

**PRESS RELEASE**

# **Augusta man admits to COVID-19 scheme that netted more than \$4 million in loans and grants**

Thursday, January 19, 2023

**For Immediate Release**

U.S. Attorney's Office, Southern District of Georgia

## **Defendant created multiple pandemic-relief applications**

**STATESBORO, GA:** A Richmond County man has admitted conducting a scheme to submit fraudulent applications for COVID-19 small business relief funding that netted more than \$4 million in payments.

**Kamario Thomas**, 42, of Augusta, is charged by a criminal Information with Conspiracy, said David H. Estes, U.S. Attorney for the Southern District of Georgia. The guilty plea to the felony charge subjects Thomas to a statutory penalty of up to five years in federal prison followed by up to three years of supervised release, along with substantial financial penalties and restitution to the U.S. government. There is no parole in the federal system.

"This conviction represents the continuing, vigorous pursuit of those who undeservedly accessed government funding for struggling small businesses during the COVID-19 pandemic," said U.S. Attorney Estes. "In collaboration with our law enforcement partners, we will hold responsible those who attempt to illegally profit from these programs."

The 2020 Coronavirus Aid, Relief and Economic Security (CARES) Act provided more than \$650 billion in funding for qualifying small businesses facing financial challenges during the COVID-19 pandemic, with grants and forgivable loans available through the Paycheck Protection Plan (PPP) or Economic Injury Disaster Loans (EIDL).

In his plea agreement, Thomas admits that he completed false and fraudulent EIDL applications for himself, and that he received hundreds of thousands of dollars in kickbacks in return for completing and submitting fraudulent PPP and EIDL applications on behalf of his co-conspirators. To create those applications, Thomas fabricated IRS forms and tax records.

In total, the scheme caused the disbursement of more than \$4 million in fraudulent CARES Act loans and grants.

"Using the Small Business Administration's programs fraudulently undermines the spirit and true intent of bolstering the backbone of the nation's economy: small businesses," said SBA Office of Inspector General's Eastern Region Special Agent in Charge Amaleka McCall-Braithwaite. "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."

"In far too many cases, greedy opportunists took advantage of the PPP, diverting much-needed funds away from those businesses that desperately needed it," said James E. Dorsey, Special Agent in Charge, IRS Criminal Investigation, Atlanta Field Office. "This plea signals the COVID-19 Fraud Enforcement Task Force will continue pursuing and holding accountable those who chose greed over compassion for their fellow Americans who faced economic distress during the COVID pandemic."

"CARES Act funds were intended to help people and businesses harmed by the pandemic, not to line the pockets of overly greedy professionals," said Keri Farley, Special Agent in Charge of FBI Atlanta. "The FBI is continuing to work with our partners to do everything in our power to make sure stolen funds are returned to the public, and individuals who were involved in this type of criminal behavior are prosecuted to the fullest extent of the law."

"The defendant used deceit and fraud to obtain loans that he was not entitled to receive for his own financial gain," said Tommy D. Coke, Inspector in Charge of the Atlanta Division of the U.S. Postal Inspection Service. "This guilty plea is a reminder that the U.S. Postal Inspection Service, along with our law enforcement partners, remain committed to investigating individuals for these types of crimes and holding the offenders accountable."

"An important mission of the U.S. Department of Labor Office of Inspector General is to investigate fraud related to COVID-19 benefit programs. Through collaboration and leveraging of resources the federal law enforcement community has continued to make great strides in holding COVID-19 fraudsters accountable," said Mathew Broadhurst, Special Agent-in-Charge, Southeast Region, U.S. Department of Labor, Office of Inspector General. "We will continue to work closely with the U.S. Attorney's Office and our law enforcement partners to safeguard COVID-19 benefit programs, including unemployment compensation benefit programs, for those who need them the most."

The case is being investigated by the Small Business Administration Office of Inspector General, IRS Criminal Investigation, the FBI, the U.S. Postal Inspection Service, and the Department of Labor Office of Inspector General, and prosecuted for the United States by Assistant U.S. Attorney Jenifer A. Stanley.

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 (NCDF) Hotline at [866-720-5721](tel: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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