

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, September 15, 2020

Texas Woman Charged with Fraudulently Obtaining Nearly \$2 Million in COVID Relief Funds

A Texas woman has been taken into custody on allegations she fraudulently obtained more than \$1.9 million in Paycheck Protection Program (PPP) loans, announced Acting Assistant Attorney General Brian C. Rabbitt of the Justice Department's Criminal Division and U.S. Attorney Ryan K. Patrick of the Southern District of Texas.

Lola Shalewa Barbara Kasali, 22, of Houston, is charged with making false statements to a financial institution, wire fraud, bank fraud and engaging in unlawful monetary transactions. She is expected to make her initial appearance before U.S. Magistrate Judge Christina Bryan in Houston at 2:00 p.m. CDT on Wednesday, Sept. 16.

The Small Business Administration (SBA) guarantees PPP loans under the Coronavirus Aid, Relief and Economic Security (CARES) Act.

The criminal complaint, unsealed today, alleges Kasali submitted at least two fraudulent PPP loan applications - one on behalf of an entity called Lola's Level and the other in the name of Charm Hair Extensions. Kasali allegedly received more than \$1.9 million in PPP loan funds following the approval of the Lola's Level application. The charges allege that after receiving the funds, Kasali transferred the money into four additional bank accounts. Authorities were later able to seize the funds, according to the charges.

The loan applications allegedly asserted both Charm Hair Extensions and Lola's Level had numerous employees and significant payroll expenses. According to the charges, however, neither entity has employees nor pays wages consistent with the amounts claimed in the loan applications.

The CARES Act is a federal law enacted March 29. It is designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief the CARES Act provides is 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 PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses must use PPP loan proceeds for 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 a set time period and use at least a certain percentage of the loan towards payroll expenses.

A federal criminal complaint is merely an accusation. A defendant is presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

The Federal Housing Finance Agency Office of the Inspector General (OIG), SBA-OIG and U.S. Postal Inspection Service - Houston Division conducted the investigation. Trial Attorneys Timothy A. Duree of the Criminal Division's Fraud Section and Matthew Grisier of the Criminal Division's Money Laundering and

Asset Recovery Section are prosecuting the case with the assistance of Assistant U.S. Attorney James McAlister for the Southern District of Texas.

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 year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at <http://www.justice.gov/Celebrating150Years>.

Topic(s):

Coronavirus

Disaster Fraud

Components(s):

[Criminal Division](#)

[Criminal – Criminal Fraud Section](#)

[USAO – Texas, Southern](#)

Press Release Number:

20-937