PRESS RELEASE

Lancaster man sentenced for COVID relief fraud

Friday, October 18, 2024

For Immediate Release

U.S. Attorney's Office, Western District of New York

BUFFALO, NY – U.S. Attorney Trini E. Ross announced today that Larry Jordan, 45, of Lancaster, NY, who was convicted of conspiracy to commit bank fraud and wire fraud for his participation in a scheme to file fraudulent loan applications seeking forgivable Paycheck Protection Program (PPP) loans, was sentenced to serve 18 months in prison by U.S. District Judge John L. Sinatra, Jr. Principal Deputy Assistant Attorney General Nicole M. Argentieri, head of the Justice Department's Criminal Division, joined the announcement.

According to court documents, between April and September 2020, Jordan and his brother Sutukh El a/k/a Curtis Jordan a/k/a Hugo Hurt a/k/a Hugo Hermes Hurtington, conspired to submit eight fraudulent PPP loan applications on behalf of companies they owned or controlled. Three of the applications were submitted to Evolve Bank & Trust and the other five were submitted to Lendio, a financial technology company based in Utah. The applications contained false statements about the 2019 payroll expenses of each company, which were used to calculate the amount of PPP funds to which the applicant-companies would be entitled. To corroborate the applications, Jordan and El submitted IRS forms, which had never been filed with the IRS, as well as fraudulent payroll registers that purported to identify the names, personal information, and salary of the employees identified on the PPP applications.

For example, a PPP loan application was submitted on behalf of 5 Stems Inc to Evolve. The application represented that in 2019, 5 Stems Inc had 194 employees and an average monthly payroll of $242,133.33. In truth, 5 Stems Inc had nine employees in 2019 and paid those employees a total of approximately $57,380 for all of 2019. Evolve approved the application and funded a $605,200 loan. The money was deposited into an account controlled by defendant El. Some of the money was used for the defendants' own investments, as well as personal expenses and home improvements.

Sutukh El was previously convicted and is awaiting sentencing.

This case was investigated by the Federal Deposit Insurance Corporation's Office of Inspector General, the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection's Office of the Inspector General, the Federal Housing Finance Agency's Office of the Inspector General, the Federal Bureau of Investigation, and the Small Business Administration's Office of Inspector General. Assistant U.S. Attorneys Charles Kruly and Grace Carducci for the Western District of New York and Trial Attorneys Ariel Glasner and Della Sentilles of the Criminal Division's Fraud Section are prosecuting the case.

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

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Topic

COVID-RELATED FRAUD

Component

USAO - New York, Western

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