

Department of Justice
U.S. Attorney's Office
Eastern District of Virginia

FOR IMMEDIATE RELEASE

Friday, April 16, 2021

Virginia Beach Woman Sentenced for Defrauding Nearly 1,700 Victims in \$1 Million Small Business Loan Scam

NORFOLK, Va. – A Virginia Beach woman was sentenced today to five years in prison for her role in an internet-based loan scam that defrauded nearly 1,700 owners and prospective owners of small businesses out of \$1,076,000.

According to court documents, Terri Beth Miller, 53, along with her husband, Ronald A. Smith, 60, set up an internet-based company, Business Development Group, that offered, in exchange for an advance fee, assistance to individuals in preparing applications to obtain loans guaranteed by the Small Business Administration (SBA). From August 2012 through February 2018, Miller and Smith solicited potential customers on the basis of false, fraudulent, and misleading statements and representations, including that the company was headquartered at the Trump Building in New York City with additional offices in Las Vegas, that it was affiliated with the SBA, that it had favorable relationships with banks across the nation, and had assisted well-known large companies in obtaining SBA loans. They offered a money-back guarantee, but in fact employed various fraudulent methods to deny refunds. Miller ran the day-to-day operations of the company with the knowledge that it was a fraudulent enterprise.

“Miller and Smith’s brazen scheme resulted in over a million dollars in losses and inflicted serious financial and emotional hardship to many of their nearly 1,700 victims,” said Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia. “For those who seek to deprive our hardworking community members from receiving crucial financial assistance, you will be held accountable in EDVA and brought to justice.”

Miller and Smith solicited 1,669 customers, who paid an aggregate sum of about \$1,076,000 in advance fees. Most of these customers did not receive an SBA-guaranteed loan.

Smith and Miller were previously convicted of criminal conduct before they executed this scheme. In 2006, Smith was prosecuted in the Eastern District of Virginia for nearly the identical advance-fee scam. In 2008, Miller was prosecuted in the Western District of Pennsylvania for malicious destruction of property by fire after she set fire to a business to obtain the insurance proceeds.

Miller pleaded guilty on October 23, 2020 to wire fraud and engaging in monetary transactions in criminally derived property. On April 9, 2021, Smith was sentenced to 10 years in prison for his role in the advance-fee scheme and other fraudulent conduct relating to COVID-19 unemployment benefits.

Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia; Brian Dugan, Special Agent in Charge of the FBI’s Norfolk Field Office; Derek Pickle, Special Agent in Charge of the Washington, DC Regional Office of the U.S. Department of Labor, Office of Inspector General; and Amaleka McCall-Brathwaite, Special Agent in Charge of the SBA’s Office of Inspector General, Eastern Region, made the announcement after sentencing by U.S. District Judge John A. Gibney, Jr.

The investigation was jointly conducted by the FBI, U.S. Postal Inspection Service, Small Business Administration, and Department of Labor Office of Inspector General.

Assistant U.S. Attorney Alan M. Salsbury prosecuted the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 2:20-cr-69.

Topic(s):

Financial Fraud

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