

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Wednesday, December 8, 2021

Texas Woman Convicted of COVID-19 Relief Fraud

A federal jury convicted a Texas woman today for defrauding the Paycheck Protection Program (PPP) of over \$1.9 million in loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

According to court documents and evidence presented at trial, Lola Shalewa Barbara Kasali, 24, of Houston, submitted two fraudulent loan applications to two different lenders on behalf of her companies, Lola's Level and Charm Hair Extensions. Through these loan applications, Kasali sought over \$3.8 million in PPP loan funds. Kasali falsely represented the number of employees and payroll expenses in each of the PPP loan applications. To support these applications, Kasali also submitted fraudulent tax records. Kasali ultimately received over \$1.9 million in PPP loan funds. The Justice Department, along with its law enforcement partners, seized the funds that Kasali fraudulently obtained.

Kasali was convicted of two counts of making false statements to a financial institution and two counts of bank fraud. She is scheduled to be sentenced on Feb. 25, 2022, and faces a maximum penalty of 30 years in prison for each count of conviction. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department's Criminal Division; Acting U.S. Attorney Jennifer Lowery for the Southern District of Texas; Special Agent in Charge Catherine Huber of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG) – Central Region; Special Agent in Charge Sharon Johnson of the Small Business Administration Office of Inspector General (SBA-OIG) – Central Region; and Acting Inspector in Charge Dana Carter of the U.S. Postal Inspection Service (USPIS) – Houston Division made the announcement.

FHFA-OIG, SBA-OIG, and the USPIS investigated the case.

Assistant Chief Jonathan Robell of the Criminal Division's Fraud Section and Trial Attorney Matthew Grisier of the Criminal Division's Money Laundering and Asset Forfeiture Section are prosecuting the case, with assistance from Assistant U.S. Attorney Jim McAlister of the U.S. Attorney's Office.

The Fraud Section leads the Criminal Division's prosecution of fraud schemes that exploit the PPP. Since the inception of the CARES Act, the Fraud Section has prosecuted over 150 defendants in more than 95 criminal cases and has seized over \$75 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real estate properties and luxury items purchased with such proceeds. More information can be found at <https://www.justice.gov/criminal-fraud/ppp-fraud>.

On May 17, 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. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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):

Coronavirus

Disaster Fraud

Component(s)

[Criminal Division](#)

[Criminal – Criminal Fraud Section](#)

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