

THE UNITED STATES ATTORNEY'S OFFICE
DISTRICT *of* MARYLAND

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Department of Justice

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District of Maryland

FOR IMMEDIATE RELEASE

Friday, December 3, 2021

Nonprofit CEO Pleads Guilty to Wire Fraud in Relation to Covid-19 Loan Fraud

Defendant Misappropriated \$305,854 in Paycheck Protection Program Loan Funds

Greenbelt, Maryland – Brandon Fitzgerald-Holley, age 32, of Suitland, Maryland, pleaded guilty today to wire fraud in relation to COVID-19 loan fraud.

The guilty plea was announced by United States Attorney for the District of Maryland Erik L. Barron; Special Agent in Charge Thomas J. Sobocinski of the Federal Bureau of Investigation (FBI), Baltimore Field Office; Special Agent in Charge Shimon R. Richmond, Mid-Atlantic Region, Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG); Amaleka McCall-Brathwaite, Special Agent in Charge of the Small Business Administration Office of Inspector General's Eastern Region (SBA-OIG); Special Agent in Charge Michael McGill of the Social Security Administration Office of Inspector General, Philadelphia Field Division (SSA-OIG); and Special Agent in Charge Darrell J. Waldon of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office (IRS-CI).

According to his guilty plea, Fitzgerald-Holley used his non-operational nonprofit, the Coalition for Social Justice and Reform Incorporated (the Coalition), to fraudulently obtain COVID-19 relief funds. Since the Coalition's formation in 2018, the nonprofit had no employees, income, or regular operations.

On March 31, 2020, Fitzgerald-Holley submitted an Economic Injury Disaster Loan (EIDL) application for \$150,000 in funds to the Small Business Administration (SBA) on behalf of the Coalition. On June 3, 2020, the SBA denied the Coalition's application for an EIDL. On the same day, Fitzgerald-Holley contacted the SBA to request reconsideration of the EIDL application. The SBA did not approve Fitzgerald-Holley's request for reconsideration of his EIDL or provide Fitzgerald-Holley with any EIDL funding.

Further, on June 13, 2020, shortly after Fitzgerald-Holley's fraudulent EIDL application was denied, Fitzgerald-Holley submitted an application to Institution 1 for a for a \$305,854 Paycheck Protection Program (PPP) loan. Institution 1 is an online financial technology company that specializes in small business lending and participating as a non-bank PPP lender.

On the PPP loan application, Fitzgerald-Holley falsely listed that the Coalition employed 25 employees, had an average monthly payroll cost of \$122,342. In reality, the Coalition had no employees or payroll expenses.

Fitzgerald-Holley also created and submitted fraudulent documents including a fraudulent IRS Form W-3, which falsely stated that the Coalition had 25 employees with total wages of \$1,385,000.

On June 13, 2020, the Coalition's PPP loan application was approved. Fitzgerald-Holley signed the note on the loan as the CEO of the Coalition. Institution 1 subsequently deposited \$305,854 in PPP loan funds into Fitzgerald-Holley's personal account on June 16, 2020.

As stated in his plea agreement, upon receiving the fraudulently obtained PPP proceeds, Fitzgerald-Holley used the funds to purchase personal items including clothing, a pool table, televisions, electronic equipment, a 2020 Dodge Charger Scat, and various accessories for the vehicle. He also used the funds to fund a vacation rental. In total, Fitzgerald-Holley misappropriated \$305,854 in PPP loan funds.

Fitzgerald-Holley faces a maximum sentence of 20 years in federal prison for wire fraud. United States District Judge George J. Hazel has scheduled sentencing for March 7, 2021 at 10 a.m.

United States Attorney Erik L. Barron commended the FBI, FDIC-OIG, SBA-OIG, SSA-OIG, and the IRS-CI for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorney Caitlin R. Cottingham and Trial Attorney John Liolos of the Department of Justice Criminal Division's Fraud Section, who are prosecuting the 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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to help the community, please visit <https://www.justice.gov/usao-md/community-outreach>.

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Topic(s):

Disaster Fraud

Component(s):

USAO - Maryland

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