



Apr 05, 2021

Categories:

[Coronavirus Response](#)

[Team](#)

[Experience](#)

PPP Audits and Appeals: When SBA and IRS Come Knocking

Now that Small Business Administration (SBA) audits of Paycheck Protection Program (PPP) loans have begun, many borrowers with loans over \$2 million are waiting to see how the SBA will come down on their applications for loan forgiveness. The date that the SBA was required by the Economic Aid Act to submit a forgiveness audit plan has come and gone without any further clarity on how SBA audits are being conducted. Only until recently have we heard of any borrower with a loan over \$2 million receiving a forgiveness determination from the SBA.

At the same time, PPP borrowers are working on federal and state tax returns for 2020 and having to decide how expenses may be treated by states and the Internal Revenue Service (IRS).

While the focus a year ago was getting PPP and Economic Injury Disaster Loan (EIDL) funds to as many businesses as possible, the federal government has turned its attention to clawing back funds taken fraudulently through SBA and IRS audits and enforcement actions. The Government Accountability Office released its latest [list](#) of high-risk areas, adding emergency loans for small businesses to its list of government programs vulnerable to fraud, waste, abuse and mismanagement. A [recent report](#) released by the SBA Office of Inspector General determined that approximately \$692 million of PPP loans approved between April 3, 2020 and August 9, 2020 went to borrowers with the same tax identification number or the same business name and address.

In the current climate, it is important that borrowers seek legal representation so they are ready to respond to investigations and appeal adverse SBA and IRS decisions, especially given the quick turnaround time for when appeals have to be filed under the SBA rules.

Frost Brown Todd's [PPP Audits & Appeals](#) team is made up of attorneys who know the PPP and what it takes to defeat a claim made by the federal government. Our team includes members who previously worked for the federal government on financial crimes,

which provides businesses with a unique behind-the-scenes perspective.

PPP Audits & Appeals Team

Jordan S. Blask | Loan Workouts | Pittsburgh, PA

Jordan devotes a considerable part of his practice to providing practical legal advice to financial institutions and businesses dealing with distressed credit and financial restructuring situations. Either working for a lender, creditor or borrower, he frequently advises clients on financial workouts, loan restructurings, insolvency issues and recapitalization, as well as prosecutes and defends avoidance actions and represents bankruptcy trustees and creditor committees.

Catherine F. Burgett | Labor & Employment | Columbus, OH

Catherine represents small, mid-size, and large employers in connection with a broad range of labor and employment matters, from labor disputes and employment contracts to workplace policies, corporate training programs, internal investigations, and litigation related to wage and hour laws, discrimination and discipline/discharge issues, and the enforcement of non-compete agreements. She also provides ongoing education and training to many clients, which allows employers and staff to identify and address their human resources concerns with confidence.

Chris Coffman | Tax Controversies | Louisville, KY

Chris concentrates his practice on civil and criminal tax controversies, representing clients in administrative proceedings before local and state taxing authorities as well as the Internal Revenue Service and U.S. Tax Court. He has represented clients through federal investigations and at trial on criminal issues such as tax fraud and evasion, bank fraud, securities fraud, money laundering, and state consumer protection act violations.

Russell Coleman | Government Investigations | Louisville, KY

Russell practices in the areas of government and internal investigations and government relations, having worked extensively at the Department of Justice, FBI, and on Capitol Hill. Most recently, Russell served as the U.S. Attorney for the Western District of Kentucky where he prioritized investigations and prosecutions relating to COVID fraud. He previously served as a counsel in the U.S. Senate, state prosecutor, and as an FBI Special Agent.

Edward M. King | Bankruptcy & Restructuring | Louisville, KY

Ted represents debtors, creditors, and committees in complex insolvency and bankruptcy proceedings, developing plans of reorganization and advising on strategies to maximize recoveries for clients at all stages of the bankruptcy process. In transactional matters, Ted concentrates in all aspects of structured financings, workouts and reorganizations, as well as working capital financings, leveraged buyouts, loan participations, intercreditor agreements, credit enhancements, rate swaps and other hedging devices.

Becky Moore | Finance & Lending | Louisville, KY

Becky leads the firm's SBA Lending Team and is chair of the Finance Practice Group. Becky represents borrowers and lenders on the PPP, including eligibility for PPP loans, calculation of the loan amount, eligibility for loan forgiveness and the necessity certification. Becky uses her experience representing lenders and borrowers in conventional SBA-guaranteed loans to help clients navigate the terms of the PPP and the EIDL and prepare for an audit.

Mark Sommer | Federal Tax | Louisville, KY

Mark leads the firm's Tax, Benefits and Estates Practice Group and practices in the areas of state, local and federal tax, tax controversy and litigation. With more than 30+ years' experience in administrative audits and tax-related litigation, he is a go-to advisor for clients in the Midwestern and Southern U.S. Mark has assisted clients in avoiding hundreds of millions of dollars in improperly asserted tax obligations in tax/finance-related disputes.

Kevin Tierney | Financial Crimes | Cincinnati, OH

Kevin represents clients in government and internal investigations as well as white-collar criminal defense. Kevin previously served as Special Assistant U.S. Attorney for the U.S. Attorney's Office in the Southern District of Ohio. In this position, Kevin enforced federal criminal law with a specialization in financial crimes; provided legal counsel to federal, state, and local law enforcement agencies; and led a team of federal agents and local law enforcement on financial investigations and prosecutions. In addition, Kevin served as Special Agent for the United States Secret Service. His primary responsibility as a Secret Service Agent was investigating financial crimes.

Jared Tully | Litigation & Appeals | Charleston, WV

Jared serves as the team leader for the firm's Community Bank and Financial Institutions industry team and plays a significant role on the firm's SBA PPP Team, advising borrowers on how to prepare for an SBA audit. He is also vice chair of the firm's Business Litigation Practice Group. Jared concentrates his practice in the areas of commercial litigation and bankruptcy matters. Jared works closely with his clients to understand their business and to obtain effective and efficient resolution of litigated matters.

Bob Webb | Tax Controversies | Louisville, KY

Bob has an established reputation as a go-to litigator in civil and criminal tax litigation matters, white-collar criminal defense, and business litigation. Bob has resolved thousands of civil and criminal tax matters at the federal, state and local level for clients across the country. Drawing on his prior experience in the Department of Justice Tax Division in Washington, D.C., Bob regularly represents clients in civil and criminal tax controversies before the IRS and in the United States Tax Court. He has led the defense of federal and state criminal offenses at the investigatory, grand jury, and trial levels in such areas as criminal tax fraud and mail and wire fraud.

© 2026 FBT Gibbons LLP. May be considered attorney advertising in some jurisdictions.