



U.S. Department of Justice

*United States Attorney's Office
Eastern District of Wisconsin*

*Federal Courthouse
517 E. Wisconsin Ave, Rm 530
Milwaukee WI 53202*

*(414)297-1700
Fax (414) 297-1738
www.usdoj.gov/usao/wie*

IMMEDIATE RELEASE

April 8, 2025

Affiliated Companies Agree to Pay \$10.8 Million to Resolve Allegations that They Fraudulently Obtained COVID-19 Loans

Richard G. Frohling, Acting United States Attorney for the Eastern District of Wisconsin, announced that on April 2, 2025, a group of affiliated companies controlled by a family office have agreed to pay \$10,853,246.94 to settle allegations that they violated the False Claims Act by submitting false certifications in connection with loans under the Paycheck Protection Program ("PPP"). The affiliated companies include: Barrington Venture Holding Company LLC; The Club at Strawberry Creek LLC; The Garlands of Barrington LLC; Nuestro Queso, LLC; SSCO LLC; and Tire Profiles LLC.

The PPP loan program, created by Congress in March 2020 through the Coronavirus Aid, Relief and Economic Security ("CARES") Act, provided emergency financial assistance to small businesses suffering from the economic effects of the COVID-19 pandemic. The program allowed eligible businesses to apply for loans that, if spent on payroll and other eligible expenses, could be forgiven and repaid on the borrower's behalf by the federal government. When applying for a loan and for forgiveness, borrowers were required to certify that they were eligible for the PPP and that the information provided was accurate.

Congress limited eligibility for PPP loans to businesses with less than 500 employees (or less than an industry-based size standard, if applicable). 15 U.S.C. § 636(a)(36)(D)(i). With respect to counting employees, Congress adopted the Small Business Administration's pre-existing "affiliation rules," which require businesses under common ownership or control to add their employee counts together when determining their size. 15 U.S.C. § 636(a)(36)(D)(vi); 13 C.F.R. § 121.301(f)(1), (3) & (6) (effective March 27, 2020, to September 7, 2021). The Small Business Administration's regulations also make clear that companies are to count all employees equally, including part-time and temporary employees the same as full-time employees. 13 C.F.R. § 121.106(a), (b)(2) & (4)(i).

This settlement resolves allegations that four of the family office affiliates—The Club at Strawberry Creek LLC; The Garlands of Barrington LLC; Nuestro Queso, LLC; and Tire Profiles LLC—falsely certified that they were eligible for the PPP loans they received. Collectively, these family office companies received six PPP loans totaling over \$5 million in principal value, despite collectively employing more than 500 individuals (and not otherwise complying with an alternative size-standard). The government alleges that these entities knew that they were ineligible for the PPP loans that they received but that they applied anyway and took affirmative steps to avoid detection by regulators.

“When it passed the Paycheck Protection Program, Congress made policy decisions about what types of businesses would and would not be eligible for the pandemic-relief resources that it made available,” said Acting United States Attorney Frohling. “Congress decided that it did not want to provide taxpayer dollars to large companies or groups of affiliated companies who likely had access to private sources of capital typically unavailable to American small businesses. The eight-figure settlement announced today reflects the continuing commitment of the Department of Justice and the Small Business Administration to hold accountable sophisticated businesses that abused this emergency program.”

“The favorable settlement in this case is the product of enhanced efforts by federal agencies such as the Small Business Administration working with the U.S. Attorney’s Office and other Federal law enforcement agencies to recover the product of this fraud as well as penalties,” said SBA General Counsel Wendell Davis.

The United States encourages anyone with information about potential fraud involving COVID-19 to 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>. PPP recipients also may voluntarily disclose self-discovered evidence of fraud involving the PPP to their district’s U.S. Attorney’s Office.

Assistant United States Attorney Aaron R. Wegrzyn represented the government in connection with this matter, with assistance from Kandace Zelaya in the Small Business Administration’s Office of Litigation and Office of General Counsel.

The claims resolved by the settlement are allegations only. There has been no determination of liability.

#

For Additional Information Contact:
Public Information Officer,
Kenneth.Gales@usdoj.gov
414-297-1700

Follow us on Twitter

