

U.S. Attorney’s Eastern Washington COVID-19 Strike Force Announces Indictment of Spokane Valley Couple in Connection with Fraudulent COVID Relief Loan

Tuesday, October 24, 2023

For Immediate Release

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

Spokane, Washington – Vanessa R. Waldref, the United States Attorney for the Eastern District of Washington, announced today that a federal grand jury has indicted a Spokane Valley couple for fraud in connection with COVID-19 relief funding. The Indictment is the most recent announced by the Eastern Washington COVID-19 Strike Force, which has brought criminal charges against numerous individuals and recovered millions of dollars in fraudulently obtained COVID relief funding.

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 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 EIDL program 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 announced today charges Raymond and Jennifer Hilderbrand, ages 53 and 52, of Spokane Valley, Washington, with eight counts of fraud in connection with a fraudulently-obtained EIDL loan. The Indictment alleges that Raymond Hilderbrand applied for and received \$363,000 in EIDL funding on behalf of his company, Hilderbrand Auto Service, with the intent to defraud, steal, and convert the proceeds of the EIDL loan for the couple’s use in Powerline Enterprise LLC, a purported business that was not eligible to receive EIDL funding. The Indictment also alleges that Defendant

Jennifer Hilderbrand made false and fraudulent representations on an application for EIDL funding on behalf of Powerline Enterprise LLC, a purported business that was not eligible to receive EIDL funding. The SBA denied that application.

“We created the Eastern Washington COVID-19 Fraud Strike Force because combatting pandemic-related fraud and holding those accountable who abused these programs is critical to the strength and safety of our community in Eastern Washington, stated U.S. Attorney Waldref. “My Office will continue to lead the effort to prosecute those who stole money intended for those in legitimate need.”

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.

The fraud charges carry sentences of up to 20 years in federal prison as well as restitution for fraudulently-obtained funds. This case was investigated by the Eastern District of Washington COVID-19 Fraud Strike Force and by TIGTA, SBA OIG, and IRS-CI. This case is being prosecuted by Assistant United States Attorneys [Frieda K. Zimmerman](#) and [Jeremy J. Kelley](#).

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

Contact

Rob Curry

Public Affairs Specialist

USAWAE.Media@usdoj.gov

Updated October 24, 2023