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United States Attorney's Office  
District of Oregon

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## **Oregon Man Pleads Guilty After Pocketing Millions in COVID-Relief Funds**

PORTLAND, Ore.—An Oregon man pleaded guilty today after fraudulently converting to personal use loans intended to help small businesses during the COVID-19 pandemic.

Andrew Aaron Lloyd, 51, of Lebanon, Oregon, pleaded guilty to bank fraud, money laundering, and aggravated identity theft.

Lloyd took advantage of economic relief programs administered by the Small Business Administration (SBA), including Economic Injury Disaster Loans (EIDL) and the Paycheck Protection Program (PPP). These programs were authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed into law on March 27, 2020. The CARES Act provided emergency financial assistance to millions of Americans and small businesses suffering from the economic effects of the COVID-19 pandemic.

“CARES Act relief programs were designed to help American small businesses weather a historically difficult time in our nation’s economic history. Andrew Lloyd saw an opportunity to profit off the COVID-19 pandemic and did so at the expense of hardworking Americans. Our office will continue to investigate and prosecute anyone who seeks to unfairly enrich themselves from public funds set aside to help those in need,” said Scott Erik Asphaug, Acting U.S. Attorney for the District of Oregon.

“While Americans suffered with the economic collapse that COVID-19 brought to our communities, Lloyd decided to cash in on the catastrophe. As hard working, honest people were forced onto unemployment and into food lines, Lloyd was pouring millions of stolen dollars into brokerage accounts and real estate deals. Thanks to our investigative partnerships, he will now face years in prison,” said Kieran L. Ramsey, Special Agent in Charge of the FBI in Oregon.

“As our country continues to recover from the destructive effects of the COVID-19 pandemic, there are individuals like Andrew Lloyd who opt to do further harm to our country by exploiting the suffering of fellow Americans,” said Corinne Kalve, Acting Special Agent in Charge of IRS Criminal Investigation (IRS:CI). “IRS:CI will continue to pursue those who choose to abuse our financial system and who choose to steal pandemic recovery funds for their own illicit gain.”

“Lying to gain access to economic stimulus funds will be met with justice,” said Weston King, SBA Office of Inspector General Western Region Special Agent in Charge. “SBA OIG will aggressively pursue evidence of fraud against SBA’s programs aimed at assisting the nation’s small businesses struggling with pandemic challenges. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and pursuit of justice.”

According to court documents, in October 2020, federal agents initiated an investigation into Lloyd based on information suggesting he had fraudulently applied for PPP loans and EIDL at multiple financial institutions. Beginning in April 2020, Lloyd began submitting loan applications using numerous business names and personally identifiable information of relatives and business associates without their consent.

Lloyd submitted false documentation to justify the loan amounts requested, including an IRS Form 944 listing the 2019 wages purportedly paid by entities controlled by Lloyd. Total wages allegedly paid by these entities ranged from \$3 million to more than \$4.7 million. Lloyd's loan applications also included lists of between 56 and 64 employees and the total wages paid to each. The loan application packages included some of the same information across the different business entities, including the businesses' physical locations and the names of several dozen employees.

In total, Lloyd submitted nine PPP loan applications, six of which were accepted, resulting in a payout of more than \$3.4 million. Lloyd also applied for numerous EIDLs, of which one was accepted, resulting in an additional \$160,000 in payments to Lloyd. Upon receipt of the funds, Lloyd purchased real estate and invested in securities. Lloyd transferred more than \$1.8 million of the above-described PPP loan funds to his E\*TRADE Securities brokerage account. Securities Lloyd purchased using the fraudulently acquired funds substantially increased in value.

In January 2021, agents seized Lloyd's brokerage account, which included 15,740 shares of Tesla, Inc. purchased with proceeds of his fraud. In March 2021, agents seized another account containing more than \$660,000 in securities and cash. The securities and cash seized from Lloyd's accounts are presently valued at more than \$11 million.

On January 5, 2021, Lloyd was [charged by criminal complaint](#) with wire fraud, bank fraud, and money laundering. He was arrested and made his first appearance in federal court on January 7, 2021. On June 6, 2021, he was charged by superseding criminal information with bank fraud, money laundering, and aggravated identity theft.

With his continued acceptance of responsibility, the U.S. Attorney's Office will join Lloyd in jointly recommending a sentence of 61 months in federal prison. He will be sentenced on September 9, 2021 before U.S. District Court Judge Michael J. McShane.

As part of his plea agreement, Lloyd has agreed to pay more than \$3.6 million in restitution to the U.S. Treasury. Lloyd also agreed to forfeit more than \$11 million in cash and securities and 23 properties that were purchased with PPP funds.

An accomplice of Lloyd's, Russell Anthony Schort, 39, of Myrtle Creek, Oregon, was charged alongside Lloyd for similar conduct. Schort is scheduled to plead guilty on July 1, 2021.

Acting U.S. Attorney Scott Erik Asphaug of the District of Oregon made the announcement.

This case was investigated by the FBI with assistance from the SBA Office of Inspector General and IRS Criminal Investigation. It is being prosecuted by Gavin W. Bruce, Assistant U.S. Attorney for the District of Oregon.

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>.

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