



THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Wednesday, March 17, 2021

Hialeah Tax Preparer Charged with COVID-19 Loan Fraud

Miami, Florida – A South Florida tax preparer was charged Tuesday by criminal information with wire fraud in connection with a scheme to obtain over 100 COVID-19-relief loans under the Paycheck Protection Program (PPP).

According to the allegations in the information, Leonel Rivero, 35, of Miami, owned a tax-preparation business and submitted approximately 118 fraudulent PPP loan applications on behalf of himself and his accomplices. Combined, the 118 PPP loan applications sought more than \$2.3 million in PPP loans. On each PPP loan application, Rivero allegedly falsified the applicant's prior-year income and expenses and submitted fraudulent IRS tax forms. Rivero and his accomplices allegedly received approximately \$975,582 in PPP loans as a result of the fraud.

Rivero is scheduled for his initial court appearance on March 23 in the U.S. District Court for the Southern District of Florida. If convicted, Rivero faces a maximum penalty of 20 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

U.S. Attorney Ariana Fajardo Orshan of the U.S. Attorney's Office for the Southern District of Florida; Acting Assistant Attorney General Nicholas L. McQuaid of the Justice Department's Criminal Division; Acting Special Agent in Charge Tyler R. Hatcher of the IRS-Criminal Investigation (IRS-CI) Miami Office; and Special Agent in Charge Amaleka McCall-Brathwaite of the U.S. Small Business Administration, Office of Inspector General (SBA-OIG), Investigations Division, Eastern Regional Office, made the announcement.

The IRS-CI is investigating the case with assistance from the SBA-OIG.

Assistant U.S. Attorney Christopher Browne of the U.S. Attorney's Office for the Southern District of Florida and Trial Attorney Della Sentilles of the Justice Department's Fraud Section are prosecuting the case. Assistant U.S. Attorney Nicole Grosnoff is handling the asset-forfeiture component of the case.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020, designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to \$349 billion in forgivable loans to small businesses for job retention and certain

other expenses, through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1%. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

The Fraud Section leads the Department of Justice's prosecution of fraud schemes that exploit the CARES Act. In the months since the CARES Act was passed, Fraud Section attorneys have prosecuted more than 100 defendants in more than 70 criminal cases. The Fraud Section has also seized more than \$65 million in cash proceeds derived from fraudulently obtained PPP funds, as well as numerous real-estate properties and luxury items purchased with such proceeds. More information can be found at: <https://www.justice.gov/criminal-fraud/cares-act-fraud>.

An information is merely an allegation and all defendants are presumed innocent until proven guilty beyond a reasonable doubt in a court of law.

You may find related court documents and information on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or on <http://pacer.flsd.uscourts.gov>, under case number 21-cr-20160.

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Topic(s):

Coronavirus

Component(s):

USAO - Florida, Southern

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