ARCHIVED NEWS RELEASE 22-98

U.S. Small Business Administration Statement on the House Select Subcommittee on the Coronavirus Crisis Report Concerning Fraud in the Paycheck Protection Program

Published on December 8, 2022 by Office of Communications and Public Liaison

WASHINGTON – Today, the U.S. Small Business Administration (SBA) issued the following statement regarding the findings from the House Select Subcommittee on the Coronavirus

Crisis report on Paycheck Protection Program (PPP) fraud.

“The House Select Subcommittee report details serious problems of fraud and self-dealing by lenders and by companies who were paid fees by lenders to help PPP funds reach small business owners. In response to new revelations detailed in the report of possible fraud facilitated by third-party companies, the Small Business Administration (SBA) is taking additional action.

“The SBA has immediately suspended non-lenders Blueacorn and Womply, companies that worked with PPP lenders, from working with the SBA in any capacity. The SBA will be investigating appropriate action against their management, owners, and successor companies. In addition to the actions announced today, SBA launched a full investigation of the lenders -- Benworth, Capital Plus, Celtic Bank, Customers Bank, Cross River Bank, Fountainhead, Harvest, and Prestamos -- as well as the individuals and other related entities named in the report. The SBA will continue to work with the House Select Subcommittee to examine the evidence laid out in its report and continue taking corrective action to address the fraud and weak controls that were so prevalent at the onset of the PPP.

“As part of the investigation, the SBA will work with federal partner agencies including the Consumer Financial Protection Bureau, the U.S. Department of the Treasury, Federal Deposit Insurance Corporation, Federal Reserve Board and the Office of the Comptroller of the Currency to ensure that federal financial regulators have a coordinated response to wrongdoing by lenders.

“The SBA will continue to prioritize its response to findings of potential fraud in pandemic relief programs, efforts that have been positively recognized by the SBA Office of the Inspector General.”

###

About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of business ownership. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow, expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations. To learn more, visit www.sba.gov.

Media contacts

U.S. Small Business Administration
Press_Office@sba.gov

Return to top

U.S. Small Business Administration
409 3rd St., SW
Washington, DC 20416
800-827-5722