

PRESS RELEASE

Three Individuals Indicted in Multistate COVID-19 Relief Program Fraud Scheme

Wednesday, April 17, 2024

For Immediate Release

U.S. Attorney's Office, District of New Jersey

CAMDEN, N.J. – Three individuals were indicted for their roles in fraudulently obtaining approximately \$5 million of federal Paycheck Protection Program (PPP) loans and Economic Injury Disaster Loans (EIDL) and for laundering the loan proceeds, U.S. Attorney Philip R. Sellinger announced today.

Eric Rivera, 42, of Norcross, Georgia, is charged with one count of bank fraud conspiracy, three counts of bank fraud, one count of wire fraud conspiracy, two counts of wire fraud, one count of money laundering conspiracy, and eight counts of money laundering. Adrienne Ponzo, 49, of Bear, Delaware, is charged with one count of wire fraud conspiracy, two counts of wire fraud, one count of money laundering conspiracy, and two counts of money laundering. James Wessels, 54, of Middletown, Delaware, is charged with one count of bank fraud conspiracy, three counts of bank fraud, and one count of money laundering conspiracy. They were charged by complaint in July 2023.

According to the indictment:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted in March 2020 and was 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 hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (PPP). The CARES Act also authorized the U.S. Small Business Administration (SBA) to provide Economic Injury Disaster Loans (EIDLs) of up to \$2 million to eligible small businesses that were experiencing substantial financial disruption due to the COVID-19 pandemic.

To obtain a PPP or EIDL loan, a qualifying small business was required to apply and provide information on its operations, including the number of employees and revenues or expenses. Businesses generally had to provide supporting documentation such as tax returns and bank statements.

Rivera conspired with Wessels and others to defraud a participating lender in the PPP program. Rivera submitted fraudulent PPP loan applications for two companies he controlled, which included fake bank statements and IRS tax forms. The lender approved the PPP loans and paid Rivera's companies \$285,000. Rivera also recruited individuals who owned businesses with little or no operations and introduced them to a conspirator who prepared fraudulent PPP loan applications for these companies. Most of these PPP loan applications also included fake bank statements and tax forms. After the lender approved the PPP loans, Rivera received payments of 15 percent to 50 percent of the loan proceeds, via wire transfer or check, for his role in orchestrating this scheme. Wessels created fraudulent IRS tax forms for the PPP loan applications for Rivera's companies and for the other companies for which Rivera was paid. Wessels was paid a fee for each fraudulent tax form he created.

Wessels also conspired with two individuals who received fraudulent PPP loans from the lender to structure the spending of the PPP loan proceeds to conceal that the proceeds actually were being spent on non-payroll expenses. Wessels created fake payroll checks from the companies and the business owners distributed the fake payroll checks to friends and family members, who cashed the checks and returned the majority of the cash to the business owners. The lender subsequently forgave these PPP loans based on forgiveness applications that falsely stated that most of the loan proceeds were spent on payroll expenses.

Rivera also conspired with Ponzo and others to defraud the SBA. After the CARES Act was passed, Rivera recruited individuals who owned companies with little or no operations and introduced them to Ponzo, who prepared fraudulent EIDL applications for these businesses and caused them to be electronically submitted to the SBA. Ponzo prepared fraudulent bank statements and tax returns for companies that did not have them. After the SBA approved the EIDL loans, Rivera received payments of 15 to 50 percent of the loan proceeds, via wire transfer or check, for his role in orchestrating this scheme. Rivera, in turn, wired a portion of the loan proceeds to Ponzo for her role in the scheme.

The counts of bank fraud conspiracy and bank fraud are each punishable by a maximum of 30 years in prison and a \$1 million fine. The counts of wire fraud conspiracy and wire fraud are each punishable by a maximum of 20 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greatest. The counts of

conspiracy to commit money laundering are each punishable by a maximum of 20 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greatest. The counts of money laundering are each punishable by a maximum of 10 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense, whichever is greatest.

U.S. Attorney Sellinger credited special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, under the direction of Patricia Tarasca, Special Agent-in-Charge, New York Regional Office; special agents of the FBI’s South Jersey Resident Agency, under the direction of Special Agent in Charge Wayne Jacobs in Philadelphia; special agents of the Social Security Administration, Office of the Inspector General, New York Field Division, under the direction of Acting Special Agent in Charge Bradley Parker; and special agents of the U.S. Department of Labor, Office of Inspector General, Northeast Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to the charges.

The District of New Jersey COVID-19 Fraud Enforcement Strike Force is one of five strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

The government is represented by Assistant U.S. Attorney Daniel A. Friedman of the Criminal Division in Camden and Jason M. Richardson, Attorney in Charge of the U.S. Attorney’s Office in Camden.

The charges and allegations contained in the charging instrument are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[riveraponzowessels.indictment.pdf](#)

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Topic

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