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Department of Justice

U.S. Attorney's Office

Middle District of Pennsylvania

FOR IMMEDIATE RELEASE

Tuesday, June 8, 2021

Harrisburg Restaurateur Charged With Fraud And Money Laundering Offenses In Connection With Misuse Of Pandemic-Related Loans

HARRISBURG - The United States Attorney's Office for the Middle District of Pennsylvania announced today that Scott Levy, age 58, of Harrisburg, Pennsylvania, was charged on June 7, 2021, in a criminal information with bank fraud, wire fraud, and money laundering in connection with federal loans he obtained on behalf of the Hershey Road Family Restaurant, a Harrisburg-area restaurant Levy owned and operated until closing the business at the end of July 2020.

According to Acting United States Attorney Bruce D. Brandler, the criminal information alleges that in Spring 2020, Levy applied on the restaurant's behalf for \$227,500 in loans that the federal government made available to support qualifying businesses during the COVID-19 pandemic. It also alleges that Levy spent the majority of those loan proceeds on personal expenditures and other non-qualifying goods and services, and transferred \$125,000 of the proceeds to his mother who placed the cash in safe deposit boxes.

On November 24, 2020, Levy pled guilty to tax fraud and related offenses relating to the Hershey Road Family Restaurant. Levy admitted that he failed to pay more than \$230,000 in federal income and payroll taxes from January 1, 2014 to December 31, 2018, and agreed to make full restitution of this amount. Sentencing in that case has been continued pending the resolution of the investigation into Levy's new fraud and money laundering offenses.

Both of Levy's cases will be consolidated for purposes of sentencing, which is expected to take place later in 2021 in front of United States District Judge Jennifer P. Wilson.

Both of the cases against Levy were investigated by Internal Revenue Service-Criminal Investigation. Assistant U.S. Attorney Christian T. Haugsby is prosecuting the case.

Criminal Informations are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

Levy faces a maximum penalty on up to 90 years' imprisonment, a fine of up to \$2,610,000, and a term of supervised release of up to five years on the charges in both of his cases. Under the Federal Sentencing Guidelines, the Judge is required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offenses; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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Topic(s):

Coronavirus

Component(s):

USAO - Pennsylvania, Middle

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