



ALERTS

DOJ Announces Charges In Largest COVID-19 Fraud Scheme To Date

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Highlights

COVID-19 relief fraud prosecution is here to stay

The Department of Justice is examining all aspects of COVID-19 relief fraud

Congress recently extended the statute of limitations for COVID-19-related relief fraud to 10 years

The Department of Justice (DOJ) continues to crack down on COVID-19 related fraud. The DOJ [recently announced federal criminal charges](#) in an alleged \$250 million COVID-19 fraud scheme involving 47 defendants. The cases arise largely out of the Federal Child Nutrition Program, which uses federal funds to provide free meals to children in need.

The indictments come as the largest pandemic relief fraud scheme charged to date. Similar prosecutions are likely to continue as the DOJ intensifies the focus and scope of its ongoing pandemic-related investigations.

Under the Federal Child Nutrition Program, federal funds are distributed on a per-meal basis to a sponsoring organization responsible for each

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Anthony J. Burba

Partner
Chicago

P 312-338-5908
F 312-759-5646
Tony.Burba@btlaw.com



Megha Mathur

Associate
Chicago

P 312-214-8828
F 312-759-5646
megha.mathur@btlaw.com

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food distribution site. During the COVID-19 pandemic, the government waived some requirements for sponsor and site participation in the program.

Feeding Our Future, a nonprofit organization, served as a sponsor with the program. The DOJ alleges that Feeding Our Future created and operated sites that claimed to be serving meals to thousands of children each day using false rosters of children served. The defendants are also alleged to have created shell companies to hold and launder the funds paid out by the program. In total, Feeding Our Future opened more than 250 sites throughout Minnesota, and allegedly fraudulently disbursed more than \$240 million to site operators and retained more than \$18 million in administrative fees.

To ensure the enforcement trend continues, Congress also recently passed the COVID-19 EIDL Fraud Statute of Limitations Act of 2022. The act creates a 10-year statute of limitations for charges alleging a borrower or recipient of COVID-19 aid, known as an Economic Injury Disaster Loan, engaged in fraud. The act, in combination with this newest, largest take down, is a sure sign that the DOJ will continue to place a strong emphasis on prosecuting COVID-19-related fraud.

To obtain more information regarding this alert, contact the Barnes & Thornburg attorney with whom you work or Tony Burba at 312-338-5908 tony.burba@btlaw.com or Megha Mathur at 312-214-8828 or megha.mathur@btlaw.com.

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