

Department of Justice
U.S. Attorney's Office
District of New Hampshire

FOR IMMEDIATE RELEASE

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Sandown Man Pleads Guilty to Wire Fraud Related to the COVID-19 Pandemic

CONCORD - George Adyns, 51, of Sandown, pleaded guilty in federal court to wire fraud, United States Attorney Jane E. Young announced today.

According to court documents and statements made in court, Adyns executed two schemes to defraud government programs that were intended to provide economic assistance related to the COVID-19 pandemic.

New Hampshire Employment Security (NHES) administers the unemployment insurance program in New Hampshire. In March 2020, Congress passed legislation providing additional unemployment benefits to individuals who lost their jobs because of the economic upheaval caused by the coronavirus pandemic. At this time, Adyns was the Chief Financial Officer of several companies located in Plaistow, including Enviromart and KSC Industrial, that were controlled by his co-defendant. In late-March 2020, Adyns and his co-defendant directed company employees to file for unemployment benefits with NHES while continuing to work. This caused the unemployment system to effectively pay the employees' salaries. As a result, NHES paid more than \$49,000 in fraudulently obtained unemployment benefits.

In response to the pandemic, Congress also passed other economic measures designed to help small businesses, such as the Paycheck Protection Program (PPP). Under that program, businesses could obtain low-interest loans to meet payroll during the first few months of the pandemic. The SBA also opened up its Economic Injury Disaster Loan (EIDL) program to businesses. Under the program, businesses could obtain loans for working capital and normal operating expenses. Adyns made false representations to lenders to fraudulently obtain a PPP and EIDL loan for KSC Industrial. For example, he certified that KSC Industrial was not engaged in illegal activity. However, when making that certification, he knew that he and his co-defendant were fraudulently using the unemployment benefits system to pay their employees' salaries. Through this scheme, Adyns fraudulently obtained loans totaling more than \$135,000.

Adyns is scheduled to be sentenced on August 31, 2022.

Adyns's co-defendant has pleaded not guilty. Charges in an indictment are only allegations. All defendants are presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

The case was investigated by the U.S. Defense Criminal Investigative Service, the U.S. Labor Department's Office of the Inspector General, New Hampshire Employment Security and the New Hampshire Attorney General's Office with assistance from the U.S. Naval Criminal Investigative Service. The case is being prosecuted by Assistant United States Attorney Matthew T. Hunter and Special Assistant United States Attorney Alexander S. Chen.

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>.

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