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Congress during the COVID-19 pandemic for bail on a theft charge in Florida.

Jan. 25, 2023



By Judy Harrison, Bangor Daily News, Maine (TNS).

The second Maine man who admitted defrauding a pandemic business loan program was sentenced Wednesday in U.S. District Court in Bangor to 33 months in federal prison.

Craig Franck, 40, of Levant admitted in August that he used more than \$300,000 from two loan programs authorized by Congress during the COVID-19 pandemic for bail on a theft charge in Florida. He also bought exercise equipment, a telescope, a big screen television, a drone and two trucks, among other expenses, with the money.

Franck pleaded guilty to three counts of wire fraud and one count of money

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The difference is the amount you took is large and it came from the public purse, Walker said.

Under the federal sentencing guidelines, Franck faced between 33 and 41 months in prison. Assistant U.S. Attorney Andrew Lizotte recommended a sentence at the high end of the guideline range. Bangor defense attorney Charles Hodsdon urged Walker to sentence Franck to 33 months.

In addition to prison time, Franck was sentenced to three years of supervised release and to forfeit \$321,560 that he received illegally.

He received that amount electronically from two separate loan programs authorized by Congress early in the pandemic — the Paycheck Protection Program and the Economic Injury Disaster Loan Program.

The U.S. Small Business Administration handled applications for disaster loans while banks processed applications for the Paycheck Protection Program.

Franck received the funds for two companies, CCF Acoustics LLC and CCF Acoustical Systems. The firms were contracted to do acoustical and ceiling work.

In his applications to the loan programs, Franck lied about how much money the companies made and how many people he employed, according to court documents.

In August 2021, Franck pleaded guilty in a Florida court to stealing between \$20,000 and \$100,000 in that state. He was sentenced to seven years of probation, according to the complaint filed last March.

Franck agreed to be held without bail at his first court appearance on March 31. That time will be applied to his sentence.

Nathan Reardon, the first person in Maine to be charged and convicted of

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In addition to prison time, Reardon was sentenced to three years of supervised release and ordered to pay more than \$60,000 in restitution.

While pandemic fraud in Maine has been much less prevalent than in more populous states, investigations into suspected fraud and the prosecutors of the perpetrators is keeping the Department of Justice busy.

In September, U.S. Attorney General Merrick Garland announced the creation of three strike force teams, based in Florida, Maryland and California, to enhance its existing efforts to combat and prevent COVID-19-related fraud.

“Since the start of this pandemic, the Justice Department has seized over \$1.2 billion in relief funds that criminals were attempting to steal, and charged over 1,500 defendants with crimes in federal districts across the country, but our work is far from over,” Garland said in announcing the teams.

In addition to criminal cases, civil investigations of 1,800 people and entities for alleged misconduct in connection with pandemic relief loans totaling more than \$6 billion had been launched as of September.

The department's efforts to combat COVID-19-related fraud schemes include investigations involving the Paycheck Protections Program, Economic Injury Disaster Loan program, Unemployment Insurance programs and COVID-19 healthcare fraud enforcement.

A recent report from the U.S. Government Accountability Office estimated unemployment fraud from pandemic jobless benefits may top \$60 billion.

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