

Title: Ex-Citadel employee commits fraud, loses 3 million on stock picks then promptly goes to jail.
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Department of Justice

Office of Public Affairs

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Florida Man Pleads Guilty to Federal Charges for Fraudulently Obtaining and Laundering More than \$4 Million in Paycheck Protection Program Loans

A Florida man pleaded guilty today in the District of New Jersey to fraudulently obtaining more than \$4.6 million in Paycheck Protection Program (PPP) loans guaranteed by the Small Business Administration under the Coronavirus Aid, Relief and Economic Security Act, and subsequently laundering the loan proceeds through a series of illicit financial transactions.

According to court documents, Gregory J. Blotnick, 34, of West Palm Beach and formerly of New York City, submitted 21 fraudulent PPP loan applications to 13 lenders on behalf of at least nine purported businesses that Blotnick controlled, including BSC Opportunistic Equity LP and Brattle Street GP LLC. In these fraudulent applications, Blotnick falsified various information, including the number of his employees, the federal tax returns for his businesses, and payroll documentation. Blotnick sought more than \$6.8 million in total PPP loans and obtained more than \$4.6 million. Blotnick then laundered and misused the loan proceeds, including by transferring the funds to brokerage accounts that he controlled from which he placed more than \$3 million in losing stock trades.

Blotnick pleaded guilty to one count of wire fraud and one