

Department of Justice
U.S. Attorney's Office
Southern District of New York

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Recidivist Fraudster Convicted At Trial Of Over \$10 Million COVID-19 Loan Fraud Scheme

Damian Williams, the United States Attorney for the Southern District of New York, announced that earlier today a federal jury found ADEDAYO ILORI guilty of all six counts of an Indictment for his participation in a fraudulent scheme to obtain more than \$10 million in government-guaranteed loans designed to provide relief to small businesses during the COVID-19 pandemic. The defendant was found guilty following a one-week trial before U.S. District Judge Mary Kay Vyskocil. The jury further found that ILORI committed these crimes while on pretrial release. Sentencing is currently scheduled for January 31, 2023, before Judge Vyskocil.

U.S. Attorney Damian Williams said: "Adedayo Ilori used the stolen identities of innocent victims to steal Government money that was set aside to help small businesses stay afloat during the COVID-19 pandemic. Ilori illegally profited from a national emergency. Making matters worse, he did so while on pretrial release in another serious criminal case brought by this Office. Thanks to the hard work of the Department of Justice-Office of Inspector General and the career prosecutors in this Office, a unanimous jury has found Ilori guilty of committing another fraud scheme."

According to the Superseding Indictment and the evidence presented at trial:

From at least in or about August 2020 through at least in or about October 2021, ILORI and his co-defendant, Chris Recamier, engaged in a rampant COVID-19 loan fraud scheme. Utilizing false identities, sham tax records, and corporate documents, ILORI and Recamier successfully obtained more than \$1 million and attempted to obtain more than \$10 million through two loan programs of the U.S. Small Business Administration ("SBA") designed to provide relief to small businesses during the COVID-19 pandemic, namely the Paycheck Protection Program ("PPP") and the Economic Injury Disaster Loan ("EIDL") Program. In particular, ILORI and Recamier applied for 14 PPP and EIDL loans. In applying for these loans, ILORI and Recamier claimed stolen identities of third parties and claimed full control of a number of companies, which they purported, cumulatively, employed more than 200 people and paid monthly salaries of more than \$3.2 million in wages. In reality, they did not operate these companies. In submitting these applications, ILORI and Recamier, among other things, submitted falsified tax documents which were never actually filed with the Internal Revenue Service.

ILORI and Recamier transferred the majority of these stolen government funds toward cryptocurrency investments, the purchase of stocks, cash withdrawals, and personal expenses, including leasing luxury apartments and a Mercedes. The investment accounts were also opened by ILORI and Recamier in the stolen identities of third parties.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted on March 29, 2020, 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 hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses through the SBA's PPP. Pursuant to the CARES Act, the amount of PPP funds a business is eligible to receive is determined by the number of employees employed by the business and their average payroll

costs. Businesses applying for a PPP loan must provide documentation to confirm that they have previously paid employees the compensation represented in the loan application. The CARES Act also expanded the separate EIDL Program, which provides small businesses with low-interest loans of up to \$2 million that can provide vital economic support to help overcome the temporary loss of revenue they are experiencing due to COVID-19. To qualify for an EIDL loan under the CARES Act, the applicant must have suffered “substantial economic injury” from COVID-19.

ILORI committed these offenses while facing charges in a separate case filed in the Southern District of New York involving fraud, identity theft, and money laundering in *United States v. Ilori*, 20 Cr 378 (LJL). As part of that case, ILORI was sentenced on March 3, 2022, to 63 months in prison by U.S. District Judge Lewis J. Liman in connection with a commercial loan fraud and bank bribery scheme.

* * *

ILORI, 43, of Queens, New York, was convicted of: (1) major fraud against the United States, which carries a maximum sentence of 20 years in prison; (2) conspiracy to commit wire and bank fraud, which carries a maximum sentence of 40 years in prison; (3) wire fraud, which carries a maximum sentence of 40 years in prison; (4) bank fraud, which carries a maximum sentence of 40 years in prison; (5) aggravated identity theft, which carries a mandatory consecutive sentence of two years in prison; and (6) conspiracy to commit money laundering, which carries a maximum sentence of 30 years in prison.

The maximum potential sentences in this case, which are increased by the jury’s finding that these crimes were committed while ILORI was on pretrial release, are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendant will be determined by the judge.

ILORI’s co-defendant, Chris Recamier, 59, of New York, New York, previously pled guilty to major fraud against the United States and was sentenced on October 17, 2022, by Judge Vyskocil to nine years in prison.

Mr. Williams praised the investigative work of the DOJ-OIG. Mr. Williams also thanked the U.S. Secret Service, the Drug Enforcement Administration, the New York City Police Department, the Federal Bureau of Investigation, and the Federal Aviation Administration for their assistance in this investigation.

This case is being handled by the Office’s Complex Frauds and Cybercrime Unit. Assistant United States Attorneys Juliana Murray, David R. Felton, and Daniel G. Nessim are in charge of the prosecution.