

PRESS RELEASE

Bank Manager Admits Coordinating Multistate COVID-19 Relief Program Fraud Scheme; New York Man Admits Laundering Proceeds

Thursday, May 30, 2024

For Immediate Release

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – A former branch manager of a national financial institution today admitted using his position to organize a conspiracy to help individuals obtain at least 38 fraudulent Paycheck Protection Program (PPP) loans totaling approximately \$5 million, U.S. Attorney Philip R. Sellinger announced today. U.S. Attorney Sellinger also announced that a New York man admitted laundering the proceeds of one of the fraudulent PPP loans.

Tommy Hawkins, 61, of Philadelphia, pleaded guilty before U.S. District Judge Karen M. Williams to one count of bank fraud conspiracy. Sieff Robert Sargeant, 44, of Island Park, New York, pleaded guilty before Judge Williams to one count of money laundering.

According to documents filed in these cases and statements made in court:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted in March 2020 and was designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (PPP). To obtain a PPP loan, a qualifying small business was required to apply

and provide information on its operations, including the number of employees and expenses. In addition, businesses generally had to provide supporting documentation.

In 2020 and early 2021, Hawkins worked as the branch manager of the Conshohocken, Pennsylvania, branch of a national bank that was accepting Paycheck Protection Program (PPP) loan applications. Hawkins worked with Eric Rivera, Lisa Smith, and others to recruit individuals who owned companies with little or no operations to open bank accounts at Hawkins' branch and apply for PPP loans. Hawkins helped the recruited individuals submit PPP loan applications that contained materially false representations about the companies' number of employees and payroll expenses. The applications also included false documentation, including tax forms. Based on these applications, Hawkins' bank approved at least 38 PPP loans and disbursed approximately \$5 million. Hawkins received incentive compensation through the bank for opening business bank accounts for the companies that received fraudulent PPP loans and also had an agreement with Rivera and Smith for them to pay Hawkins \$5,000 of the loan proceeds for each PPP loan that Hawkins helped to obtain.

In April 2021, Sargeant's business received a PPP loan based on a fraudulent application that was submitted through Hawkins' branch. Sargeant then paid another individual, James Wessels, to create fake payroll checks. Sargeant distributed fake payroll checks to a friend, who cashed the checks and returned the majority of the cash to Sargeant. This was done to conceal that the proceeds actually were being spent on non-payroll expenses.

The count of conspiracy to commit bank fraud is punishable by a maximum of 30 years in prison and a \$1 million fine. The count of money laundering is punishable by a maximum of 20 years in prison and a \$500,000 fine, or twice the gross gain or loss from the offense, whichever is greatest. Hawkins' sentencing is scheduled for Oct. 3, 2024; Sargeant's sentencing is scheduled for Oct. 2, 2024.

U.S. Attorney Sellinger credited special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, New York Region, under the direction of Special Agent-in-Charge Patricia Tarasca; special agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Wayne A. Jacobs in Philadelphia; special agents of the Social Security Administration, Office of the Inspector General, Boston-New York Field Division, under the direction of Acting Special Agent in Charge Bradley Parker; and special agents of the U.S. Department of Labor, Office of the Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the guilty pleas.

The government is represented by Assistant U.S. Attorney Daniel A. Friedman and Attorney-in-Charge Jason M. Richardson of the U.S. Attorney's Office's Criminal Division in Camden.

The charges and allegations against Rivera, Smith, and Wessels are merely accusations, and they are presumed innocent unless and until proven guilty.

[hawkins.information.pdf](#)

[sargeant.information.pdf](#)

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