

THE UNITED STATES ATTORNEY'S OFFICE
SOUTHERN DISTRICT *of* FLORIDA

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Department of Justice

U.S. Attorney's Office

Southern District of Florida

FOR IMMEDIATE RELEASE

Wednesday, December 29, 2021

South Florida Man Charged with Covid-19 Relief Fraud, Buying Lamborghini, Rolex, and Louis Vuitton with Loan Money

Miami, Florida — A Florida man charged with fraudulently obtaining COVID-19 relief loans under the Paycheck Protection Program (PPP) made his first appearance today in federal magistrate court in Ft. Lauderdale.

According to the allegations in the indictment, Valesky Barosy, 27, of Ft. Lauderdale, submitted fraudulent loan applications on behalf of himself and his accomplices, seeking more than \$4.2 million in PPP loans. In each loan application, Barosy falsified the applicant's prior-year expenses, net profit, and payroll, and submitted fraudulent IRS tax forms, says the indictment.

According to the charges, Barosy and his accomplices received approximately \$2.1 million in PPP loans from the fraudulent scheme. Barosy used the fraudulently-obtained proceeds to purchase a Lamborghini Huracán EVO, Rolex and Hublot watches, and designer clothing from Louis Vuitton, Gucci, and Chanel, it is alleged.

The indictment charges Barosy with five counts of wire fraud, three counts of money laundering, and one count of aggravated identity theft. If convicted, Barosy faces up to 132 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Juan Antonio Gonzalez, U.S. Attorney for the Southern District of Florida, and Brian Swain, Special Agent in Charge, U.S. Secret Service (USSS), Miami Field Office, made the announcement.

USSS Miami investigated the case. Assistant U.S. Attorney Jonathan Bailyn is prosecuting the case. Assistant United States Attorney Nicole Grosnoff is handling asset forfeiture.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted on March 29, 2020, 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 up to \$349 billion in forgivable loans to small businesses for job retention and certain other expenses, through the PPP. In April 2020, Congress authorized over \$300 billion in additional PPP funding.

The PPP allows qualifying small businesses and other organizations to receive loans with a maturity of two years and an interest rate of 1%. PPP loan proceeds must be used by businesses on payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be forgiven if the business spends the loan proceeds on these expense items within a designated period of time after receiving the proceeds and uses at least a certain percentage of the PPP loan proceeds on payroll expenses.

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, among other methods, 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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

An indictment is a mere allegation. A defendant is presumed innocent until found guilty beyond a reasonable doubt in a court of law.

Related court documents and information may be found on the website of the District Court for the Southern District of Florida at www.flsd.uscourts.gov or at <http://pacer.flsd.uscourts.gov>, under case no. 21-cr-60345.

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Topic(s):

Coronavirus

Disaster Fraud

Component(s):

USAO - Florida, Southern

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Updated December 29, 2021