

**Department of Justice**  
U.S. Attorney's Office  
District of Maryland

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FOR IMMEDIATE RELEASE

Friday, February 17, 2023

**Prince George's County Man Pleads Guilty To A Federal Wire Fraud Conspiracy To Obtain Over \$1 Million In Covid-19 Cares Act Loans And Unemployment Insurance Benefits**

**A Search At The Defendant's Residence Also Recovered Four "Ghost Guns," Including One that Was Modified to be a Machinegun**

**Greenbelt**, Maryland – Jerry Phillips, a/k/a "Tian Juzo," age 25, of Capitol Heights, Maryland, pleaded guilty today to a federal wire fraud conspiracy, aggravated identity theft, and illegal possession of a machine gun, related to a scheme to fraudulently obtain more than \$1 million in COVID-19 CARES Act Paycheck Protection Program loan applications (PPP), Economic Injury Disaster loan applications (EIDL), and unemployment insurance claims.

The guilty plea was announced by Erek L. Barron, United States Attorney for the District of Maryland; Acting Special Agent in Charge Troy W. Springer, of the National Capital Region, U.S. Department of Labor - Office of Inspector General (DOL-OIG); Special Agent in Charge Kareem A. Carter of the Internal Revenue Service - Criminal Investigation, Washington, D.C. Field Office; Special Agent in Charge Amaleka McCall-Brathwaite of the Small Business Administration - Office of Inspector General, Eastern Region, and Acting Special Agent in Charge Mike Serra, of the Mid-Atlantic Region, Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG).

"Fraudsters like Jerry Phillips often commit other crimes, as demonstrated by his illegal possession of a ghost gun, which he modified to be a machine gun," said United States Attorney Erek L. Barron. "We will continue to use every legal means necessary to remove illegal guns from our communities and to hold criminals accountable."

"Jerry Phillips conspired with his brother to defraud the UI, PPP, and EIDL pandemic relief programs of more than \$750,000 in funds intended to assist those who were truly in need from the financial impact brought about by the COVID-19 pandemic," said Troy W. Springer, Acting Special Agent in Charge of the National Capital Region, U.S. Department of Labor – Office of Inspector General. "My office will continue to work closely with the U.S. Attorney's Office for the District of Maryland and our other law enforcement partners to pursue those who unwisely chose to commit pandemic-related UI fraud and hold them accountable for their criminal conduct."

"During this pandemic, we have all too often seen people take advantage of programs meant to help those in need, stealing money away from those in crisis," said Kareem A. Carter, Special Agent in Charge of the IRS-CI Washington D.C. Field Office. "We will continue in our partnership with fellow federal agencies to investigate individuals who illegally use pandemic relief funds for personal financial gain."

"Conspiring to fraudulently gain access to SBA program funds by falsifying personal identifying information is reprehensible," said SBA OIG's Eastern Region Special Agent in Charge Amaleka McCall-Brathwaite. "OIG and its law enforcement partners will relentlessly pursue fraudsters and bring them to justice. I want to thank the U.S. Attorney's Office and our law enforcement partners for their dedication and commitment to seeing justice served."

According to his plea agreement, from March 2020 to February 2022, Phillips worked with his brother and co-defendant, Jaleel Phillips, and at least one other person. to fraudulently obtain COVID-19 related benefits, including filing fraudulent PPP loan applications, EIDL loan applications, and unemployment insurance claims. As detailed in the statement of facts, Phillips and his co-conspirators created fictitious aliases, used the personal identifying information of real people, and used defunct corporate entities or new business entities with no actual business operations to apply for EIDL and PPP loans, and unemployment benefits.

As part of the scheme, Phillips admitted that he created and used multiple fake identities to submit fraudulent PPP and EIDL loan applications and used the personal identifying information of more than 20 real people in furtherance of fraudulent unemployment claims. The fraudulently obtained PPP and EIDL loans and unemployment insurance claims were deposited into the bank accounts opened in the names of the aliases. The money was then withdrawn by Phillips and his co-conspirators through ATM withdrawals and purchases made on the associated debit and credit cards or transferred between the various financial accounts established in the aliases' names. Phillips used \$65,538.95 of the fraudulently obtained funds to purchase a 2020 Chevrolet Camaro, which he registered in his name at the Maryland Motor Vehicle Administration. Jerry Phillips also admitted that he personally obtained and controlled more than \$1 million in fraud proceeds from the fraudulent PPPs and EIDLs.

A search of the defendant's residence recovered more than 25 fake driver's licenses from multiple states and multiple identification documents from different jurisdictions with the same alias. Law enforcement also recovered four "ghost guns" which Jerry Phillips purchased online, using an alias. Phillips admitted that he illegally modified one of the ghost guns into a machine gun capable of firing multiple rounds with one pull of the trigger.

Jaleel Phillips, age 25, of Capitol Heights, Maryland, previously pleaded guilty to his role in the wire fraud conspiracy and faces a maximum sentence of 30 years in federal prison. U.S. District Judge Theodore D. Chuang has scheduled sentencing for April 14, 2023, at 9:30 a.m.

Jerry Phillips faces a maximum sentence of 30 years in federal prison for the wire fraud conspiracy; a mandatory sentence of two years in federal prison, consecutive to any other sentencing imposed, for aggravated identity theft; and a maximum of 10 years in federal prison for illegal possession of a machine gun. Judge Chuang has scheduled sentencing for Jerry Phillips on May 16, 2023, at 2 p.m.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

United States Attorney Erik L. Barron commended the DOL-OIG, IRS-CI, SBA-OIG, FDIC-OIG, and the Mississippi Attorney General's Office for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorney Harry M. Gruber, who is prosecuting the federal case. He also thanked the Office of Mississippi Attorney General Lynn Fitch-Public Integrity Division, for its assistance.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, please visit [www.justice.gov/usao-md](http://www.justice.gov/usao-md) and <https://www.justice.gov/usao-md/report-fraud>.

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