

New York Man Sentenced for \$600,000 COVID Fraud Using Stolen Identities

Thursday, February 8, 2024

For Immediate Release

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

NEWPORT NEWS, Va. – A New York man was sentenced yesterday to 42 months in prison for his role in a fraudulent scheme to obtain pandemic benefits using the stolen identities of at least 20 other people.

According to court documents, Obinna Nwafor, 50, engaged in a scheme to obtain various pandemic loans using the identities of others who were unaware of this activity. In September 2020, L.H., a resident of Norfolk who also serves as a judge on the Norfolk Juvenile and Domestic Relations District Court, received a statement from the U.S. Small Business Administration (SBA) at her home address, indicating that she owed a payment on a loan received under the Economic Injury Disaster Loan Program (EIDL). L.H. reported this information to law enforcement, which led to the investigation in this case.

Further investigation revealed that an application for an EIDL loan in the amount of \$150,000 had been submitted to the SBA in August 2020, using L.H.'s name and other confidential personal identifiers, including her Social Security number, date of birth, address, and phone number. Loan documents were electronically signed in L.H.'s name, and loan proceeds in the amount of \$149,900 were disbursed to an account that did not belong to L.H. and was controlled by Nwafor.

After this information came to light, further investigation revealed several related EIDL loans fraudulently obtained by Nwafor, including a \$150,000 loan obtained in Virginia resident K.G.'s name. Like L.H., K.G.'s Social Security number, date of birth, address, and phone number had been used on the loan application. Similarly, K.G. had not applied for an EIDL loan or authorized anyone to apply for a loan on her behalf. Within days of the loan proceeds disbursement, Nwafor moved the funds to other accounts he controlled, including an account held jointly with his spouse, a bank account held in the name of a

Nigerian entity in which Nwafor held an interest, and nearly \$75,000 to an account belonging to a romance fraud victim, who had been misled as to the origin of the funds.

Further investigation also revealed that Nwafor had received approximately \$300,000 in pandemic-related unemployment benefits in the names of at least eighteen other people. Those funds had been deposited into approximately six different bank accounts owned and controlled by Nwafor. When Nwafor was told by Wells Fargo that these funds were being returned to the originating state unemployment offices, Nwafor frantically worked with other individuals in an attempt to convince the bank not to return the funds.

Jessica D. Aber, U.S. Attorney for the Eastern District of Virginia; Jason S. Miyares, Attorney General of Virginia; Brian Dugan, Special Agent in Charge of the FBI's Norfolk Field Office; Damon E. Wood, Inspector in Charge for the U.S. Postal Inspection Service – Washington Division; and Troy W. Springer, Special Agent in Charge, National Capital Region, U.S. Department of Labor, Office of Inspector General, made the announcement after sentencing by U.S. District Judge Roderick C. Young.

Special Assistant U.S. Attorney Alyson C. Yates and Assistant U.S. Attorney Brian J. Samuels prosecuted the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 4:23-cr-21.

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