

Department of Justice
U.S. Attorney's Office
District of Maryland

FOR IMMEDIATE RELEASE

Monday, November 28, 2022

Prince George's County Man Pleads Guilty to a Federal Wire Fraud Conspiracy to Obtain Over \$750,000 in COVID-19 CARES Act Loans and Unemployment Insurance Benefits

Greenbelt, Maryland – Jaleel Phillips, age 25, of Capital Heights, Maryland, pleaded guilty today to a federal wire fraud conspiracy, in relation to a scheme to unlawfully obtain COVID-19 relief loans and unemployment benefits.

The guilty plea was announced by United States Attorney for the District of Maryland Erik L. Barron; Acting Special Agent in Charge Troy W. Springer, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General; Special Agent in Charge Darrell J. Waldon of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; Special Agent in Charge Amaleka McCall-Brathwaite of the Small Business Administration - Office of Inspector General, Eastern Region, and Acting Special Agent in Charge Quenton Sallows, of the Mid-Atlantic Region, Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG).

According to his plea agreement, electronic records linked Jaleel Phillips and his co-conspirator to a number of fraudulent Paycheck Protection Program loan applications (PPP), Economic Injury Disaster loan applications (EIDL), and unemployment insurance claims. As detailed in the statement of facts, Phillips and his co-conspirator 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 EIDL and PPP loans, and unemployment benefits.

Phillips admitted that as part of the conspiracy, several financial accounts and email accounts were opened using aliases that had been used to apply for the fraudulent benefits, including “Kenneth Williams,” “Allen Gator,” “Lawrence Robinson,” and “Jordan Gilmore.” 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 The money was then withdrawn by Phillips and his co-conspirator through ATM withdrawals and purchases made on the associated debit and credit cards or transferred between the various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. For example, Phillips engaged in multiple online and in-store transactions using debit cards embossed with the names of multiple fake identities and tied to bank accounts used in the fraud. Phillips admitted that he had access to accounts and debit cards receiving more than \$750,000 in fraudulently obtained COVID-19 benefits.

“This was a brazen scheme of staggering proportions,” said Darrell J. Waldon, IRS Criminal Investigation Special Agent in Charge of the Washington D.C. Field Office. “The defendant and his co-conspirator prioritized their own greed, submitting a number of fraudulent Paycheck Protection Program loan applications, Economic Injury Disaster loan applications, and unemployment insurance claims. Today’s plea sends a clear message that the IRS Criminal Investigation Special Agents and our law enforcement partners, remain vigilant and will vigorously pursue those who attempt to enrich themselves through fraudulent means.”

Jaleel Phillips faces a maximum sentence of 30 years in federal prison for the wire fraud conspiracy. Actual sentences for federal crimes are typically less than the maximum penalties. A

federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors. No sentencing date has been set by the Court.

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>.

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. Mr. Barron thanked Assistant U.S. Attorney Harry M. Gruber, who is prosecuting the federal case. He also thanked the Office of Mississippi Attorney General Lynn Fitch-Public Integrity Division, for its assistance.

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>.

#

Topic(s):

Coronavirus
Financial Fraud

Component(s):

[USAO - Maryland](#)

Contact:

Marcia Lubin (410) 209-4854

Updated November 28, 2022