

Department of Justice

U.S. Attorney's Office

Middle District of Florida

FOR IMMEDIATE RELEASE

Monday, July 18, 2022

Sarasota Man Sentenced To More Than Five Years In Prison For COVID-19 Related Fraud

Tampa, FL – U.S. District Judge William F. Jung has sentenced Randy Xavier Jones (34, Sarasota) to five years and one month in federal prison for wire fraud and aggravated identity theft. The court also ordered Jones to forfeit proceeds traceable to the offense, including 12 fraudulently obtained prepaid debit cards containing unemployment insurance benefits to which Jones was not entitled. Jones had pleaded guilty on March 24, 2022.

According to court documents, from July 2020 through at least September 2020, Jones knowingly engaged in a scheme to defraud several federal and state programs by obtaining COVID-19 related benefits—both loan proceeds from the Economic Injury Disaster Loan (“EIDL”) program and unemployment insurance (“UI”) benefits from state workforce agencies—to which he was not entitled. Specifically, Jones obtained an EIDL loan in the amount of \$50,000 in the name of a non-existent entity. In addition, in response to numerous fraudulent applications filed in multiple states, Jones obtained UI benefits, loaded on to prepaid debit cards, from state workforce agencies in Arizona, California, and Nevada, among others. In order to retrieve the proceeds of the scheme, Jones, a resident of Sarasota, flew to California and, over a period of several weeks, withdrew cash from the prepaid debit cards that were funded as a result of the fraudulent applications. Through both schemes, Jones and others obtained nearly a half million dollars.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted March 2020. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act is the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The EIDL program is designed to provide economic relief to small businesses that are currently experiencing a temporary loss of revenue. EIDL proceeds can be used to cover a wide array of working capital and normal operating expenses, such as continuation of health care benefits, rent, utilities, and fixed debt payments. If an applicant also obtains a loan under the PPP, the EIDL funds cannot be used for the same purpose as the PPP funds.

This case was investigated by the United States Secret Service, the Manatee County Sheriff's Office, and the U.S. Department of Labor – Office of Inspector General. It was prosecuted by Assistant United States Attorney Rachel K. Jones.

Topic(s):
Coronavirus
Disaster Fraud
Financial Fraud

Component(s):
[USAO - Florida, Middle](#)