



PRESS RELEASE

COVID-19 Strike Force Announces Indictment of Former Wenatchee Man, Who Is Now At-Large in the Bay Area

Thursday, December 22, 2022

For Immediate Release

U.S. Attorney's Office, Eastern District of Washington

Wenatchee, Washington – Today, Vanessa R. Waldref, the United States Attorney for the Eastern District of Washington, announced that a federal grand jury has indicted James Carnell O’Daffer for COVID-19 fraud as part of the Eastern Washington Covid-19 Strike Force. The Strike Force’s work, which has included indictments against a number of individuals, has led to the recovery of millions of dollars in fraudulently obtained COVID relief funding.

The indictment announced today charges O’Daffer, 39, formerly of Wenatchee, WA, with two counts of wire fraud and one count of false, fictitious, or fraudulent claims. Though filed on October 18, 2022, the indictment was kept under seal while federal law enforcement attempted to locate O’Daffer, who is presumed innocent until proven guilty beyond a reasonable doubt in a court of law. O’Daffer recently was contacted by federal authorities in San Francisco, CA, and he made an initial appearance in the Northern District of California, where O’Daffer was arraigned, and his indictment was unsealed. Presently, O’Daffer is at large, and federal authorities encourage anyone with information on the current whereabouts of James Carnell O’Daffer to immediately contact the United States Marshals Service at usmarshals.gov or by calling 1-877-WANTED-2.

On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act provided a number of programs through which eligible small businesses could request and obtain relief funding intended to mitigate the economic impacts of the pandemic for small and local businesses. One such program, the Paycheck Protection Program (PPP), provided government-backed loans to small businesses which could be forgiven so long as the proceeds were used for payroll and other eligible expenses. Another program, the Economic Injury Disaster Loan (EIDL) program, provided low interest loans that could be deferred until the conclusion of the pandemic to provide “bridge” funding for small businesses to maintain their operations during shutdowns and other economic circumstances caused by the pandemic. The PPP and EIDL programs have provided billions of dollars in aid, the vast majority of which have not been paid back, including hundreds of millions of dollars disbursed within Eastern Washington.

The indictment charges O’Daffer in connection with an EIDL loan for \$117,400 that he obtained in 2021 for his purported home appraisal business. The indictment alleges that O’Daffer was not licensed as an appraiser at that time, that his business was no longer engaging in home appraisals, and that he spent the loan proceeds on non-business expenses including over \$39,000 for the purchase of a personal RV. In the event that O’Daffer is proven guilty beyond a reasonable doubt in a court of law, the fraud charges against him carry a maximum sentence of up to 20 years in federal prison.

In February 2022, U.S. Attorney Waldref and the U.S. Attorney’s Office (USAO) began working with federal law enforcement agencies to create and launch a COVID-19 Fraud Strike Force that would leverage partnerships between different agencies to aggressively investigate and prosecute fraud against COVID-19 relief programs in Eastern Washington. The Strike Force consists of agency representatives from the USAO, Small Business Administration (SBA) Office of Inspector General (OIG), Federal Bureau of Investigation (FBI), U.S. Department of the Treasury Inspector General for Tax Administration (TIGTA), U.S. Secret Service, U.S. Homeland Security Investigations, U.S. Department of Veterans Affairs OIG, General Services Administration OIG, Department of Homeland Security (DHS) OIG, Internal Revenue Service, Department of Energy OIG, and others.

This case was investigated by the Eastern District of Washington COVID-19 Fraud Strike Force and by SBA OIG and the U.S. Secret Service. Assistant United States Attorney Dan Fruchter, and Assistant United States Attorney Tyler H.L. Tornabene are prosecuting this case on behalf of the United States.

An indictment is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

Case No. 2:22-CR-00147-MKD

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