PRESS RELEASE

Massachusetts Mayor Charged with Pandemic Loan Fraud and Money Laundering

Friday, August 14, 2026

For Immediate Release
U.S. Attorney's Office, District of Massachusetts

BOSTON – The Mayor of Lawrence, Mass. was arrested and charged today with fraudulently obtaining over $1.5 million in COVID small-business loans and using the proceeds to fund his campaign account, pay personal taxes, and pay off over $880,000 in high-interest, hard-money mortgages that encumbered various properties he owned in Lawrence.

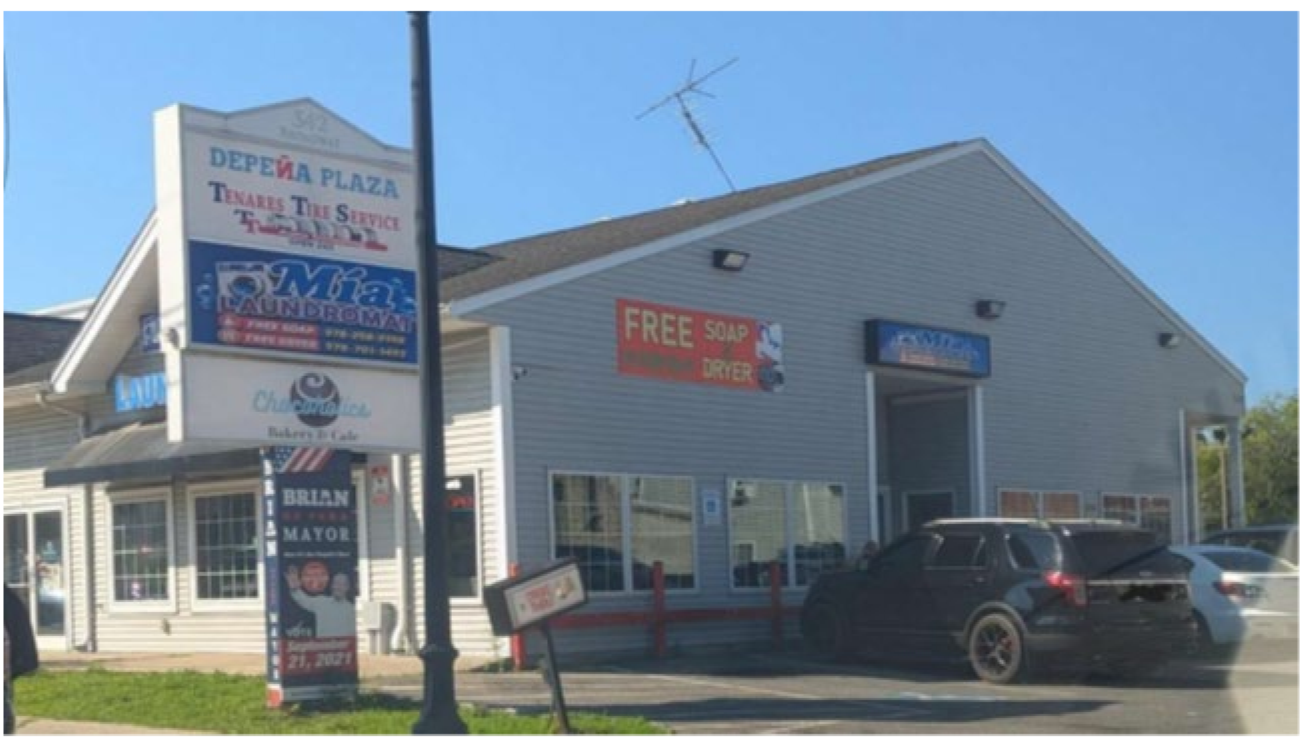
Brian Depena, 61, is charged with one count of wire fraud and one count of money laundering. Depena will make an initial appearance in federal court in Boston later today. Depena was elected as Mayor of Lawrence in November 2021 and was reelected in November 2025. He previously served on the Lawrence City Council from 2016 until 2021.

“Mayor DePena was elected to be a leader for the City of Lawrence. He was looked up to and trusted by his constituents, but he betrayed that trust through his alleged corruption and lies,” said United States Attorney Leah B. Foley. “Today’s arrest is just another example of our determination to root out fraud by anyone, even public officials and holding elected officials accountable.”

“Today’s arrest highlights IRS CI’s continued commitment to safeguarding emergency relief programs and holding accountable those who abuse them,” said Thomas Demeo, Special Agent in Charge of the Internal Revenue Service Criminal Investigation, Boston Field Office. “CARES Act funds were created to help small businesses survive an unprecedented national crisis — not to bankroll personal debts, political ambitions, or real estate ventures. IRS Criminal Investigation remains committed to protecting taxpayer dollars, pursuing those who exploit federal relief funds, and ensuring that financial integrity is upheld at every step.”

“Today, the FBI arrested Mayor Brian Depena for allegedly cashing in on a public health crisis and blatantly defrauding a government program meant to keep businesses afloat during the pandemic. It’s alleged the Mayor fraudulently obtained over $1.5 million in small business loans which he then used as his own slush fund to pay his personal taxes, fund his mayoral campaign, and pay off $883,000 in high-interest mortgages on several properties he owned. This was emergency financial assistance meant to be a safety net for struggling businesses, not Mr. Depena’s own personal ATM,” said Ted E. Docks, Special Agent in Charge of the FBI’s Boston Division. “When elected officials misuse federal funds for personal gain, they’re breaking the trust of their constituents – and breaking the law. Together, with our partners, the FBI will continue to doggedly pursue anyone who defrauds the federal government. You’ll be prosecuted to the fullest extent of the law, and that ‘easy money’ won’t seem so easy after all.”

