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St. Croix Business Owners Accused of Misusing \$500,000 in PPP Funds

Accused of diverting \$500,000 in relief funds, owners face federal charges

Crime / **Published On March 05, 2024 07:05 PM /**

Staff Consortium **March 05, 2024**

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Kimberly McCollum, owner, Island Services Group LLC.

ST. CROIX — United States Attorney Delia L. Smith has announced charges against Kimberly McCollum and Morris Anselmi, owners of Island Services Group, for the alleged theft of \$500,000 in federal Coronavirus Relief Funds. McCollum, who made her initial court appearance before U.S. Magistrate Judge Emile Henderson, III, has been released on a \$500,000 bond.

The charges stem from activities related to the Paycheck Protection Program (PPP), part of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act passed by Congress in March

2020. The CARES Act aimed to provide emergency financial support to Americans impacted by the economic downturn due to the Covid-19 pandemic. Specifically, the PPP offered forgivable loans to small businesses for job retention and other critical expenses.

According to the United States Attorney's office, in 2020 and 2021, McCollum and Anselmi allegedly orchestrated a scheme to defraud the United States by securing a \$989,400 PPP loan under false pretenses. The funds were intended for business expenses related to their St. Croix enterprise. However, it is alleged that McCollum redirected \$500,000 of these funds to her personal account, using them to settle debts of another business she owned and to purchase a \$200,000 annuity.

Furthermore, the duo is accused of seeking loan forgiveness from the Small Business Administration (SBA), falsely asserting that the loan had been used for its intended purposes, while in reality, a portion was purportedly used for personal gain.

As part of the fraudulent activities, Anselmi is said to have acquired a condo valued at approximately \$250,000, transferred from McCollum as part of the scheme. Anselmi is scheduled for his initial court appearance at a later, unspecified date.

The Federal Bureau of Investigation is conducting the investigation into these allegations, with Assistant United States Attorney Evan Rikhye leading the prosecution.

United States Attorney Delia L. Smith emphasized that an indictment is only an accusation, and the defendants are considered innocent until proven guilty beyond a reasonable doubt in a court of law.