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**PRINCE GEORGE'S COUNTY MAN SENTENCED TO SEVEN YEARS IN FEDERAL PRISON
FOR A CONSPIRACY TO OBTAIN OVER \$1 MILLION IN COVID-19 CARES ACT LOANS AND
UNEMPLOYMENT INSURANCE BENEFITS**

Defendant also Possessed Four "Ghost Guns," Including One that Was Modified to be a Machinegun

Greenbelt, Maryland – U.S. District Judge Theodore D. Chuang today sentenced Jerry Phillips, a/k/a "Tian Juzo," age 25, of Capitol Heights, Maryland, to seven years in federal prison, followed by three years of supervised release, for a wire fraud conspiracy, aggravated identity theft, and illegal possession of a machine gun, related to a scheme to fraudulently obtain more than \$1 million in COVID-19 CARES Act Paycheck Protection Program loan applications ("PPP"), Economic Injury Disaster loan applications ("EIDL"), and unemployment insurance claims. Judge Chuang also ordered Phillips to pay restitution of \$1,235,213.

The sentence was announced by Erek L. Barron, United States Attorney for the District of Maryland; Acting Special Agent in Charge Troy W. Springer, of the National Capital Region, U.S. Department of Labor - Office of Inspector General ("DOL-OIG"); Acting Special Agent in Charge Kareem A. Carter of the Internal Revenue Service - Criminal Investigation ("IRS-CI"), Washington, D.C. Field Office; Special Agent in Charge Amaleka McCall-Brathwaite of the Small Business Administration - Office of Inspector General ("SBA-OIG"), Eastern Region, and Special Agent in Charge Jeffrey D. Pittano, of the Mid-Atlantic Region, Federal Deposit Insurance Corporation Office of Inspector General ("FDIC-OIG").

"Once again, the Maryland U.S. Attorney's Office's COVID fraud enforcement strategy is taking illegal guns out of the hands of criminals," said United States Attorney Erek L. Barron. "This case highlights two of our office priorities—taking illegal guns off the streets and holding accountable those who fraudulently took advantage of the COVID-19 pandemic to line their pockets."

According to his plea agreement, from March 2020 to February 2022, Phillips worked with his brother and co-defendant, Jaleel Phillips, and at least one other person, to fraudulently obtain COVID-19 related benefits, including filing fraudulent PPP loan applications, EIDL loan applications, and unemployment insurance claims. As detailed in the statement of facts, Phillips and his co-conspirators created fictitious aliases, used the personal identifying information of real people, and used defunct corporate entities or new business entities with no actual business operations to apply for PPP and EIDL loans, and unemployment benefits.

As part of the scheme, Phillips admitted that he created and used multiple fake identities to submit fraudulent PPP and EIDL loan applications and used the personal identifying information of more than 20 real

people in furtherance of fraudulent unemployment claims. The fraudulently obtained PPP and EIDL loans and unemployment insurance claims were deposited into the bank accounts opened in the names of the aliases. The money was then withdrawn by Phillips and his co-conspirators through ATM withdrawals and purchases made on the associated debit and credit cards or transferred between the various financial accounts established in the aliases' names. Phillips used \$65,538.95 of the fraudulently obtained funds to purchase a 2020 Chevrolet Camaro, which he registered in his name at the Maryland Motor Vehicle Administration. Jerry Phillips also admitted that he personally obtained and controlled more than \$1 million in fraud proceeds from the fraudulent PPPs and EIDLs.

A search of the defendant's residence recovered more than 25 fake driver's licenses from multiple states and multiple identification documents from different jurisdictions with Jerry Phillips' photograph and the same alias. Law enforcement also recovered four "ghost guns" which Jerry Phillips purchased online, using an alias. Phillips admitted that he illegally modified one of the ghost guns into a machine gun capable of firing multiple rounds with one pull of the trigger.

Jaleel Phillips, age 25, of Capitol Heights, Maryland, previously pleaded guilty to his role in the wire fraud conspiracy and was sentenced on June 22, 2023, to 30 months in federal prison and was ordered to pay restitution in the amount of \$1,142,769.

The District of Maryland Strike Force is one of three strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud, including fraud relating to the CARES Act. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

United States Attorney Erik L. Barron commended the DOL-OIG, IRS-CI, SBA-OIG, FDIC-OIG, and the Mississippi Attorney General's Office for their work in the investigation and thanked the Office of Mississippi Attorney General Lynn Fitch-Public Integrity Division, for its assistance. Mr. Barron also thanked Assistant U.S. Attorney Harry M. Gruber, who is prosecuting the case and recognized the assistance of the Maryland COVID-19 Strike Force Paralegal Specialist Joanna B.N. Huber.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, please visit www.justice.gov/usao-md and <https://www.justice.gov/usao-md/report-fraud>.

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