PRESS RELEASE

Jacksonville Man Indicted For Defrauding Investors And Obtaining Fraudulent Paycheck Protection Program Loans

Thursday, July 25, 2024

For Immediate Release

U.S. Attorney's Office, Middle District of Florida

Jacksonville, Florida – United States Attorney Roger B. Handberg announces the return of a superseding indictment charging Jared Dean Eakes (33, Jacksonville) with five counts of wire fraud and three counts of bank fraud. If convicted, Eakes faces a maximum penalty of 20 years in federal prison for each wire fraud count and up to 30 years' imprisonment for each bank fraud count. The indictment also notifies Eakes that the United States is seeking orders of forfeiture in the total amount of $7,489,732.20, the proceeds of the charged criminal conduct.

According to the superseding indictment, Eakes portrayed himself as a legitimate advisor and contacted investment advisors who were looking to sell their advisory businesses. After negotiating to take over management of the advisors' client assets, between approximately January 2019 and February 2020, Eakes converted approximately $2,737,462 of victim investor funds to his own benefit by withdrawing the funds in cash, using investor funds to pay personal expenses, transferring investor funds to a Las Vegas-based casino company, and by engaging in unauthorized options trading in a personal brokerage account.

Also, according to the superseding indictment, between March 2020 and November 2021, Eakes fraudulently secured approximately $4,752,270 in emergency funds through four Paycheck Protection Program ("PPP)" loans.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted March 2020. It was designed to provide emergency financial assistance to millions of Americans who are suffering the economic effects resulting from the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to $349 billion in potentially forgivable loans to small businesses for job retention and certain other expenses through the PPP. In April 2020, Congress authorized over $300 billion in additional PPP funding.

The PPP allowed qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of one percent. Businesses were required to use PPP loan proceeds for payroll costs, interest on mortgages, rent, and utilities. The PPP allowed the interest and principal to be forgiven if the business spent the proceeds on these expenses within a set time-period and used at least a certain percentage of the loan towards qualifying business expenses.

According to the superseding indictment, Eakes caused the submission of four PPP loan applications—including applications for two of the entities involved in the scheme to defraud investors—which contained false and fraudulent supporting documentation and statements regarding the entities' employees and payroll. Once he obtained the emergency loans, Eakes did not use the funds for qualifying expenses. Instead, he used the funds to engage in options trading or withdrew them in cash.

An indictment is merely a formal charge that a defendant has committed one or more violations of federal criminal law, and every defendant is presumed innocent unless, and until, proven guilty.

This case was investigated by the Federal Bureau of Investigation and the Federal Housing Finance Agency – Office of Inspector General. It will be prosecuted by Assistant United States Attorneys David B. Mesrobian and Aakash Singh.

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