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Florida Attorney General's Office News Release

AG Moody and FTC File Complaint to Shut Down COVID-19 Relief Scam Targeting Small Businesses



TALLAHASSEE, Fla.—Attorney General Ashley Moody and the Federal Trade Commission are taking legal action to shut down a COVID-19 relief scam that targeted small businesses. In response to a joint complaint filed by Attorney General Moody and the FTC, a federal court in Florida issued a temporary restraining order and appointed a receiver against Florida-based Grant Bae and its owner, Traeshonna P. Graham. The defendants allegedly marketed a fictitious grant-writing service that falsely promised minority-owned small businesses easy access to guaranteed funding and COVID-19 economic relief.

Attorney General Ashley Moody said, “The defendants targeted small, minority-owned businesses with the promise they could help secure COVID-19 relief. Instead of obtaining the promised federal grant funds, the defendants took fees from struggling businesses and left them in even worse financial condition. I am pleased we have shut down this scam and we will continue to litigate this case in an effort to recover lost funds for those harmed.”

FTC Bureau of Consumer Protection Director Samuel Levine said, “These scammers targeted minority-owned businesses and misused public funds meant to support honest businesses during the pandemic. Working with our state partners and with new authority granted by Congress, we will continue to shut down frauds that prey on people during the pandemic.”

The complaint alleges that Graham and her company C Lee Enterprises, LLC, doing business as Grant Bae, violated the FTC Act, the COVID-19 Consumer Protection Act, and the Florida Deceptive and Unfair Trade Practices Act by targeting minority-owned small businesses with claims that customers could access millions of dollars in grant funding after paying for the

defendants' services.

According to the complaint, Graham and Grant Bae pitched false claims about the company's services and Graham's own grant-writing background on Facebook, Instagram and in the Clubhouse audio app. The complaint alleges that Grant Bae only distributed money to a handful of social media influencers and close associates.

In an effort to convince minority-owned businesses that Graham could secure grant funding, Graham allegedly deceived consumers about nearly every aspect of Grant Bae and lied about personal qualifications since at least October of 2020. The complaint alleges that these deceptions, which cost small businesses thousands of dollars, include:

- Falsely promising significant returns: Grant Bae's marketing included multiple misleading guarantees of the amounts that businesses would receive from using its services. Grant Bae claimed that all minority-owned businesses qualified for grant funding of at least $25,000. It also falsely guaranteed returns based on the package purchased, including claims that a business buying the $6,999 "Elite" package would receive at least $250,000 in grant funding, and that all customers would receive at least four grants in the first year.
- Misleading customers about grant status: The defendants purportedly sent misleading messages to customers representing that grants had been either "awarded" or were "pending." Graham also made false promises in Instagram videos, claiming the clients' money would be deposited. According to the complaint, customers never received the money and often realized this too late to request chargebacks for the funds paid upfront to Grant Bae.
- Deceiving customers about access to grants: Grant Bae claimed in marketing that it had access to $268 million in grant funding to disperse to its clients, even though no such funds existed. It also claimed to have secured grant funds from major nonprofit foundations and government agencies for clients.
- Lying about prior success: The defendants' marketing misled businesses to believe that Grant Bae is a successful enterprise and has provided tens of millions of dollars in grants. Graham also deceptively claims eight years of experience developing the "gift" of grant writing, but Graham's last known employment was in 2018 at a fast food restaurant, where she pled guilty to two felony counts of theft for stealing from the restaurant's cash deposits.
- Failing to provide promised refunds: The complaint alleges that while Grant Bae offers a "money-back guarantee" to the businesses who bought the service, the company often goes silent and blocks contact with customers who complain about losing money.

The complaint also alleges that Graham relied on funds acquired through the federal COVID-19 Paycheck Protection Program to start Grant Bae. A month after its founding, the company received approval for a Paycheck Protection Program loan. Later that summer, Graham individually received approval for another PPP loan as an independent contractor. At times, the complaint alleges, Grant Bae said it would apply for COVID-19 Economic Injury Disaster Loans on behalf of customers.

The joint complaint is filed in the U.S. District Court for the Middle District of Florida.

To view the joint complaint, click here.

To view the temporary restraining order, click here.