll than it actually did, in September 2020 Johansson moved 21 of Company A's employees onto Western

Distribution LLC's payroll, even though those employees never worked for Western Distribution, LLC, the affidavit alleges. This allegedly occurred just before the company's 24-week window for spending its PPP funds closed.

As a result of this ruse, Western Distribution LLC could falsely claim on its PPP loan forgiveness application in January 2021 that the company had met the requisite threshold of spending at least 60 percent of its PPP loan on payroll, according to the affidavit.

In March 2021, Johansson allegedly caused Western Distribution LLC to repeat the same fraudulent representations concerning its employee lists and payroll numbers when the company submitted a second PPP loan application, this time for \$231,527. The second loan application was approved.

The total loss alleged in this case is approximately \$667,917.

A complaint contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

If convicted of both charges, Johansson would face a statutory maximum sentence of 70 years in federal prison.

IRS Criminal Investigation and the Department of Transportation – Office of Inspector General investigated this matter.

Assistant United States Attorneys Joseph O. Johns and Matthew W. O'Brien of the Environmental and Community Safety Crimes Section are prosecuting this case.

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

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Contact:

Ciaran McEvoy

Public Information Officer

United States Attorney's Office

Central District of California (Los Angeles)

ciaran.mcevoy@usdoj.gov
(213) 894-4465

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