Office of Inspector General
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SBA OIG Launches Operation NO DOZE to Target PPP and COVID EIDL Fraud

KANSAS CITY, MO. — The U.S. Small Business Administration Office of Inspector General announced **Operation NO DOZE**, a targeted investigative and enforcement initiative focused on fraud involving the Paycheck Protection Program and COVID-19 Economic Injury Disaster Loan program.

Unveiled publicly at the Department of Justice's Heartland Fraud Surge in Kansas City, Operation NO DOZE combines SBA OIG's investigative expertise, data analytics and program knowledge with the enforcement authorities of the Department of Justice, SBA, the Federal Bureau of Investigation, U.S. Attorney's Offices and federal, state, and local law-enforcement partners.

SBA Inspector General William Kirk announced the operation alongside Vice President J.D. Vance, chair of the White House Task Force to Eliminate Fraud; SBA Administrator Kelly Loeffler; Attorney General Todd Blanche; FBI Director Kash Patel; Missouri Gov. Mike Kehoe; and Matthew Price, U.S. Attorney for the Western District of Missouri, and Chairman Andrew Ferguson.

Photo 1: SBA Office of Inspector General special agents conduct field investigative activity in support of Operation NO DOZE.

"Operation NO DOZE brings a focused, localized approach to pursuing fraud in SBA's pandemic relief programs," said SBA Inspector General Kirk. "By concentrating our investigative resources and working closely with SBA and our law enforcement partners, we are strengthening our ability to identify fraud, recover taxpayer funds and hold accountable those who exploited programs created to help small businesses in a time of extraordinary need. This initiative makes clear that the passage of time does not diminish our commitment to accountability."

SBA OIG Investigative Results

From June 12 through Sept. 1, 2026, coordinated investigative and enforcement work in the Western District of Missouri resulted in criminal charges, guilty pleas and sentences involving 14 defendants, $60,133,027.93 in actual or intended loss and $786,371.06 in restitution and civil recovery obligations.

The results include:

- **Ten defendants charged** in criminal cases involving more than **$59 million in intended loss** to American taxpayers.
- **Two defendants who pleaded guilty** in matters involving **$958,700 in losses** connected to fraudulent PPP loans.
- **Two defendants sentenced** for fraudulent PPP loan activity. Each was ordered to pay **$20,832 in restitution**.

Selected Cases

The following cases illustrate the scope of recent investigative and enforcement activity in the Western District of Missouri:

- **Jamie William Gray:** A Dade County, Missouri resident was charged with wire fraud and money laundering in connection with allegations that he submitted 29 PPP and EIDL applications involving 19 purported businesses. The indictment alleges that Gray sought approximately **$55,931,875** in SBA funds through false claims concerning business ownership, employees, gross revenue and operations. It further alleges that Gray fraudulently obtained approximately **$820,000 in PPP funds**. According to the indictment, the only claimed business that existed— "Fur Lives Matter"—was a Texas company that had no knowledge of Gray.
- **Gregory Burns:** A Jackson County, Missouri resident pleaded guilty to participating in a scheme to fraudulently obtain approximately **$487,600 in PPP loans**. Burns admitted that he used his share of the proceeds for personal expenses.

- **Waylen Leslie:** A Buchanan County, Missouri, resident pleaded guilty to fraudulently obtaining approximately **$471,100 in PPP loans**. Leslie admitted using loan proceeds to purchase cryptocurrency and pay other personal expenses.

The criminal charges in these cases are allegations. Defendants are presumed innocent unless and until proven guilty.

Operation NO DOZE builds on these and other local investigative efforts through a nationwide enforcement surge. Between June 12 and Sept. 1, 2026, SBA OIG and federal prosecutors in the Justice Department's National Fraud Enforcement Division and more than 40 U.S. Attorney's Offices obtained felony charges against nearly 80 defendants involving approximately $100 million in intended loss. The coordinated effort also involved approximately 43 guilty pleas tied to roughly $44 million in intended loss and approximately 40 sentencings involving nearly $101 million in intended loss.

In total, the national surge involved more than **160 criminal defendants** and approximately **$245 million in intended loss** to American taxpayers. The Department of Justice's complete announcement, including national results, participating partners and notable cases, is available here: DOJ's Fraud Division, SBA, and SBA OIG Target $245M in COVID Loan Fraud Enforcement Activity as State Partnerships Continue Expanding.

"Pandemic loan relief was meant to keep American small businesses alive during government lockdowns—not line the pockets of fraudsters," said **Attorney General Todd Blanche**. "The defendants charged during our summer surge allegedly fabricated businesses, submitted false payroll and revenue claims, stole identities, and concealed foreign ties on their applications—but they will now be prosecuted to the fullest extent of the law."

"This summer surge shows what is possible when dedicated public servants across the country work together with a single purpose," said **Assistant Attorney General Colin M. McDonald of the National Fraud Enforcement Division**. "Our mission is clear: protect taxpayer funds, safeguard the integrity of federal relief programs, and deliver justice to those who exploited them. We will remain steadfast every day—standing shoulder-to-shoulder with our partners—to identify fraud, pursue those responsible, and restore confidence in the programs meant to help American small businesses thrive."

Operation NO DOZE supports the White House Task Force to Eliminate Fraud and the Department of Justice's National Fraud Enforcement Division. The initiative reflects a coordinated, governmentwide effort to strengthen fraud detection, share information, pursue recovery of taxpayer funds and hold accountable those who exploit federal programs.

"Fraud is nonpartisan," **Inspector General Kirk said**. "It harms taxpayers, undermines trust in public institutions and diverts assistance away from the legitimate small businesses these programs were designed to help. SBA OIG will continue to follow the evidence, work with our partners and pursue accountability."

As part of the announcement, **Administrator Loeffler stated that SBA** has identified Suspensions for 870,000 U.S. Borrowers Tied to $39 Billion In Suspected Pandemic Fraud. Staring in Missouri and Kansas, SBA will issue demand letters to suspected fraudsters as part of Operation NO DOZE. The demand letters will notify recipients that SBA seeks repayment of a debt to the United States. Each notice will identify the amount SBA seeks to recover and provide instructions and an opportunity for the recipient to repay or otherwise respond through the process identified in the letter. Those who do not timely resolve SBA's claim may face Treasury collection activity and possible referral for additional administrative, civil or criminal action, as appropriate.

"Today's announcement represents the largest-ever action against perpetrators of SBA fraud, with 870,000 suspended borrowers tied to $39 billion in suspected fraudulent PPP and COVID EIDL activity," said **SBA Administrator Loeffler**. "In partnership with Vice President Vance and the White House Task Force to Eliminate Fraud, we're putting fraudsters on notice: the federal government will no longer turn a blind eye to those who stole from taxpayers and exploited programs designed to sustain small businesses during the pandemic.

"With demand letters going out to suspected fraudsters, we're also sending a clear message that they must repay their debts or face Treasury collections and possible federal law enforcement. Under this administration, the free ride is over. We are restoring accountability, recovering taxpayer dollars and protecting SBA programs for the legitimate small businesses they were created to serve."

SBA OIG recognizes and thanks the Department of Justice; the National Fraud Enforcement Division; SBA; the FBI; participating U.S. Attorney's Offices; the White House Task Force to Eliminate Fraud; and the federal, state and local partners whose investigators, analysts, prosecutors, auditors and support personnel contributed to Operation NO DOZE.

Additional information is available through the following official resources:

Members of the public with information concerning suspected fraud involving SBA programs may report it to the SBA Office of Inspector General at Office of Inspector General Hotline - Small Business Administration.

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