

Press Release

Last of Eight Individuals Sentenced for Scheme to Defraud Over \$17M in COVID-19 Relief Funds

Wednesday, August 20, 2025

For Immediate Release

Office of Public Affairs

Frederick Smith, 56, of Cordova, Tennessee, was sentenced yesterday for his role in an eight-defendant scheme to defraud COVID-19 disaster relief programs (including the Economic Injury Disaster Loan (EIDL) program and the Paycheck Protection Program (PPP) of over \$17 million. All eight defendants previously pleaded guilty to charges of wire fraud and have now been sentenced to a total of 96 months in prison and 45 months of home detention.

Details of the sentencings are below:

- **Rodrick Flowers**, 49, of Memphis, Tennessee, 58 months in prison;
- **Frederick Smith**, 56, of Cordova, Tennessee, 23 months in prison;
- **Jarvys Jones**, 40, of West Memphis, Arkansas, 12 months in prison;
- **Mary Payne**, 63, of Memphis, Tennessee, six months in prison, followed by five months of community confinement, followed by five months of home detention;
- **Cleveland Wells**, 67, of Memphis, Tennessee, one month in prison, followed by five months of home detention;
- **LaTonya Herman**, 46, of Memphis, Tennessee, one month in prison, followed by five months of home detention;
- **Brian Mays**, 41, of Olive Branch, Mississippi, 18 months of home detention; and
- **Krystall Sherrod**, 36, of Memphis, Tennessee, 12 months of home detention.

According to court documents, the defendants obtained funds under the EIDL program and PPP by submitting false and fraudulent loan applications prepared by Flowers and others on behalf of businesses and entities that the defendants owned, knowing that the applications contained false statements and misrepresentations about the entities' number of employees, gross revenues, average monthly payroll, and more. The defendants then used the loan funds for purposes not authorized by the EIDL program or PPP, including for personal expenses.

Acting Assistant Attorney General Matthew R. Galeotti of the Justice Department's Criminal Division; Special Agent in Charge Joel Weaver of the U.S. Treasury Inspector General for Tax Administration (TIGTA); Special Agent in Charge Edwin S. Bonano of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG); and Special Agent in Charge Karston Gaardner of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG) Dallas Regional Office made the announcement.

TIGTA, FHFA-OIG, and FDIC-OIG investigated the case.

Trial Attorneys Ariel Glasner, David Hamstra, and Matthew Kahn of the Criminal Division's Fraud Section are prosecuting the case.

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Topic**Disaster Fraud****Components**

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