

PRESS RELEASE

Pennsylvania Man Sentenced to 78 Months in Prison For \$4.8 Million Cares Act Loan Fraud Scheme

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For Immediate Release

U.S. Attorney's Office, District of New Jersey

TRENTON, N.J. – A Pennsylvania man was sentenced today to 78 months in prison for his role in a scheme to fraudulently obtain over \$4.8 million in federal Paycheck Protection Program (PPP) and Economic Injury Disaster Loans (EIDL) for himself and others, U.S. Attorney Philip R. Sellinger announced.

Darryl Duanne Young, aka "Darryl Duanne Isom Young," 61, of Kingston, Pennsylvania, pleaded guilty before U.S. District Judge Peter G. Sheridan in Trenton federal court on Nov. 14, 2023, to an information charging him with one count of conspiracy to commit bank fraud and one count of money laundering. U.S. District Judge Georgette Castner imposed the sentence today in Trenton federal court.

"This defendant admitted taking advantage of government programs that were specifically designed to provide needed financial assistance to Americans during the COVID-19 pandemic," U.S. Attorney Sellinger said. "Combatting pandemic fraud in all of its forms is a top priority for this office and our law enforcement partners. Together, we will continue to root out those who have exploited the suffering of others to line their own pockets, and bring them to justice."

"COVID-19 relief funds were meant to assist honest, hardworking Americans during an unprecedented time of hardship in our country, not to aid those trying to enrich their lives through deception," Special Agent in Charge Jenifer L. Piovesan, IRS Criminal Investigation, Newark Field Office, said. "Mr. Young's sentence today reinforces that individuals who defraud our federal programs will be held accountable."

"This sentencing should serve as a resounding message to anyone who wants to utilize the US Mail to defraud the American taxpayer. Postal Inspectors will continue to aggressively work with our partners in law enforcement and the US Attorney's Office to

hold these types of fraudsters accountable," stated Christopher A. Nielsen, Inspector in Charge of the Philadelphia Division.

"Mr. Young and his fellow conspirators committed crimes and selfishly profited from the Paycheck Protection Program and the Economic Injury Disaster Loans; Mr. Young exploited Federal assistance programs intended to help those in need during a national crisis. This sentence now holds him accountable for his criminal acts," said Michelle L. Anderson, Acting Inspector General for the SSA. "I thank our law enforcement partners for working to pursue perpetrators who fraudulently profit from Federal benefit programs. I appreciate the collaboration among the investigating agencies and the work of the U.S. Attorney's Office for prosecuting this case."

"Today's sentencing sends a clear message that those who fraudulently obtained funds from COVID-19 relief programs will be held accountable," Special Agent in Charge Patricia Tarasca of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG) said. "The FDIC OIG remains committed to working with our law enforcement partners to investigate and bring to justice those who participate in fraudulent schemes and threaten to undermine the integrity of our Nation's banking system."

"Darryl Duanne Young defrauded the federal government of nearly \$5 million in pandemic relief funds for his own personal gain and will now pay the price for his crimes," said Brian Tucker, Special Agent in Charge, Eastern Region, Office of Inspector General for the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau. "We are proud to have worked with our federal law enforcement partners and the U.S. Attorney's Office to hold Mr. Young accountable for his crimes."

"Young will serve time for selfishly pocketing millions of dollars in emergency funds our government intended to give qualified Americans and small businesses who needed economic assistance in the wake of the COVID-19 pandemic," said HSI Newark acting Special Agent in Charge Spiros Karabinas. "HSI Newark and our law enforcement partners are committed to ensuring justice is served in cases where individuals perpetrated illicit schemes for personal gain during an unprecedented public health crisis."

According to documents filed in this case and statements made in court:

Young engaged in a scheme to illegally obtain for himself and his conspirators over \$4.8 million in loans authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Young submitted and directed others to submit fraudulent PPP and EIDL

loan applications, which fabricated numbers of employees and misrepresented company information, to induce lenders to approve the loan applications that they otherwise would not have approved. Among other things, Young submitted falsified tax documents and bank statements to a victim lender in support of PPP loan applications. Young personally received over \$230,000 in PPP loans for businesses he controlled and received a percentage of loan proceeds for assisting in submitting fraudulent applications on behalf of others.

In addition to the prison term, Judge Castner sentenced Young to three years of supervised release and ordered restitution of \$5.28 million.

U.S. Attorney Sellinger credited special agents of IRS-Criminal Investigation, under the direction of Special Agent in Charge Jenifer L. Piovesan; postal inspectors of the U.S. Postal Inspection Service in Newark, under the direction of Inspector in Charge Christopher A. Nielsen Philadelphia Division; special agents of the Social Security Administration, Office of the Inspector General, under the direction of Acting Special Agent in Charge Corwin Rattler; special agents of the U.S. Attorney's Office for the District of New Jersey, under the direction of Special Agent in Charge Thomas Mahoney; special agents of the Board of Governors of the Federal Reserve System - Consumer Financial Protection Bureau, Office of Inspector General, under the direction of Special Agent in Charge Brian Tucker; special agents of the Federal Housing Finance Agency, Office of Inspector General, under the direction of Special Agent in Charge Robert Manchak; special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, under the direction of Special Agent in Charge Patricia Tarasca in New York; and special agents of Homeland Security Investigations Newark, under the direction of Acting Special Agent in Charge Spiros Karabinas, with the investigation leading to the sentencing.

The government is represented by Assistant U.S. Attorneys Katherine M. Romano and David E. Dauenheimer of the U.S. Attorney's Office's Health Care Fraud Unit in Newark.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The District of New Jersey COVID-19 Fraud Enforcement Strike Force is one of the five strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using

prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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