PRESS RELEASE

Two Memphis Business Owners Charged in Pandemic Relief Fraud

Friday, December 9, 2022

For Immediate Release

U.S. Attorney's Office, Western District of Tennessee

Memphis, TN – A federal grand jury has indicted two Memphis business owners with conspiring to defraud the Federal Paycheck Protection Program of over $786,000. United States Attorney Kevin G. Ritz announced the indictment today.

Lisa Evans, 40, of Olive Branch, Mississippi, owner of USA Taxes in Memphis, and Kevin Shaw, 33, of Memphis, owner of Freight Masters, Inc., are charged with conspiring to commit bank fraud and making false statements to a federally insured bank. These offenses each carry a maximum penalty of 30 years in prison and a maximum fine of $1,000,000.

According to the indictment, the Paycheck Protection Program (PPP) was a federal program administered by the Small Business Administration designed to provide emergency financial assistance to small businesses affected by the COVID-19 pandemic. The amount of a PPP loan that a small business may have been entitled to was determined by the number of employees and amount of payroll the business had. Evans and Shaw are alleged to have submitted a fraudulent PPP application for Shaw's business, Freight Master's Group Inc., to a bank participating in the PPP program. Evans is alleged to have provided Shaw with fake IRS documents to support his fraudulent application and then taking a kickback/fee from Shaw after Shaw obtained the $786,202 in loan proceeds.

U.S. Attorney Ritz said: “These federal aid programs were designed to lift hardworking citizens and small businesses in a time of need. But, as the indictment alleges, these individuals sought to defraud the aid programs. Thanks to our partners for investigating these offenses. We will continue to prosecute those who abuse and misuse COVID-19 relief funds.”

“Today’s arrests demonstrate the FDIC OIG, and our law enforcement partners continue to combat and prevent COVID-19 related fraud by investigating and holding accountable criminals who exploit the Paycheck Protection Program for personal gain via our nation’s banking system,” said Anand Ramlall, Special Agent in Charge, Dallas Region, Office of Inspector General for the Federal Deposit Insurance Corporation.

“The Treasury Inspector General for Tax Administration aggressively pursues those who attempt to abuse the Coronavirus Aid, Relief, and Economic Security Act and its Paycheck Protection Program, which was created to assist legitimate business owners during the pandemic,” said J. Russell George, the Treasury Inspector General for Tax Administration. “We appreciate the efforts of our law enforcement partners and the United States Attorney’s Office to ensure individuals engaged in criminal activity are held to account.”

“The Secret Service remains steadfast in our commitment to investigating the exploitation of pandemic relief funds,” said Acting Special Agent in Charge Ben Zack Rogers. “We are thankful for the hard work and continued support of our partners as we work together to ensure that our country’s financial environment remains safe and secure.”

“Manufacturing false information to wrongfully obtain funds from SBA programs intended for the nation’s small businesses is a theft from taxpayers,” said SBA OIG’s Central Region Special Agent in Charge Sharon Johnson. “OIG is committed to rooting out bad actors and protecting the integrity of SBA programs. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

“Celtic Bank and other members of the Federal Home Loan Banks support small businesses and their workers by properly distributing Paycheck Protection Program funds,” said Special Agent in Charge Edwin S. Bonano of FHFA-OIG’s Southeast Regional Office. “We are proud to work with our partners in the OIG community to root out PPP fraud and recover the taxpayer dollars intended for small business owners and employees under the CARES Act.”

The case was investigated by special agents with five different federal agencies – U.S. Secret Service, Federal Deposit Insurance Corporation (FDIC), Office of Inspector General, Small Business Administration (SBA) Office of Inspector General, U.S. Treasury Inspector General for Tax Administration (TIGTA), and the Federal Housing Finance Agency.

An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

United States Attorney Kevin Ritz thanked Assistant United States Attorney Tony Arvin, who is prosecuting this case.

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For more information, please contact Public Information Officer Cherri Green at 901-544-4231 or cherri.green@usdoj.gov. Follow@WDTNNews on Twitter for office news and updates.

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