

Department of Justice
U.S. Attorney's Office
Western District of Pennsylvania

FOR IMMEDIATE RELEASE

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Owner and Salesman at RC Auto Sales in Connellsville Indicted in Scheme to Defraud Pandemic Loan and Benefits Programs

PITTSBURGH, PA - Two residents of Connellsville, Pennsylvania have been indicted by a federal grand jury in Pittsburgh on charges of mail fraud and conspiracy to commit mail and bank fraud, United States Attorney Cindy K. Chung announced today.

The five-count Indictment named Joshua Dewitt, 36, and Terrence Newmeyer Jr., 45, both of Connellsville, PA, as defendants.

According to the Indictment, DeWitt was the owner of RC Auto Sales in Connellsville, Fayette County, where he employed Newmeyer. Together, DeWitt and Newmeyer filed a series of fraudulent applications for Pandemic Unemployment Assistance benefits and Paycheck Protection Program loans, including on behalf of customers of RC Auto Sales. DeWitt and Newmeyer used the fraudulently obtained pandemic benefits to benefit themselves and RC Auto Sales, by—among other things—accepting them as payment for vehicles and services sold by RC Auto Sales.

“The Pandemic Unemployment Assistance Program and the Payroll Protection Program were created to provide emergency financial assistance to eligible individuals and companies that were suffering from the negative economic effects of the COVID-19 pandemic,” said U.S. Attorney Chung. “We will continue to work with our law enforcement partners to disrupt these fraud schemes and prosecute people who exploit these programs for personal enrichment.”

“An important part of the mission of the Office of Inspector General is to investigate allegations of fraud related to unemployment insurance programs. We will continue to work with the Pennsylvania Department of Labor and Industry and our law enforcement partners to investigate these types of allegations,” stated Syreeta Scott, Special Agent-in-Charge of the Philadelphia Region, U.S. Department of Labor Office of Inspector General.

“The Pennsylvania State Police is committed to thoroughly investigating any type of insurance and other government funding fraud. The Pandemic Unemployment Assistance benefits and Paycheck Protection Program loans were intended for individuals at a time of need, and the residents of Pennsylvania should be angry with the criminal activity uncovered during this extensive investigation,” said Captain James Cuttitta, Special Investigations Division, Pennsylvania State Police, Bureau of Criminal Investigation. “This indictment is a culmination of extremely hard work by our Troopers in our continuing partnership with the Pennsylvania Department of Labor and Industry, the United States Department of Labor Office of the Inspector General, the Fayette County District Attorney’s Office and the United States Attorney’s Office.”

Fayette County District Attorney Richard Bower added, “This matter was a two-year investigation in conjunction with the Pennsylvania State Police and the U.S. Dept. of Labor. The prosecution team of myself, Assistant District Attorney Sean Lementowski and Assistant District Attorney William Martin, developed a thorough and detailed case against Joshua Dewitt, Terrence Newmeyer, and RC Auto Sales of Connellsville, PA., for Corrupt Organization, Dealing in Illegal Proceeds, and Theft. As

a result of the investigation, I contacted the United States Attorney, Cindy K. Chung, for her office to review the investigation. Thereafter, the United States Attorney agreed to prosecute the matters.”

The law provides for a maximum total sentence of 30 years in prison, a fine of \$1 million or both. Under the Federal Sentencing Guidelines, the actual sentence imposed would be based upon the seriousness of the offenses and the prior criminal history, if any, of the defendants.

Assistant United States Attorney Jeffrey R. Bengel is prosecuting this case on behalf of the government.

The United States Department of Labor Office of the Inspector General, Pennsylvania State Police, Special Investigations Division, Bureau of Criminal Investigation, and the Fayette County District Attorney’s Office conducted the investigation leading to the Indictment in this case.

An indictment is an accusation. A defendant is presumed innocent unless and until proven guilty.

Topic(s):
Coronavirus
Financial Fraud

Component(s):
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