

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:)	
)	
Armando De Leon)	AA-ENF-2024-35
Former Store Manager)	
)	
TD Bank, N.A.)	
Wilmington, Delaware)	
)	

NOTICE OF INTENTION TO PROHIBIT FURTHER PARTICIPATION

Take notice that on a date to be determined by the Administrative Law Judge, a hearing will commence in the District of Delaware, unless the parties consent to another place, pursuant to 12 U.S.C. § 1818, concerning the charges set forth herein to determine whether the Comptroller of the Currency (“Comptroller”) should issue an order, pursuant to 12 U.S.C. § 1818(e)(1), to prohibit Armando De Leon (“Respondent”) from any further participation, in any manner, in the conduct of the affairs of any insured depository institution.

The hearing afforded Respondent shall be open to the public unless the Comptroller, in his discretion, determines that holding an open hearing would be contrary to the public interest. *See* 12 U.S.C. § 1818(u)(2); 12 C.F.R. § 19.33(a).

In support of this Notice of Intention to Prohibit Further Participation (“Notice”), the Office of the Comptroller of the Currency (“OCC”) charges the following:

ARTICLE I

JURISDICTION

(1) At all times relevant to the Notice, TD Bank, N.A., Wilmington, Delaware (“Bank”) was a “national banking association” within the meaning of 12 U.S.C. § 1813(q)(1)(A) and an “insured depository institution” as defined in 12 U.S.C. § 1813(c)(2).

(2) Respondent was an employee of the Bank and was an “institution-affiliated party” of the Bank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date of this Notice. *See* 12 U.S.C. § 1818(i)(3).

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this prohibition action against Respondent pursuant to 12 U.S.C. § 1818(e).

ARTICLE II

BACKGROUND

(4) This Article repeats and realleges all articles in this Notice.

(5) In March 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act to provide emergency financial assistance to Americans suffering negative economic effects caused by the COVID-19 pandemic.

(6) Among other things, the CARES Act authorized the Small Business Administration to provide forgivable loans to small businesses for job retention and certain other expenses through the Payment Protection Program (“PPP”).

(7) The purpose of PPP loans was to enable small businesses suffering from the economic downturn to continue to pay salary or wages to their employees.

(8) To obtain a PPP loan, a qualifying business was required to submit a PPP loan application, signed by an authorized representative of the business. The PPP loan application required the business to acknowledge the program rules and make certain affirmative certifications to obtain the PPP loan, such as: (a) that the small business was in operation on February 15, 2020; (b) the average monthly payroll expenses; and (c) the number of employees. These certifications were used to calculate the amount of money the small business was eligible

to receive under the PPP. In addition, businesses applying for PPP loans were required to submit documentation supporting their payroll expenses.

ARTICLE III

RESPONDENT ENGAGED IN PPP LOAN FRAUD

(9) This Article repeats and realleges all articles in this Notice.

(10) Respondent was employed as a branch manager at a Bank branch in Hialeah, Florida from on or around September 10, 2007 until he was terminated on or around January 12, 2021.

(11) On or around October 25, 2022, Respondent pleaded guilty to one count of conspiracy to commit wire fraud in violation of 18 U.S.C. § 1349. As part of his plea agreement, Respondent admitted to submitting fraudulent PPP and Economic Injury Disaster Loan applications to the Bank from January 2021 through at least July 2021.

(12) Respondent also submitted fraudulent PPP loan applications in April and May 2020, while he was a Bank employee.

Respondent Submitted Fraudulent PPP Loan Applications for De Leon Group & Associates LLC while a Bank Employee

(13) On or around May 15, 2018, Respondent formed De Leon Group & Associates LLC, a Florida limited liability company (“DLGA”). Respondent was the company’s registered agent, manager, President, and 100% owner.

(14) Respondent did not file an annual report for DLGA in 2019.

(15) On or around April 15, 2020, Respondent reinstated DLGA.

(16) On or around April 16, 2020, Respondent opened a business checking account at the Bank in the name of DLGA ending in 0266. Respondent was the account’s sole signatory.

(17) On or around April 27, 2020, Respondent applied for a PPP loan with the Bank on behalf of DLGA. In his application, Respondent stated that the company had four employees and an average monthly payroll of \$17,500. Respondent sought a loan in the amount of \$43,750. Respondent included in his application Internal Revenue Service (IRS) Form 941 (Employer's Quarterly Federal Tax Return) for 1Q20. The tax form stated that DLGA had four employees and paid \$52,500 in wages in 1Q20. Additionally, Respondent certified that DLGA was in operation on February 15, 2020, and had employees for whom it paid salaries and payroll taxes. Respondent also certified that the loan proceeds would be used to retain workers and maintain payroll, lease payments, and utility payments.

(18) The Bank did not approve the PPP loan application Respondent submitted on behalf of DLGA.

(19) On or around May 2, 2020, while Respondent's PPP application with the Bank was still pending, Respondent submitted to a state-chartered insured depository institution ("Bank 2") a second PPP application on behalf of DLGA. Respondent sought a loan in the amount of \$43,750. The application at Bank 2 contained the same representations about DLGA employees and average monthly payroll as the application he submitted to the Bank. The application also contained the same IRS Form 941 for 1Q20.

(20) Bank 2 approved the PPP loan application Respondent submitted on behalf of DLGA.