According to the charging documents, in 2020 and 2021, Depena applied for Economic Injury Disaster Loans (“EIDL”) for Tenares Tire Services Inc., a tire sales and automotive services business he owned in Lawrence. During COVID, the U.S. Small Business Administration offered taxpayer-funded EIDLs to eligible small businesses experiencing substantial financial disruptions due to the pandemic. The interest rate on EIDLs was 3.75%, and the loan use was limited. A business could only use EIDL proceeds as working capital to alleviate economic injury caused by the COVID-19 pandemic. Working capital did not include funding a political campaign, paying personal taxes, or paying off mortgages.



Depena allegedly caused Tenares Tire to apply for and obtain an EIDL in the amount of $150,000 in June 2020 and then used the majority of those funds as working capital for the business. However, according to the charging documents, Depena needed cash by early 2021. It is alleged that his mayoral campaign was struggling to pay bills, he owed the IRS for back taxes and he owed almost $900,000 to two private, hard money lenders who were charging Depena 12% and 8% interest – significantly more than the EIDL rate of 3.75% – on loans that encumbered various properties Depena owned in Lawrence.

In April 2021, Depena allegedly caused a request for an increase of the Tenares Tire EIDL. On July 14, 2021, the SBA approved an increase of the loan by $350,000, bringing the total Tenares Tire EIDL to $500,000. However, the SBA did not release the funds for another month. While waiting, Depena allegedly sent the following texts (originally in Spanish, here translated to English) to his accountant and financial advisor, who had been assisting Depena with the EIDL application and modification:

July 22, 2021:	Brother, call me, I'm in trouble. I don't want to pressure you, but I don't have time to wait for this loan. I'm in your hands. 🙏
July 25, 2021:	Brother, I need your help with this loan. I've been trying to reach you all week and haven't been able to get it resolved. I know I'm bothering you a lot, but I have no other option. Only you can give me what I need. 🙏🙏🙏🙏
July 28, 2021:	Brother call me 🙏🙏🙏

According to the charging documents, the $350,000 in EIDL funds were electronically deposited into the Tenares Tire bank account on Aug. 16, 2021. The pre-deposit balance in the account was only $20.23. Shortly thereafter, Depena allegedly paid $85,000 of the EIDL funds to the IRS to pay off personal tax debts. He also allegedly transferred $120,000 of the EIDL funds to a personal account and used that money to write checks totaling $90,000 to "The Committee to Elect Brian Depena." It is alleged that these checks were deposited in the Depena mayoral campaign account, and characterized as loans to the campaign, in September and October 2021.

While the hard money, high-interest loans were still outstanding, and while his campaign continued to struggle financially, Depena allegedly caused a request for a second EIDL modification in October 2021. On Oct. 27, 2021, the SBA approved a modification that would increase the loan by $1,154,400, bringing the total Tenares Tire EIDL to $1,654,400.

On Nov. 30, 2021, $1,154,188 in EIDL funds were electronically deposited in the Tenares Tire account and Depena allegedly transferred the entire amount to one of his personal accounts – which had a balance of only $1,401 – the same day. It is alleged that Depena allegedly used $42,112.96 of the EIDL funds for his mayoral campaign, writing checks to the campaign for $10,000 and $32,112.96. The first check was deposited in the campaign account on Dec. 2, 2021, when the account allegedly had been overdrawn for approximately 20 days.

Finally, it is alleged that Depena used $883,293 of the EIDL funds to pay off his debts to the hard money lenders. On Dec. 9, 2021, Depena bought a $538,109.03 treasurer's check and used it to pay off one of the loans. On Dec. 18, 2021, he bought a $345,184.13 treasurer's check and used it to pay off the other loan.

According to the charging documents, as of Aug. 5, 2026, Depena had made only 16 payments on the Tenares Tire EIDL. The outstanding principal balance was approximately $1,654,420.

The charges of wire fraud each provide for a sentence of up to 20 years in prison, up to three years of supervised release and a fine of up to $250,000. The charges of money laundering each provide for a sentence of up to 10 years in prison, three years of supervised release and a fine of $250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

United States Attorney Leah B. Foley; Ted E. Docks, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division; Tom Demeo, Acting Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; and Jeffrey S. Shapiro, Inspector General, Office of the Inspector General, Commonwealth of Massachusetts made the announcement today. Valuable assistance was provided by the U.S. Department of Labor, Office of Inspector General. Assistant U.S. Attorneys Kristina E. Barclay and Christine Wichers of the Public Corruption Unit are prosecuting the case.

On March 26, 2026, United States Attorney Leah B. Foley announced the creation of the Benefit & Voter Fraud Team, a district-wide initiative established in response to the rampant fraud being uncovered across Massachusetts. The Team is led by two senior federal prosecutors serving as Fraud Coordinators, whose mission it is to aggressively investigate and prosecute misuse of taxpayer-funded benefits in Massachusetts.

Members of the public are encouraged to report suspected benefit fraud in Massachusetts by calling 1-855-SCAM-MA-1 (855-722-6621).

On April 7, 2026, the Department of Justice announced the creation of the National Fraud Enforcement Division. The Fraud Division is investigating and prosecuting those who commit fraud against the American people. The Department's work to combat fraud supports President Trump's Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.

The details contained in the charging documents are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in the court of law.

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Updated August 14, 2026