



THE UNITED STATES  
DEPARTMENT of JUSTICE

United States Attorney's Office  
Southern District of Texas  
*Alamdar S. Hamdani – U.S. Attorney*

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### **Pair arrested for extensive CARES Act fraud conspiracy**

HOUSTON – Two individuals are now in custody for allegedly conspiring to submit numerous fraudulent applications for small business loans through the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) Program provided through the Coronavirus Aid Relief and Economic Security (CARES) Act, announced U.S. Attorney Alamdar S. Hamdani.

Authorities have arrested Shawn Nicholas Young, 41, Missouri City, and Trenikia Lashae Banks, 40, Houston. They will make their initial appearances before U.S. Magistrate Judge Richard Bennett at 2 p.m.

According to the 11-count indictment, Young and Banks devised a scheme to submit fraudulent PPP and EIDL applications to the Small Business Administration (SBA) and several banks authorized to approve and fund PPP loans the government backed. They allegedly submitted false tax documents, including fake personal and business tax returns, to support the loan applications.

The indictment alleges Young and Banks used the loan proceeds to make large cash withdrawals and to pay for unauthorized and non-business expenses such as residential mortgages, home improvement loans and the purchase of vehicles. Some of the money also went to Young as kickback payments for submitting fraudulent applications for the businesses Banks and others owned, according to the allegations.

If convicted, each faces up to 20 years imprisonment for conspiracy and wire fraud as well as a \$250,000 maximum possible fine. The money laundering count

carries a possible 10-year prison term and a fine of up to \$250,000 or twice the value of the property involved in the transaction.

Homeland Security Investigations, Federal Housing Finance Agency – Office of Inspector General (OIG), Treasury Inspector General for Tax Administration, Small Business Administration – OIG and Federal Deposit Insurance Corporation – OIG conducted the investigation with the assistance of Fort Bend County Sheriff's Office. Assistant U.S. Attorneys Stephanie Bauman and Shirin Hakimzadeh are prosecuting the case.

***An indictment is a formal accusation of criminal conduct, not evidence. A defendant is presumed innocent unless convicted through due process of law.***