

PRESS RELEASE

Former SBA Employee from South Florida Headed to Federal Prison After Defrauding COVID-19 Relief Programs

Tuesday, June 17, 2025

For Immediate Release

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

MIAMI – A former Small Business Administration (SBA) employee who fraudulently obtained COVID-19 relief money to spend on luxury items was sentenced on June 13.

United States District Judge Rodolfo A. Ruiz II sentenced Malaina Chapman, 38, to 54 months imprisonment, followed by three years of supervised release. Judge Ruiz further ordered Chapman to pay \$1,297,178 in restitution.

According to court documents and statements made in court, Chapman was employed as a Disaster Relief Specialist with the SBA from September 28, 2020 through March 18, 2021. While employed by the SBA, Chapman became involved in multiple schemes to defraud the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan program, as well as local credit unions and local and state programs designed to assist those affected by the COVID-19 pandemic.

On February 10, 2021, Chapman submitted an online loan application in the name of Upscale Credit Lounge, LLC to a lender. In support of her application, Chapman submitted a false and fraudulent Schedule C (Form 1040) that reported gross revenues of \$103,674 and a tentative profit of \$81,860 for 2020. The lender relied upon the representations in Chapman's application to approve a loan in the amount of \$17,052.50.

On February 19, 2021, Chapman submitted an online PPP loan application with the lender on behalf of DA TRAP, LLC. In her application, Chapman claimed that she had four employees and an average monthly payroll of \$14,191. In support of her application, Chapman submitted a false and fraudulent Employers Quarterly Tax Return (Form 941), which purportedly documented the wages paid by DA TRAP. Relying on the representations in the application, the lender approved a loan in the amount of \$35,477.50.

In total, Chapman received \$230,246 for the loan applications she submitted on her own behalf.

Chapman also conspired with others to submit false and fraudulent PPP loan applications on their behalf. Six defendants were charged under case number 24-cr-20079. For that conspiracy, Chapman was held accountable for losses of \$837,716.

In addition to defrauding the PPP program, Chapman also took advantage of the State of Florida and the City of Miami's COVID-19 Emergency Rental Assistance Programs.

Chapman spent the money on luxury items from Louis Vuitton, Nordstrom, Goyard, Chanel, Fendi, as well as a designer teacup puppy. Chapman also spent over \$7,500 on a stay at a Key Largo luxury resort.

U.S. Attorney Hayden P. O'Byrne for the Southern District of Florida; Special Agent in Charge Jonathan Ulrich, U.S. Postal Service Office of Inspector General (USPS OIG); Special Agent in Charge Amaleka McCall-Brathwaite, U.S. Small Business Administration Office of Inspector General (SBA OIG), Investigations Division's Eastern Region; and Special Agent in Charge Mathew Broadhurst of the U.S. Department of Labor Office of Inspector General (DOL-OIG), Southeast Region, made the announcement.

This case was investigated by USPS-OIG, SBA-OIG, and DOL-OIG.

Assistant U.S. Attorney Daniel Bernstein prosecuted the case.

Assistant U.S. Attorney Gabrielle Charest-Turken is handling asset forfeiture.

In March 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted. It was designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. Among other sources of relief, the CARES Act authorized and provided funding to the SBA to provide EIDLs to eligible small businesses, including sole proprietorships and independent contractors, experiencing substantial financial disruptions due to the COVID-19 pandemic to allow them to meet financial obligations and operating expenses that could otherwise have been met had the disaster not occurred. EIDL applications were submitted directly to the SBA via the SBA's on-line application website, and the applications were processed and the loans funded for qualifying applicants directly by the SBA.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud.

The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

On September 15, 2022, the Attorney General selected the Southern District of Florida's U.S. Attorney's Office to head one of three national COVID-19 Fraud Strike Force Teams. The Department of Justice established the Strike Force to enhance existing efforts to combat and prevent COVID-19 related financial fraud. For more information on the department's response to the pandemic, please click [here](#).

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>, under case number 24-cr-20321.

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Updated June 17, 2025

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