



PRESS RELEASE

# Founder of Lender Service Provider Convicted for Role in Multimillion- Dollar PPP Fraud Scheme



Monday, June 23, 2025

**For Immediate Release**

Office of Public Affairs

A federal jury convicted Stephanie Hockridge, a founder of the lender service provider Blueacorn, on Friday in connection with a scheme to fraudulently obtain tens of millions of dollars in COVID-19 relief money guaranteed by the U. S. Small Business Administration (SBA) through the Paycheck Protection Program (PPP).

According to court documents and evidence presented at trial, Hockridge, also known as Stephanie Reis, 42, of Rio Grande, Puerto Rico, and previously of Arizona, conspired with others to submit false and fraudulent PPP loan applications, including by fabricating documents that falsified income and payroll in order to receive loan funds for which they were not eligible.

“This defendant exploited a national emergency to personally profit from a taxpayer-funded program intended to support vulnerable individuals and small businesses,” said Matthew R. Galeotti, Head of the Justice Department’s Criminal Division. “This conviction demonstrates the Department’s commitment to holding individuals accountable for defrauding the government and wasting taxpayer money.”

“During a time of crisis in our country, this defendant abused the generosity of the American people by stealing money dedicated to the survival of small businesses to fraudulently enrich herself,” said Acting U. S. Attorney Nancy E. Larson for the Northern District of Texas. “We are

proud of the diligent work of our law enforcement partners to hold her accountable and bring her to justice. Make no mistake, our efforts to bring such fraudsters to justice are ongoing.”

“Hockridge’s conviction demonstrates the FBI’s continued commitment to protecting taxpayer-funded programs from fraud and abuse,” said Assistant Director Jose A. Perez of the FBI Criminal Investigative Division. “This program was designed to provide critical funds to those struggling during a national crisis, not line the pockets of people seeking to exploit government assistance. The FBI remains committed to pursuing anyone who abuses the public trust for personal gain.”

“Ms. Hockridge defrauded the federal government of millions of dollars in pandemic relief funds for her own personal gain and has been brought to justice,” said Special Agent in Charge Jon Ellwanger of the Office of Inspector General for the Board of Governors of the Federal Reserve System and Consumer Financial Protection Bureau (CFPB) Western Region. “We are proud to have worked with our federal law enforcement partners to hold Ms. Hockridge accountable.”

“Exploiting the Small Business Administration’s pandemic relief programs for personal gain is an egregious theft of taxpayer funds,” said Deputy Inspector General Sheldon Shoemaker of the SBA Office of Inspector General. “SBA OIG will aggressively root out fraud to protect the integrity of SBA’s programs, which are intended to provide vital assistance to the nation’s small businesses. I want to thank the U. S. Attorney’s Office and our law enforcement partners for their dedication and commitment to seeing justice served.”

“This verdict is a victory for justice, accountability, and the American public,” said Special Agent in Charge Christopher J. Altemus Jr. of the IRS Criminal Investigation (IRS-CI) Dallas Field Office. “In a time of crisis, the Paycheck Protection Program was created as a lifeline to keep small businesses afloat and families fed. Ms. Hockridge saw it as an opportunity to enrich herself. Driven by greed, she used her business to steal millions of dollars intended for those in need. The women and men of IRS-CI will continue to protect what’s right and stand firmly with the honest business owners who play by the rules.”

As proven at trial, Hockridge co-founded Blueacorn in April 2020, purportedly to assist small businesses and individuals in obtaining PPP loans. To get larger loans for certain PPP applicants, Hockridge and her co-conspirators fabricated documents, including payroll records, tax documentation, and bank statements. Hockridge and her co-conspirators charged borrowers kickbacks based on a percentage of the funds received.

As part of the scheme, Hockridge and others offered a personalized service to their clients called “VIPPP” to help potential borrowers complete PPP loan applications. Hockridge recruited co-conspirators to work as VIPPP referral agents and coach borrowers on how to submit false PPP loan applications. To get more kickbacks from borrowers and a higher percentage of lender fees from the SBA, Hockridge and her co-conspirators submitted PPP loan applications that

they knew contained materially false information. In total, Hockridge and her coconspirators processed tens of millions of dollars in fraudulent PPP loans. Hockridge was convicted of conspiracy to commit wire fraud and acquitted of four counts of wire fraud. She is scheduled to be sentenced on Oct. 10 and faces up to 20 years in prison.

The FBI, IRS-CI, the Special Inspector General for Pandemic Recovery, Federal Reserve Board- CFPB Office of Inspector General, and SBA OIG investigated the case.

Acting Assistant Chief Philip Trout of the Criminal Division's Fraud Section, Trial Attorneys Elizabeth Carr and Ryan McLaren of the Criminal Division's Money Laundering and Asset Recovery Section, and Assistant U. S. Attorney Matthew Weybrecht for the Northern District of Texas are prosecuting the case.

The Fraud Section leads the Criminal Division's prosecution of fraud schemes that exploit the PPP. Since the enactment of the CARES Act, the Fraud Section has prosecuted over 200 defendants in more than 130 criminal cases and has seized over \$78 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at [www.justice.gov/criminal/criminal-fraud/cares-act-fraud](http://www.justice.gov/criminal/criminal-fraud/cares-act-fraud)

MLARS's Bank Integrity Unit investigates and prosecutes banks and other financial institutions, including their officers, managers, and employees, whose actions threaten the integrity of the individual institution or the wider financial system.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Justice Department's National Center for Disaster Fraud (NCDF) Hotline via the NCDF Web Complaint Form at [www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form](http://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form).

*Updated June 23, 2025*

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March 31, 2026

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