PRESS RELEASE

New Jersey Man Sentenced to 6.75 Years in Prison for Schemes to Steal California Unemployment Insurance Benefits and Economic Injury Disaster Loans

For Immediate Release

U.S. Attorney's Office, Eastern District of California

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SACRAMENTO, Calif. — Eric Michael Jaklitsch, 40, of Elizabeth, New Jersey, was sentenced today to six years and nine months in prison for two related COVID-19 fraud cases, one case alleging wire fraud and aggravated identity theft in California and the other case alleging wire fraud in New Jersey, U.S. Attorney Phillip A. Talbert announced.

“This defendant carried out two separate wire fraud schemes to bilk the federal government out of millions of dollars during the Covid-19 pandemic,” U.S. Attorney Talbert said. “Today’s sentence reflects the seriousness of the defendant’s conduct that has harmed the federal government along with all the individuals whose information was used in the fraudulent applications. Our office is proud to be included as a part of the California COVID-19 Fraud Enforcement Strike Force, and we remain committed to leading investigations and vigorously prosecuting those who commit COVID-19 fraud.”

“Eric Jaklitsch used stolen identities to fraudulently obtain millions of taxpayer dollars meant to help unemployed workers make ends meet during the COVID-19 pandemic. As a result of prompt action by federal law enforcement, Jaklitsch’s scheme was curtailed. Today’s sentencing sends a clear message that those who defraud the unemployment insurance system will be held accountable for their actions. We remain fully committed to investigating these types of crimes with our law enforcement partners,” said Quentin Heiden, Special Agent-in-Charge, Western Region, U.S. Department of Labor Office of Inspector General.

“The FBI, in collaboration with our state and federal partners, exposed and dismantled this major fraud scheme. This scheme aimed to defraud the United States Government, the State of California, and unsuspecting residents of our state. Eric Jaklitsch represents one of several individuals who sought to take advantage of vulnerable victims during the recent pandemic,” said FBI Sacramento Special Agent in Charge Sean Ragan. “Today’s sentencing of Jaklitsch marks a significant milestone in the joint efforts of the FBI, the United States Attorney’s Office, and our partners within the COVID-19 Fraud Enforcement Strike Force.”

DHS Inspector General, Dr. Joseph V. Cuffari, stated, “Eric Jaklitsch defrauded government programs meant to help Americans at the height of the COVID-19 pandemic. DHS OIG will continue to prioritize pandemic-related fraud investigations and work with our law enforcement partners to bring perpetrators to justice.”

The New Jersey SBA Case

For the second case, according to court documents, between July 2020 and August 2020, Jaklitsch executed a scheme to defraud the Small Business Administration (SBA) by fraudulently acquiring COVID-19 Economic Injury Disaster Loans (EIDL), which were loans meant to provide low-interest financing and grants to small businesses, renters, and homeowners in regions affected by declared disasters, like the COVID-19 pandemic.

To obtain an EIDL, a qualifying business applied to the SBA and provided certain information about its operations through an online portal. The EIDL approval process required applicants to supply minimal eligibility documentation and to affirm that the information in the application was true and correct under the penalty of perjury and applicable criminal statutes. The amount of an EIDL was based, in part, on the information provided by the applicant, including the business's gross revenue and cost of goods sold. Qualifying entities could use EIDL funds only on certain expenses, including fixed debts, payroll, and accounts payable.

Jaklitsch or one or more co-schemers knowingly submitted fraudulent EIDL loan applications to the SBA in the names of entities that did not authorize the applications. The false information included, among other things, that (a) the schemers had the authority to submit the loan applications on behalf of the applying entities, (b) the entities' gross revenues; (c) the entities' costs of goods sold; and (d) bank account information purportedly belonging to the entities. These fraudulent applications sought and received over $1.2 million in EIDL loan funds that were sent to at least 14 separate bank accounts. Jaklitsch used a cellphone application to withdraw over $777,000 in cash out of the $1.2 million.

This case was the product of an investigation by the Federal Bureau of Investigation, the Department of Labor – Office of the Inspector General, the Department of Homeland Security – Office of the Inspector General – Covid Fraud Unit, and the California Employment Development Department (EDD) – Investigation Division. Assistant U.S. Attorney Denise N. Yasinow prosecuted the case.

This effort is part of a California COVID-19 Fraud Enforcement Strike Force operation, one of three interagency COVID-19 fraud strike force teams established by the U.S. Department of Justice. The California Strike Force combines law enforcement and prosecutorial resources in the Eastern and Central Districts of California and focuses on large-scale, multistate pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces use prosecutor-led and data analyst-driven teams to identify and bring to justice those who stole pandemic relief funds.