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Justice Department Announces COVID-19 Fraud Strike Force Teams

Strike Force Team Locations Include Los Angeles, Sacramento, Miami, and Baltimore

Today the Justice Department announced the establishment of three Strike Force teams created to enhance the Department's existing efforts to combat and prevent COVID-19 related fraud.

"These Strike Force teams will build on the Department's historic enforcement efforts to deter, detect, and disrupt pandemic fraud wherever it occurs," said Attorney General Merrick B. Garland. "Since the start of this pandemic, the Justice Department has seized over \$1.2 billion in relief funds that criminals were attempting to steal, and charged over 1,500 defendants with crimes in federal districts across the country, but our work is far from over. The Department will continue to work relentlessly to combat pandemic fraud and hold accountable those who perpetrate it."

The Strike Force teams will operate out of U.S. Attorney's Offices in the Southern District of Florida, the District of Maryland, and a joint effort between the Central and Eastern Districts of California.

"The Strike Force teams are the latest example of the Justice Department's commitment to fight pandemic fraud," said Associate Deputy Attorney General Kevin Chambers, who serves as the Department's Director for COVID-19 Fraud Enforcement. "The work being done by our prosecutors, trial attorneys, agents and partners on our COVID-19 Fraud Enforcement Task Force has been extraordinary. We're going a step further today with the announcement of Strike Force teams to support, enhance, and continue the great work being done across the Department."

As Director for COVID-19 Fraud Enforcement, Chambers leads the Department's criminal and civil enforcement efforts to combat COVID-19 related fraud. To date, those efforts have resulted in criminal charges against over 1,500 defendants with alleged losses exceeding \$1.1 billion; the seizure of over \$1.2 billion in relief funds; and civil investigations into more than 1,800 individuals and entities for alleged misconduct in connection with pandemic relief loans totaling more than \$6 billion.

"I am excited to work alongside these dynamic interagency teams," said Assistant U.S. Attorney Michael C. Galdo, the Justice Department's Deputy Director for COVID-19 Fraud Enforcement, who will lead the Strike Force teams. "Assembling the fraud, cybercrime, and money laundering expertise of all our agency partners in these prosecutor-driven Strike Force teams is the best way to bring these fraudsters to justice."

The Strike Force teams are comprised of dedicated prosecutors and agents from the Department of Labor Office of Inspector General, the Small Business Administration Office of Inspector General, the Department of Homeland Security Office of Inspector General, the FBI, the U.S. Secret Service, Homeland Security Investigations, Internal Revenue Service Criminal Investigations, and the U.S. Postal Inspection Service, with assistance from the Pandemic Response Accountability Committee and the Special Inspector General for Pandemic Recovery.

“Criminals took advantage of the worst pandemic in a century to line their pockets with public money intended for struggling businesses and workers forced to sit idle,” said Acting U.S. Attorney Stephanie S. Christensen of the Central District of California. “Our office’s participation in the COVID-19 Strike Force reflects our determination to maximize our resources to root out and punish wrongdoers who used a national emergency to steal from American taxpayers.”

“Cheaters have been living large on funds intended to keep families and local business afloat during a national crisis,” said U.S. Attorney Erik L. Barron of the District of Maryland. “Our office is proud to participate in the COVID-19 Strike Force. We’ll continue prosecuting large-scale COVID-19 fraud while also integrating this priority into our violent crime strategy.”

“The U.S. Attorney’s Office for the Eastern District of California is proud to be included as a part of the COVID-19 Fraud Enforcement Strike Force,” said U.S. Attorney Phillip A. Talbert. “We have had early successes pursuing COVID-19 fraud both civilly and criminally. For example, our district obtained the first civil settlement in the nation for fraud related to the CARES Act’s Paycheck Protection Program, and we have brought a number of criminal prosecutions against defendants who obtained through fraud relief monies intended to help those in need. We remain committed to leading investigations and vigorously prosecuting those who commit COVID-19 fraud.”

“Over the years, the South Florida U.S. Attorney’s Office and its law enforcement partners have developed robust domestic and international fraud and money laundering practices,” said Juan Antonio Gonzalez, U.S. Attorney for the Southern District of Florida. “Our experience with these data-driven financial prosecutions allowed us to launch an early and aggressive attack on COVID-19 relief fraud in our district, holding accountable those who tried to capitalize on an unprecedented crisis. We are proud to have been selected to lead one of three COVID-19 Fraud Strike Force teams and look forward to continuing to advance this important Department of Justice effort.”

Since the establishment of the COVID-19 Fraud Task Force by the Attorney General in May 2021, the Department has worked closely with our law enforcement partners to analyze the extraordinary amount of data from our state workforce agency partners and the Small Business Administration. That data is the key to identifying and prosecuting the organized criminal groups and networks of overseas fraudsters who stole pandemic relief funds. The Strike Force teams are designed to accelerate the process of turning data analytics into criminal investigations, which will enhance our prosecutions. This prosecutor-led approach has proven successful in other organized crime arenas; it will be key to dismantling the networks that stole pandemic relief funds.

In May 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.

The Justice Department’s efforts to combat COVID-19 related fraud schemes have proceeded on numerous fronts, including cases and investigations involving the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL) program, Unemployment Insurance (UI) programs, and COVID-19 health care fraud enforcement.

For further information on the Criminal Division’s enforcement efforts on PPP fraud, including court documents from significant cases, visit the following website: <https://www.justice.gov/criminal-fraud/ppp-fraud>. For more information on the Department’s response to the pandemic, please visit <https://www.justice.gov/coronavirus>. For further information on the Civil Division’s enforcement efforts, visit the following website: <https://www.justice.gov/civil>.

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>.

Topic(s):

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