

Website upgrade

You are viewing the legacy SBA.gov website. [Visit the new site here.](#)



[Home](#) > [Article search](#) > SBA Suspends 111,620 California Borrowers Suspected of Commit...

NEWS RELEASE 26-29

SBA Suspends 111,620 California Borrowers Suspected of Committing \$8.6 Billion in Pandemic-Era Fraud

Published on February 6, 2026

WASHINGTON, D.C — Today, following a visit to San Diego, [U.S. Small Business Administration](#) (SBA) Administrator Kelly Loeffler announced that the agency has suspended 111,620 California borrowers amid suspected fraudulent activity across SBA pandemic-era loan programs. In total, these borrowers received 118,489 Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) loans totaling over \$8.6 billion.

"Once again, the Trump SBA is taking decisive action to deliver accountability in a state whose unaccountable welfare policies have created a culture of fraud and abuse at the expense of law-abiding taxpayers and small business owners," **said SBA Administrator Kelly Loeffler**. "Today, we announced we have suspended nearly 112,000 borrowers tied to at least \$9 billion in suspected fraud. This staggering number represents the most significant crack-down on those who defrauded pandemic programs, and it illuminates the scale of corruption that the Biden Administration tolerated for years. As we did in Minnesota, we are actively working with federal law enforcement to identify the criminals who defrauded American taxpayers, hold them to account, and recoup the stolen funds. As we continue our state-by-state work, our message is clear: pandemic-era fraudsters will not get a pass under this Administration."

These latest suspensions follow SBA's recent action in Minnesota, where the agency also announced it [suspended](#) 6,900 borrowers associated with 7,900 potentially fraudulent PPP and EIDL loans worth approximately \$400 million. Suspended borrowers are prohibited from executing new small business and disaster loans and are not eligible for other SBA programs such as federal contracting in the 8(a) Business Development Program.

Since Day One, the Trump SBA has worked to crack down on an estimated \$200 billion in pandemic era-fraud that went unaddressed during the Biden Administration. The agency recently [partnered](#) with Palantir to expand the nationwide investigation into PPP and EIDL abuse, and continues to coordinate with federal law enforcement partners to pursue recoveries, civil penalties, and criminal sentences where appropriate. The agency will also continue to partner with the SBA Office of Inspector General (OIG) to pursue additional potential fraud in California and in states across the nation.

#

About the U.S. Small Business Administration

The U.S. Small Business Administration helps power the American dream of entrepreneurship. As the leading voice for small businesses within the federal government, the SBA empowers job creators with the resources and support they need to start, grow, and 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.

Related programs: COVID EIDL, PPP

Media contacts

U.S. Small Business

Administration

✉ Press_Office@sba.gov ✉

[Return to top](#)

About SBA

[Contact SBA](#)

[Locations](#)

[Upcoming events](#)

[Newsroom](#)

[SBA blog](#)

[Leadership team](#)

Open government

[Freedom of Information Act](#)

[No Fear Act](#)

[Open data sources](#)

[Policies and guidance](#)

[Budget and performance](#)

[Regulations.gov](#) ↗

About the site

[Site map](#)

[Privacy policy](#)

[Linking policy](#)

[Plain language](#)

[Accessibility](#)

[Disclaimers](#)

Oversight

[Inspector General](#)

[Advocacy](#)

[Hearings and appeals](#)

[Ombudsman](#)

[Fraud and identity theft](#)

[WhiteHouse.gov](#) ↗

[USA.gov](#) ↗

Sign up

Receive information about upcoming SBA events, news alerts, and program updates.

[Subscribe to SBA emails](#)



U.S. Small Business Administration

409 3rd St., SW

Washington, DC 20416

800-827-5722 

