



PRESS RELEASE

Southwick Company Agrees to Pay \$2 Million to Resolve Allegations of PPP Loan Fraud



Friday, December 12, 2025

For Immediate Release

U.S. Attorney's Office, District of
Massachusetts

BOSTON – Kokusai Denki Electric America, Inc., formerly known as Hitachi Kokusai Electric Comark, LLC (Comark), a company headquartered in Southwick, Mass., has agreed to pay \$2,092,371 to resolve allegations that it violated the False Claims Act by obtaining a Paycheck Protection Program (PPP) loan for which it was not eligible.

Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) on March 29, 2020, to provide emergency financial assistance to the millions of Americans who were suffering the economic effects of the COVID-19 pandemic. The CARES Act authorized forgivable loans to small businesses for job retention and certain approved expenses through the PPP. The U.S. Small Business Administration (SBA) administered the PPP in two rounds – the second began in early 2021. To be eligible for a second-round loan, an entity, among other things, had to have fewer than 300 employees, including affiliates' employees.

As part of [the settlement](#), Comark admitted that, in January 2021, it received a \$1,342,232 second round PPP loan. Comark certified that it was eligible for the loan under the PPP regulations in effect at the time of the application and represented that it had 67 employees, including affiliates' employees. Comark later sought and received forgiveness from SBA of the full amount of that loan. When it applied for the loan and when it applied for forgiveness,

Comark did not qualify for the loan because it had more than 300 employees, when considering employees of its affiliates. Prior to 2021 and through 2022, Comark was a wholly owned subsidiary of Hitachi Kokusai Electric Inc., a company based in Tokyo. Between 2021 and through 2022, Kokusai had more than 300 employees, not including Comark's employees.

The settlement credits Comark for cooperation under the Department of Justice's Guidelines for Taking Voluntary Disclosure, Cooperation and Remediation into Account in False Claims Act Matters.

United States Attorney Leah B. Foley and the U.S. Small Business Administration made the announcement today. Assistant U.S. Attorney Brian M. LaMacchia, Chief of the Affirmative Civil Enforcement Unit handled the matter.

Updated December 12, 2025

Attachment

[USA v. Hitachi Comark - Settlement Agreement](#)

Topic

FALSE CLAIMS ACT

Component

[USAO - Massachusetts](#)

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