

Department of Justice

U.S. Attorney's Office

District of Puerto Rico

FOR IMMEDIATE RELEASE

Thursday, March 24, 2022

Couple Indicted and Arrested for Pandemic Unemployment Assistance Fraud and Money Laundering

SAN JUAN, P.R. – On March 23, 2022, the Federal Grand Jury in the District of Puerto Rico returned an indictment charging Fernando Gallardo-Álvarez and his consensual partner Olga Rivera-Dávila with a conspiracy to commit mail, wire, and bank fraud, aggravated identity theft, and money laundering violations related to fraudulently obtained funds from the Unemployment Insurance (UI) and Pandemic Unemployment Assistance (PUA) Program, announced W. Stephen Muldrow, U.S. Attorney for the District of Puerto Rico. The case was investigated by Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI), the United States Department of Labor Office of Inspector General (USDOL-OIG), U.S. Postal Inspector Service, Social Security Administration Office of Inspector General (SSA-OIG), the Puerto Rico Department of Labor (PRDL), and the Puerto Rico Police Bureau (PRPB).

According to the indictment, Fernando Gallardo-Álvarez and Olga Rivera-Dávila devised a conspiracy and scheme to defraud the United States and Puerto Rico's state-federal Unemployment Insurance programs and financial institutions to obtain money for personal gain by making materially false and fraudulent representations to obtain and deposit UI/PUA funds. The defendants used the social security numbers and names of others to fraudulently obtain UI/PUA funds and then proceeded to alter the fraudulently obtained checks to list the defendant's own names and personal identifying information. These falsified checks were then deposited into multiple accounts under the defendants' control. The defendants also concealed the proceeds of the fraud scheme and structured subsequent financial transactions.

In a separate indictment, Fernando Gallardo-Álvarez is charged with fraudulently submitting false immigration documentation, mail fraud, misuse of social security numbers, and aggravated identity theft.

From approximately 2017 through August 2021, defendant Gallardo-Álvarez unlawfully enriched himself and obtained money from individuals, by preparing and filing Violence Against Woman Act (VAWA) petitions with the United States Citizenship and Immigration Services (USCIS) containing false information using Form I-360 and accompanying forms for work authorization and fee waivers. Form I-360 is used by battered spouses, children, and parents to file an immigrant visa petition under the Immigration and Nationality Act (INA), as amended by the VAWA.

According to the indictment, Gallardo-Álvarez made false representations to non-citizens that he was an attorney and collected thousands of dollars for legal services to assist them in resolving their immigration status. After collecting payment, Gallardo-Álvarez would file VAWA petitions containing false and incomplete information without the petitioners' knowledge and consent. Gallardo-Álvarez knew the petitions he submitted to the USCIS contained false information and that he could not provide the needed documentation for the USCIS to adjudicate the petitions filed.

When USCIS did not receive enough information to fully adjudicate a VAWA petition utilizing Form I-360 submitted by the defendant, USCIS would ask Gallardo-Álvarez, for more information before ultimately denying the VAWA petition. While the VAWA petition was pending, USCIS would make a

preliminary determination regarding eligibility for an Employment Authorization Document (EAD card), i.e., work authorization.

The EAD cards obtained by Gallardo-Álvarez for his clients were only valid for one year and many petitioners returned to him before the year was over to refile their petitions. Gallardo-Álvarez would charge these petitioners thousands of U.S. dollars to submit Form I-360s and associated immigration applications.

USCIS records suggest that Gallardo-Álvarez has filed at least 136 fraudulent I-360 VAWA applications for over 100 petitioners within the last four years.

Assistant U.S. Attorneys (AUSA) Victor Acevedo and Manuel Muñoz Lorenzi are in charge of the prosecution of the PUA fraud case. If convicted, the defendants are facing up to 30 years in prison for bank fraud, 20 years for mail and wire fraud, and a mandatory consecutive term of two years in prison for aggravated identity theft.

AUSAs Daynelle Álvarez-Lora and Daniel Olinghouse are in charge of the prosecution of the immigration fraud case. Gallardo-Álvarez is also facing up to 20 years in prison for mail fraud, up to 10 years for misuse of visa, up to five years for misuse of Social Security number, and a mandatory consecutive two-year term of prison for aggravated identity theft.

To report a COVID-19-related fraud scheme or suspicious activity, contact the National Center for Disaster Fraud (NCDF) by calling the NCDF Hotline at 1-866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>

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

###

Topic(s):
Coronavirus
Financial Fraud
Identity Theft

Immigration

Component(s):
USAO - Puerto Rico