

The Regulatory Alchemist

A Publication of Alchemetric Solutions, Inc.

In this issue: **PPP LOAN CONCERNS**

The following sagas are just two of several recent news stories that are presenting a recurring story involving potential loan PPP misrepresentations. These cases can make useful BSA training resources for lending staff members.

In one case, three pastors from Jesus Survives Ministries, a now-defunct Houston-area church, have pled guilty for their roles in a conspiracy to commit COVID-19 relief and car loan fraud following a combined Federal and State investigation.

All three individuals pled guilty to conspiracy to commit bank and wire fraud. They also admitted to making false statements and using false documents to fraudulently obtain loans.

Jesus Survives Ministries held no church or pastoral services for nearly a decade preceding the case. However, Bill and Deborah Lucas fraudulently obtained vehicles after making false financial statements about payroll at the church on loan applications.

Bill Lucas applied for multiple loans through the Economic Injury Disaster Loan program and Paycheck Protection Program just days after the Coronavirus Aid, Relief and Economic Security Act was

passed. He falsely claimed that Jesus Survives Ministries had gross revenues of almost \$1 million in 2019. Deborah Lucas and Brian Corpian signed some of the false documents and called bank employees and the SBA to get application statuses.

When Bill Lucas became frustrated with bank employees' failure to review and fund the loans quickly, he sent them accusatory and intimidating text messages and emails. He sent a bank employee a photograph of the employee's own family, indicating he knew the employee's wife's and son's names, as well as posted a diatribe on the church's website calling bank employees "minions of Satan."

One of the banks approved a \$50,000 paycheck protection loan for the church, and after the Lucases received funding, they moved the money into another bank account and went on vacation to South Carolina.

In the second case, Evan and Joshua Edwards have each been charged with conspiracy to commit bank fraud, bank fraud, and visa fraud. Joshua Edwards is also charged with making a false statement to a lending institution.

According to the indictment, beginning approximately on

April 3, 2020, and continuing through about September 17, 2020, Evan and Joshua Edwards conspired to commit bank fraud and committed bank fraud by submitting a fraudulent PPP loan application to an FDIC insured lending institution on behalf of Aslan International Ministry, Inc. ("Aslan") – a not-for-profit corporation that purportedly provided religious services.

In the loan application, the defendants allegedly overstated the number of employees and average monthly payroll for Aslan, claiming that it had almost 500 employees and over \$2 million in average monthly payroll expenses. They also allegedly certified in the loan application that the PPP funds would be used to maintain payroll and for other authorized purposes. Based on the representations made in the loan application, the defendants received approximately \$8,417,200 in PPP loan funds, a portion of which they supposedly used to make a down payment for the attempted purchase of a multi-million-dollar residence for themselves.

And the Really Fine Print....

This newsletter is freely distributed and should not be considered as legal advice. Users assume all risk. The author, publisher, and distributor assume no liability for its content or use.

January 2023

Visit us at:
www.alchemetricsolutions.com

Contact us via e-mail at:
ask@alchemetricsolutions.com

ALL RIGHTS RESERVED