(21) On or around May 4, 2020, Respondent as DLGA's 100% owner, received the proceeds of the PPP loan, \$43,750, into an account at Bank 2 in the name of DLGA ending in 6741.

(22) The PPP applications Respondent submitted to the Bank and Bank 2 for DLGA contained false and fraudulent representations and supporting documentation.

(23) First, DLGA had no employees and did not spend thousands of dollars on payroll each month at the time Respondent submitted the applications.

(24) Second, DLGA did not use PPP loan proceeds to retain workers and maintain payroll, lease payments, and utility payments. Instead, DLGA transferred a large portion of the fraudulent DLGA PPP loan proceeds to Respondent and his family members and made other impermissible payments.

(25) Third, DLGA was not in operation on February 15, 2020. Respondent had not filed an annual report for DLGA in 2019 and reinstated it on April 15, 2020.

Respondent Submitted Fraudulent PPP Loan Applications for The Vineyard of Florida, LLC while a Bank Employee

(26) On or about January 30, 2019, Respondent formed The Vineyard of Florida, LLC, a Florida limited liability company (“Vineyard”). Respondent was the company’s registered agent, manager, President, and 100% owner.

(27) On or around April 16, 2020, Respondent opened a business checking account at the Bank in the name of Vineyard ending in 0373. Respondent was the account’s sole signatory.

(28) On or around April 27, 2020, Respondent applied for a PPP loan with the Bank on behalf of Vineyard. In his application, Respondent stated that the company had four employees and an average monthly payroll of \$16,333. Respondent sought a loan in the amount of \$40,832. Respondent included in his application IRS Form 941 for 1Q20. The tax form stated that Vineyard had four employees and paid \$49,000 in wages in 1Q20. Additionally, Respondent certified that Vineyard had employees for whom it paid salaries and payroll taxes and that the

loan proceeds would be used to retain workers and maintain payroll, lease payments, and utility payments.

(29) The Bank did not approve the PPP loan application Respondent submitted on behalf of Vineyard.

(30) On or around May 1, 2020, while Respondent's PPP application with the Bank was still pending, Respondent submitted to Bank 2 a second PPP application on behalf of Vineyard. Respondent sought a loan in the amount of \$40,832. The application at Bank 2 contained the same representations about Vineyard employees and average monthly payroll as the application Respondent submitted to the Bank. The application also contained the same IRS Form 941 for 1Q20.

(31) Bank 2 approved the PPP loan application Respondent submitted on behalf of Vineyard.

(32) On or around May 4, 2020, Respondent, as Vineyard's 100% owner, received the proceeds of the PPP loan, \$40,832, into an account at Bank 2 in the name of Vineyard ending in 6738.

(33) The PPP applications Respondent submitted to the Bank and Bank 2 for Vineyard contained false and fraudulent representations and supporting documentation.

(34) First, Vineyard had no employees and did not spend thousands of dollars on payroll each month at the time Respondent submitted the applications.

(35) Second, Respondent did not use PPP loan proceeds to retain workers and maintain payroll, lease payments, and utility payments. Instead, Respondent transferred a large portion of the fraudulent Vineyard PPP loan proceeds to himself and made other impermissible payments.

ARTICLE IV

LEGAL BASIS FOR ORDER TO PROHIBIT FURTHER PARTICIPATION PURSUANT TO 12 U.S.C. § 1818(e)(1)

- (36) Respondent violated 18 U.S.C. § 1344(1) and (2);
- (37) Respondent received financial gain by reason of his violation of 18 U.S.C. § 1344(1) and (2); and
- (38) Respondent's violation of 18 U.S.C. § 1344(1) and (2) involves personal dishonesty on Respondent's part.

ANSWER AND OPPORTUNITY FOR A HEARING

Respondent must file a written Answer to this Notice within twenty (20) days from the date of service of this Notice in accordance with 12 C.F.R. § 19.19(a) and (b). The Answer shall be filed with the Office of Financial Institution Adjudication, at 3501 North Fairfax Drive, Suite VS-D8116, Arlington, Virginia 22226-3500 or by electronic mail at ofia@fdic.gov. A copy of any Answer shall also be filed with the Hearing Clerk, Office of the Chief Counsel, Office of the Comptroller of the Currency, at 400 7th Street SW, Washington, DC 20219, or by electronic mail at hearingclerk@occ.treas.gov, and with the attorneys whose names appear on the accompanying certificate of service. *See* 12 C.F.R. § 19.10, 19.11, 19.19, 19.100.

Failure to file an Answer within twenty (20) days from the date of service of this Notice shall constitute a waiver of the right to appear and contest the allegations contained in this Notice, and shall, upon the OCC's motion, cause the Administrative Law Judge or the Comptroller to find the facts in this Notice to be as alleged, upon which an appropriate order may be issued. *See* 12 C.F.R. § 19.19(c)(1); 12 U.S.C. § 1818(e)(4).

PRAYER FOR RELIEF

The OCC prays for relief in the form of the issuance of an Order of Prohibition against Respondent pursuant to 12 U.S.C. § 1818(e)(1).

Witness, my hand on behalf of the OCC.

//s// Digitally Signed, Dated: 2024.11.21

Kevin Greenfield
Deputy Comptroller
Large Bank Supervision