



THE UNITED STATES

Department of Justice

Office of Public Affairs

FOR IMMEDIATE RELEASE

Tuesday, March 29, 2022

Man Convicted for \$27 Million PPP Fraud Scheme

A federal jury convicted a California man yesterday for submitting fraudulent applications seeking money from the Paycheck Protection Program (PPP), submitting false statements to a financial institution, and money laundering.

According to court documents and evidence presented at trial, Robert Benlevi, 53, of Encino, submitted 27 PPP loan applications to four banks between April and June 2020 on behalf of eight companies solely owned by Benlevi. In the applications, Benlevi sought a total of \$27 million in forgivable PPP loans guaranteed by the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. In his fraudulent applications, Benlevi represented that each of his companies had 100 employees and average monthly payroll of \$400,000, even though he knew that the companies did not have any employees or payroll expenses. The evidence further showed that Benlevi also submitted fabricated IRS documents falsely stating that each of the companies had an annual payroll of \$4.8 million.

Based on Benlevi's fraudulent loan applications, three of Benlevi's companies — 1Stellar Health LLC, Bestways2 Health LLC, and Joyous-Health4U LLC — obtained \$3 million in PPP funds. Although Benlevi falsely represented that the funds sought through the PPP loan applications would be used to pay payroll and certain other business expenses, the evidence showed that he instead used them for personal expenses, including cash withdrawals, payments on his personal credit cards, transfers to other personal and business accounts he controlled, and renting an oceanfront apartment in Santa Monica. In a single day, Benlevi withdrew from the Bestways2 Health account \$248,000 of PPP funds in cashier's checks, which were deposited into other accounts that Benlevi controlled.

Benlevi was convicted of bank fraud, false statements to a financial institution, and money laundering. He is scheduled to be sentenced on June 27 and faces up to 30 years in prison for each of the bank fraud and false statement charges, and up to 10 years in prison for each count of money laundering. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Assistant Attorney General Kenneth A. Polite Jr. of the Justice Department's Criminal Division; U.S. Attorney Tracy L. Wilkison of the Central District of California; Assistant Director Luis Quesada of the FBI's Criminal Investigative Division; Assistant Director in Charge Kristi K. Johnson of the FBI's Los Angeles Field Office; Special Agent in Charge Jeffrey D. Pittano of the Federal Deposit Insurance Corporation Office of Inspector General (FDIC-OIG); and Special Agent in Charge Weston King of the SBA Office of Inspector General (SBA-OIG) Western Region made the announcement.

The FBI, SBA-OIG, and FDIC-OIG investigated the case.

Trial Attorneys Emily Culbertson and Justin Givens of the Criminal Division's Fraud Section are prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent

fraud by augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice's National Center for Disaster Fraud (NCFD) Hotline via the NCFD Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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