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**Department of Justice**

U.S. Attorney's Office

Western District of North Carolina

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FOR IMMEDIATE RELEASE

Tuesday, January 4, 2022

## **Charlotte Pastor Pleads Guilty To Tax and Wire Fraud**

### **The Defendant Admitted to Filing False Tax Returns and Using Fraudulent Information to Obtain a COVID-19 Relief Loan**

CHARLOTTE, N.C. – Frank Jacobs, Sr., 51, formerly of Charlotte now residing in Concord, N.C., appeared before U.S. Magistrate Judge David S. Cayer today and pleaded guilty to tax and wire fraud, for filing a false tax return and using fraudulent information to obtain a COVID-19 relief loan, announced Dena J. King, U.S. Attorney for the Western District of North Carolina.

Donald “Trey” Eakins, Special Agent in Charge of the Internal Revenue Service, Criminal Investigation Division, Charlotte Field Office (IRS-CI), joins U.S. Attorney King in making today’s announcement.

According to filed plea documents and today’s hearing, from at least 2009 to 2018, Jacobs was the Pastor of the Rock Worship Center Church (RWC) in Charlotte, and from at least 2019 to 2021, Jacobs was the Pastor of Quest Church, also located in Charlotte. Filed documents show that, for tax years 2009 through 2013, and 2015 through 2017, Jacobs failed to file timely U.S. Individual Income Tax Returns, Forms 1040, even after he received correspondence from the IRS in some of those years about the need to file and pay taxes. Jacobs did file a tax return for tax year 2014, but, as he admitted in court today, Jacobs both underreported his income on the returns he filed and failed to make a payment to the IRS for any tax liabilities.

As described in plea documents, on April 22, 2020, Jacobs filed on behalf of Quest Church a fraudulent application to obtain disaster-related loan benefits in the form of a Paycheck Protection Program (PPP) loan. The PPP loan program, sponsored by the United States Small Business Administration (SBA), was expanded under the CARES Act to provide support for small businesses to remedy economic harm caused by the COVID-19 outbreak.

Jacobs admitted in court today that the documents he submitted as part of the application process for the PPP loan contained information that was false and inaccurate. For example, Jacobs claimed that Quest Church paid wages totaling more than \$135,000 to five employees, from which federal income taxes had been withheld, when in fact Quest Church never reported any payments of any wages to the IRS for the corresponding calendar year, nor did it pay any withholding taxes on such income.

Jacobs was released on bond following his court appearance. A sentencing date for Jacobs has not been set.

The charge of filing a false tax return carries a maximum statutory penalty of three years in prison and a \$250,000 fine. The wire fraud charge carries a maximum penalty of 20 years in prison and a \$250,000 fine.

In making today's announcement, U.S. Attorney King thanked IRS-CI for their investigation of the case.

Assistant U.S. Attorney Jenny G. Sugar, of the U.S. Attorney's Office in Charlotte, is in charge of the prosecution.

The Department of Justice and the U.S. Attorney's Office for the Western District of North Carolina remain vigilant in detecting, investigating, and prosecuting wrongdoing related to the COVID-19 pandemic. If you think you are a victim of coronavirus fraud or have information pertaining to fraud involving COVID-19, contact the National Center for Disaster Fraud Hotline at 866-720-5721 or submit a complaint online using the [NCDF Web Complaint Form](#). Members of the public in the Western District are also encouraged to call 704-344-6222 to reach their local Coronavirus Fraud Coordinator.

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**Topic(s):**

Coronavirus

Tax

**Component(s):**

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