



## Illinois woman sentenced to prison for orchestrating pandemic relief fraud scheme investigated by Amtrak OIG

May 22, 2026

URBANA, Ill. — Octavia Renee Murphy, 37, of Bourbonnais, was sentenced Tuesday to one year in prison for conspiracy to commit wire fraud, wire fraud, and money laundering in connection with a pandemic-relief fraud scheme.

According to the U.S. Attorney's Office, Central District of Illinois, Murphy was also ordered to serve two years of supervised release and to pay \$169,949.97 in restitution to the U.S. Small Business Administration. Murphy pleaded guilty to the charges January 27, 2026. Co-conspirator Regina Murphy also pleaded guilty in December 2025 to charges of conspiracy to commit wire fraud and wire fraud.

Octavia Murphy led and organized a conspiracy in which she recruited relatives, co-workers, and friends to apply for Economic Injury Disaster Loan (EIDL) advances and Paycheck Protection Program (PPP) loans using false information, including claims that they operated small businesses before and during the pandemic. When the applications were approved, those individuals paid her kickbacks from the proceeds.

Octavia Murphy also submitted false PPP loan forgiveness applications for those same individuals and tried to conceal the PPP loan she personally received by moving the money to another account and falsely describing it as payroll. In total, 14 people were involved in the conspiracy, including five Amtrak employees.

The Small Business Administration paid nearly \$170,000 in fraudulent PPP and EIDL loans as a result of the scheme.

The case was initiated by Amtrak Office of Inspector General agents who were investigating employees for potential pandemic relief fraud, leading to the discovery of the broader scheme headed by Murphy. Federal charges are pending for the remaining 13 defendants, with a trial date scheduled for July 6, 2026.

"This sentencing reflects the coordinated efforts of our office, our investigative partners, and the U.S. Attorney's Office in addressing fraud involving federal relief programs," said Basil Demczak, Special Agent in Charge of Amtrak Office of Inspector General's Central Field Office. "We remain committed to protecting taxpayer funds and holding accountable those who exploited pandemic relief programs intended to support individuals and businesses in need, including Amtrak employees."

Amtrak OIG investigated the case with support from the FBI.

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