

PRESS RELEASE

Two Brothers Plead Guilty to \$7.6M COVID-19 Relief Fraud

Friday, September 8, 2023

For Immediate Release

Office of Public Affairs

Two brothers pleaded guilty yesterday to their participation in a scheme to file fraudulent loan applications seeking approximately \$7.6 million in forgivable Paycheck Protection Program (PPP) loans that the Small Business Administration (SBA) guaranteed under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

According to court documents, between April and September 2020, Larry Jordan, 45, of Lancaster, New York, and Sutukh El, aka Curtis Jordan, aka Hugo Hurt, aka Hugo Hermes Hurtington, 41, of Buffalo, New York, conspired to submit eight fraudulent PPP loan applications on behalf of companies they owned or controlled. The defendants submitted three of the applications to Evolve Bank & Trust and five to Lendio, a financial technology company based in Utah. The applications contained false statements about the 2019 payroll expenses of each company, which the SBA used to calculate the amount of PPP funds to which the applicant-companies would be entitled. To corroborate the applications, Jordan and El submitted IRS forms, which they had never filed with the IRS, as well as fraudulent payroll registers that purported to identify the names, personal information, and salary of the employees identified on the PPP applications. The money was then deposited into an account controlled by El, which the brothers used for their own investments, personal expenses, and home improvements.

Jordan and El pleaded guilty to conspiracy to commit bank fraud and wire fraud, which carries a maximum penalty of 30 years in prison and a \$1 million fine. Jordan also pleaded guilty to bank fraud, which carries a maximum penalty of 30 years in prison, and engaging in monetary transactions in criminally derived property, which carries a maximum sentence of 10 years in prison. The brothers are scheduled to be sentenced on Jan. 17, 2024. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting Assistant Attorney General Nicole M. Argentieri of the Justice Department's Criminal Division; U.S. Attorney Trini E. Ross for the Western District of New York; Special Agent in Charge Patricia Tarasca of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC OIG), New York Region; Special Agent in Charge Brian Tucker of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau's Office of the Inspector General (FRB-CFPB OIG), Eastern Region; Special Agent in Charge Robert Manchak of the Federal Housing Finance Agency Office of Inspector General (FHFA-OIG), Northeast Region; Assistant Director Luis Quesada of the FBI's Criminal Investigative Division; and Special Agent in Charge Amaleka McCall-Brathwaite of the Small Business Administration Office of Inspector General (SBA-OIG), Eastern Region made the announcement.

The FDIC OIG, FRB-CFPB OIG, FHFA-OIG, FBI, and SBA-OIG are investigating the case.

Trial Attorneys Ariel Glasner and Della Sentilles of the Criminal Division's Fraud Section and Assistant U.S. Attorneys Charles Kruly and Grace Carducci for the Western District of New York are prosecuting the case.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Justice Department's National Center for Disaster Fraud Hotline at 866-720-5721 or via the NCDF Web Complaint Form at www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form.

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