



United States
Attorney's Office
District of New Jersey



PRESS RELEASE

Key Bank Agrees to Pay \$7.7 Million to Resolve Branch Manager's Fraud

Wednesday, January 7, 2026

For Immediate Release

U.S. Attorney's Office, District of New
Jersey

CAMDEN, N.J. – KeyBank National Association (“Key Bank”), headquartered in Cleveland, Ohio, has entered into a settlement agreement with the United States resolving allegations that the bank violated the False Claims Act by submitting for forgiveness fraudulent loans from the Paycheck Protection Program (PPP), which one of its branch managers had fraudulently conspired to obtain, Senior Counsel Philip Lamparello announced today.

“The Paycheck Protection Program was designed to support small businesses during the pandemic, not to enrich insiders. This resolution holds KeyBank accountable for submitting forgiveness claims it had compelling evidence were fraudulent, makes taxpayers whole, and reinforces our Office’s commitment to holding both individuals and institutions responsible for fraud.”

- Senior Counsel Philip Lamparello

According to the contentions of the United States contained in the settlement agreement:

Congress created the PPP in March 2020, as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to provide emergency financial support to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. The CARES Act authorized billions of dollars in forgivable loans to small businesses struggling to pay employees and other business expenses.

Tommy Hawkins was a bank manager at the Conshohocken Branch of Key Bank. In 2020 and early 2021, he worked with his co-conspirators to recruit individuals who owned companies with little or no actual operations to open bank accounts and apply for PPP loans at the bank branch that Hawkins managed. Hawkins helped the recruited individuals submit PPP loan applications that contained materially false representations about the companies' number of employees and payroll expenses. The applications also included false documentation, including tax forms. Hawkins facilitated approximately four dozen applications, for which the Small Business Association ("SBA") paid nearly \$6 million. Before Key Bank became aware of the scheme, Hawkins received incentive compensation through the bank related to opening new business bank accounts for the companies that received fraudulent PPP loans. In doing so, he violated Key Bank's policies.

In spring 2021, Key Bank detected suspicious patterns in Hawkins' origination of new business accounts. After an internal investigation, Key Bank disclosed to the SBA its concerns with eighteen loans Key identified as potentially fraudulent. Over the ensuing months, Key Bank's investigations identified approximately a dozen additional loans that were likely fraudulent, and it disclosed those to the SBA. Key Bank did not investigate or otherwise detect fraud in the remaining seventeen loans to Fraudulent PPP Borrowers that Hawkins facilitated during that time. Notwithstanding its concerns with the loans, Key Bank submitted forgiveness applications or guaranty purchase forms to the SBA for all forty-eight loans. Because each individual loan was below \$150,000, SBA granted that forgiveness on an expedited basis.

Key Bank cooperated in the investigation of Hawkins' misconduct, and the settlement reflects that cooperation. Key Bank has agreed to pay \$7,770,595.25 to resolve claims under the civil False Claims Act and CARES Act.

"Today's settlement of \$7.7 million holds Key Bank accountable for violating the False Claims Act. This settlement resolves allegations that the bank submitted fraudulent loan applications for forgiveness under the Paycheck Protection Program. The bank did so, despite having concerns about the origination of many of the loans," said Special Agent in Charge Patricia Tarasca, of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG), New York Region. "The FDIC OIG remains committed to working with our law enforcement partners to investigate fraud that occurred in the Paycheck Protection Program, and other instances of fraud that threaten to undermine the integrity of our Nation's financial institutions."

In addition to civil settlement, the U.S. Attorney's Office Criminal Division previously charged seven individuals as part of the criminal conspiracy. On May 28, 2024, Tommy Hawkins pleaded guilty to an Information charging him with one count of conspiracy to commit bank fraud. In October 2024, Hawkins was sentenced to 65 months' imprisonment.

On July 5, 2023, William Ingram pleaded guilty to an Information charging him with conspiracy to commit bank fraud. He has not yet been sentenced.

On July 10, 2023, Yasha Barjona pleaded guilty to an Information charging him with conspiracy to commit bank fraud. He has not yet been sentenced.

On July 17, 2024, Lisa Smith pleaded guilty to an Information charging her with conspiracy to commit bank fraud. She has not yet been sentenced.

On May 23, 2024, Sieff Robert Sargeant pleaded guilty to an Information charging him with money laundering by transacting in criminal proceeds. On October 3, 2024, he was sentenced to 6 months' imprisonment and 6 months of home detention with location monitoring.

On April 17, 2024, Eric Rivera was indicted on one count of bank fraud conspiracy, three counts of bank fraud, one count of wire fraud conspiracy, two counts of wire fraud, one count of money laundering conspiracy, and eight counts of money laundering.

Also on April 17, 2024, James Wessels was indicted on with one count of bank fraud conspiracy, three counts of bank fraud, and one count of money laundering conspiracy.

The charges and allegations contained in the Indictment against Eric Rivera and James Wessels are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

Senior Counsel Lamparello credited with the investigation special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, New York Region, under the direction of Special Agent-in-Charge Patricia Tarasca; special agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Wayne A. Jacobs in Philadelphia; special agents of the Social Security Administration, Office of the Inspector General, Boston-New York Field Division, under the direction of Acting Special Agent in Charge Corwin Rattler; and special agents and attorneys of the Small Business Administration, Office of Inspector General, under the direction of Supervisory Criminal Investigator Angelo Palmeri in New York.

The government is represented by Assistant U.S. Attorney Paul W. Kaufman of the Health Care Fraud and Opioid Enforcement Unit. The government is represented in the parallel criminal investigation by former Assistant United States Attorney Daniel A. Friedman and Attorney-in-Charge Jason M. Richardson of the U.S. Attorney's Office's Criminal Division in Camden.

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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[keybank.agreement.pdf](#)

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