



Department of Justice
U.S. Attorney's Office
District of New Jersey

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Somerset County Woman Admits \$1 Million Paycheck Protection Program and Economic Injury Disaster Loan Fraud Scheme

NEWARK, N.J. – A Somerset County, New Jersey, woman today admitted fraudulently obtaining over \$1 million in federal Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL), U.S. Attorney Philip R. Sellinger announced.

Nivah Garcis, 51, of North Plainfield, New Jersey, pleaded guilty before U.S. District Judge Peter G. Sheridan in Trenton federal court to an information charging her with one count of conspiracy to commit bank fraud, three counts of wire fraud, and one count of money laundering.

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

Garcis conspired with at least one individual to submit two fraudulent PPP loan applications to a lender on behalf of two purported businesses that she controlled, and further submitted three fraudulent EIDL loan applications to the U.S. Small Business Administration (SBA) on behalf of these businesses and another business that she owned. She then engaged in financial transactions with the loan proceeds, including for the purchase of property.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The applications Garcis submitted each contained fraudulent representations to the lender, a Federal Home Loan Bank member, and the SBA, including bogus federal tax documents purportedly from the IRS. Garcis also fabricated the existence of employees and wages paid through the purported businesses. According to IRS records, however, none of the purported tax documents that Garcis submitted in support of her loan applications were ever in fact filed with the IRS. Based on Garcis' misrepresentations, her loan applications for her purported businesses were approved for approximately \$1.05 million in federal COVID-19 emergency relief funds meant for distressed small businesses. Garcis then used the proceeds to purchase property and for various personal expenses.

The count of conspiracy to commit bank fraud carries a maximum penalty of 30 years in prison and a \$1 million fine. The counts of wire fraud each carry a maximum penalty of 20 years in prison and a

maximum fine of \$250,000. The count of money laundering carries a maximum penalty of 10 years in prison and a maximum fine of \$250,000. Sentencing is scheduled for Jan. 31, 2023.

U.S. Attorney Sellinger credited special agents of IRS – Criminal Investigation, under the direction of Acting Special Agent in Charge Tammy L Tomlins; special agents of the Social Security Administration, Office of the Inspector General, under the direction of Special Agent in Charge Sharon MacDermott; 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; postal inspectors of the U.S. Postal Inspection Service in Newark, under the direction of Acting Inspector in Charge Raimundo Marrero, Philadelphia Division; 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 Board of Governors of the Federal Reserve System Consumer Financial Protection Bureau, Office of Inspector General, under the direction of Acting Special Agent in Charge Stephen Donnelly; 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 the Department of Homeland Security, Homeland Security Investigations, under the direction of Acting Special Agent in Charge Richard. W. Reinhold, in Newark, with the investigation leading to today’s guilty plea.

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>.

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