PRESS RELEASE

Massachusetts Mayor Indicted by Federal Grand Jury for Pandemic Loan Fraud and Money Laundering

Wednesday, August 26, 2026

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

BOSTON – The Mayor of Lawrence, Mass., has been indicted by a federal grand jury in Boston. The 11-count indictment, unsealed today, charges the Mayor with allegedly obtaining over $1.5 million in COVID small-business loans. It is alleged that the money was used to fund his campaign account, pay personal taxes and pay more than $880,000 in high-interest, hard-money mortgages on properties he owned in Lawrence.

Brian A. DePena, 61, was indicted on four counts of wire fraud and seven counts of money laundering. DePena was previously charged by criminal complaint and arrested on Aug. 14, 2026. DePena will appear in federal court for an arraignment at a later date.

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.

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. 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. 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. According to the charging documents, DePena needed cash by early 2021. 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 and on July 14, 2021, the SBA approved an increase of the loan by $350,000, bringing the total Tenares Tire EIDL to $500,000. While waiting for the EIDL funds to be released, DePena allegedly texted (originally in Spanish, here translated to English) his accountant and financial advisor, who had been assisting with the Tenares Tire 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 because I 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 🙏🙏🙏

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 $20.23. Shortly thereafter, DePena allegedly paid $85,000 of the EIDL funds to the IRS to pay off personal tax debts, and transferred $120,000 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.

In October 2021, DePena allegedly caused a request for a second EIDL modification and on Oct. 27, 2021, the SBA approved the modification which increased 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 on the same day, DePena allegedly transferred the entire amount to one of his personal accounts which had a balance of $1,401. It is alleged that DePena 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 into his campaign account on Dec. 2, 2021, when the account had allegedly been overdrawn for approximately 20 days.

DePena allegedly 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, and 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; Tom Demeo, Special Agent in Charge of the Internal Revenue Service's Criminal Investigation in Boston; Ted E. Docks, Special Agent in Charge of the Federal Bureau of Investigation, Boston Division; Anthony D'Esposito, Inspector General, Department of Labor, Office of Inspector General; and Jeffrey S. Shapiro, Inspector General, Office of the Inspector General, Commonwealth of Massachusetts made the announcement today. Assistant U.S. Attorneys Kistina 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. 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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