

Department of Justice

U.S. Attorney's Office

Northern District of Georgia

FOR IMMEDIATE RELEASE

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Roswell businesswoman pleads guilty to bank fraud in connection with the Paycheck Protection Program

ATLANTA – Hunter VanPelt, a/k/a Hunter Lauren VanPelt, a/k/a Ellen Corkrum, a/k/a Ellen Yabba Kwame Corkrum, who defrauded the Paycheck Protection Program (PPP) of more than \$6 million, has pleaded guilty to a charge of bank fraud.

“The Paycheck Protection Program helps businesses keep their workforces employed during the COVID-19 crisis,” said Acting U.S. Attorney Kurt Erskine. “When these funds are diverted by fraud, such as in this case, workers and the businesses that employ them unfortunately suffer.”

“VanPelt brazenly exploited this devastating national emergency for personal gain, and she is now being held accountable for her fraudulent conduct,” said Assistant Attorney General Kenneth A. Polite Jr., of the Justice Department’s Criminal Division. “PPP funds should be reserved for legitimate businesses and their hard-working employees who have suffered economically as a result of the pandemic. The Department of Justice is committed to ensuring that anyone who takes advantage of COVID-19 relief programs will be brought to justice.”

“The Paycheck Protection Program is key to survival for many small businesses during the COVID-19 crisis,” said Chris Hacker, Special Agent in Charge of FBI Atlanta. “It is particularly disturbing that anyone would try to capitalize off a federal program at those businesses’ expense. The FBI will persist in its efforts to stop such fraud.”

“To support small and community banks, the Federal Home Loan banks can accept Paycheck Protection Program (PPP) loans as collateral when making loans to their members,” said Special Agent in Charge Edwin S. Bonano of the Federal Housing Finance Agency, Office of Inspector General. “The Office of Inspector General is proud to work with our partners in law enforcement to prevent, detect, and deter attempts to perpetrate fraud in the Federal Home Loan Bank System and steal the assistance intended for small business owners and employees under this important part of the CARES Act.”

According to Acting U.S. Attorney Erskine, the charge and other information presented in court: VanPelt submitted six false and fraudulent PPP loans between April 27, 2020 and June 17, 2020. The amounts requested in the six loans totaled \$7,943,591.50, of which \$6,017,066.50 was disbursed.

VanPelt owned or controlled the six entities that sought these PPP loans:

- Georgia Nephrology Physician Associated,
- United Healthcare Group & Co.,
- Nephrology Network Group LLC,
- First Corporate International,
- Corkrum Consolidated Inc.,
- Kiwi International Inc.

The defendant, who legally changed her name from Ellen Corkrum to Hunter VanPelt in July 2016, submitted the PPP loan applications under both names.

In each of the PPP loan applications, VanPelt falsely represented the average monthly payroll and the number of employees working for the relevant company. She also submitted false IRS records, false bank statements, and false payroll reports in connection with those applications.

Federal agents were able to seize approximately \$2.1 million of the fraudulent proceeds.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020. It is designed to provide emergency financial assistance to the millions of Americans who are 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. Additional funding was authorized by Congress in December 2020.

The PPP allows qualifying small-businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal to be forgiven if businesses spend the proceeds on these expenses within eight weeks of receipt and use at least 75 percent of the forgiven amount for payroll.

Sentencing for Hunter VanPelt, 49, of Roswell, Georgia, is scheduled for January 4, 2022, at 10:00 a.m., before U.S. District Judge Mark H. Cohen.

This case is being investigated by the Federal Bureau of Investigation and the Federal Housing Finance Agency Office of Inspector General.

Assistant U.S. Attorney Christopher J. Huber, Deputy Chief of the Complex Frauds Section, and Department of Justice Trial Attorney Chris A. Wenger are prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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

For further information please contact the U.S. Attorney's Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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