

NOWCAST

Live Now



📧 ☁️ 78°

BREAKING NEWS:

< 1/2 > ||

Testimony concludes in trial of Lindsay Clancy; Closing arguments Thursday 20 MIN



0:00 / 1:53

Advertisement

Massachusetts Rep. Francisco Paulino indicted on wire fraud, money laundering charges for alleged misuse of COVID-19 funds, officials say



Updated: 4:57 PM EDT Aug 26, 2026 [Editorial Standards](#) ⓘ

Senior Digital Editor/Producer, WCVB.com



Peter Eliopoulos

Reporter

BOSTON — Massachusetts State Rep. Francisco Paulino was indicted on several charges, including wire fraud and money laundering, amid a federal investigation into his alleged misuse of more than \$700,000 in COVID-19 relief funds.

Paulino, 46, of Methuen, who represents the 16th Essex District, is accused of fraudulently obtaining pandemic-related relief funds and funneling the money to his personal and business bank accounts, according to the [24-page indictment](#).

Advertisement

Paulino pleaded not guilty Wednesday to eight wire-fraud counts and three unlawful-monetary-transaction counts in Massachusetts federal court. His passport was seized before he was released on personal recognizance with conditions.

Paulino is accused of using his two businesses in the scheme, Madison Mortgage and Madison Tax. The mortgage company is no longer operating, while the tax business has been ordered to notify clients and temporarily suspend operations until at least the next hearing in October.

The judge also barred Paulino from accessing clients' records or bank accounts.

If convicted, the maximum sentence for each wire fraud charge is 20 years, while the maximum sentence for each count of money laundering is 10 years.

Prosecutors allege Paulino used Madison Tax as part of a scheme running from about April 2020 through at least December 2021. It allegedly involved a fraudulent unemployment claim for \$44,160 filed in a relative's name and Economic Injury Disaster Loans (EIDL) applications or modifications involving his businesses and a client.



Indictment reveals details of federal 11-count case against Lawrence Mayor Brian DePeña

Prosecutors also allege a Lawrence laundry-business owner with limited English trusted Paulino with tax matters, personal information and online banking access. The indictment says Paulino obtained an EIDL modification without the client's knowledge and later sought a \$200,000 loan from the client, which was transferred to Madison Tax and allegedly used toward a Lawrence mortgage.

The indictment alleges Paulino overstated revenue to obtain an EIDL for Jackson Enterprise, which operated Lawrence Heav'nly Donuts, and later moved \$18,000 toward a Lawrence re

estate purchase. Prosecutors also allege Madison Tax EIDL funds were transferred to Madison Mortgage and used toward mortgages tied to property purchases in Methuen and Lawrence.

"It is never a proud moment when we arrest a public official, but we will continue to do it until the message is received. No one is above the law, and no one gets a pass," U.S. Attorney General Leah Foley said.

In a statement, House Speaker Ronald J. Mariano said "the charges that have been brought against Rep. Paulino are extremely concerning, and while every American is entitled to due process, the seriousness of the charges undermines public trust in elected officials. Given the timing of this announcement in the legislative session, the House will closely monitor the legal proceedings and, upon their conclusion, take appropriate action if necessary to ensure accountability."

Video below: Feds detail charges against rep



0:00 / 4:28

Lawrence mayor also accused of fraud

Lawrence Mayor Brian DePeña, who was originally arrested on two federal charges earlier this month, now faces **11 felony counts under an indictment** obtained by NewsCenter 5 on Wednesday morning.

The allegations involved more than \$1.5 million in COVID-19 small business loans.

It specifies that the Economic Injury Disaster Loan issued to DePeña's tire business, Tenares Tire, was ultimately worth a total of \$1,654,400 after two loan modifications.



Make WCVB a preferred source on
Google

Add Preferred Source

Infinite Scroll Enabled



TOP PICKS

StormTeam 5
welcomes new
meteorologist,
Sean Kelly

Lawrence Shieh,
40, indicted in
stolen boat crash
near Logan that
killed Elizabeth
Dankert, 24

Legendary
country music
artist Dolly Parton
dies at 80

Man arraigned on
charges in stolen
boat crash near
Logan that killed
Massachusetts
woman

SPONSORED CONTENT

Arizona: Worst Car Insurance Companies for Overcharging (Is Yours On The List?)

By Auto Insurance

Timeshare Resorts Forced To Refund Owners - Is Yours On the List?

By SilverPenny

Cardiologist Warns Americans: "Pour Out the Bottled Water"

By Gundry MD

If You're Collecting Under \$3950 In SS a Month: You're Eligible for These 10 ...

By Super Saving Online

Powered By Revcontent

WCVB BOSTON

HEARST
television



Contact Us

News Team

Apps & Social

Email Alerts

Careers

Internships

Advertise

Digital Advertising Terms & Conditions

Broadcast Terms & Conditions

RSS

News About WCVB

EEO Reports

Captioning Contacts

Public Inspection File

Public File Assistance

FCC Applications

News Policy Statements

Licensing

Hearst Television participates in various affiliate marketing programs, which means we may get paid commissions on editorially chosen products purchased through our links to retailer sites.

©2026, Hearst Stations Inc.

[Privacy Notice](#) [DAA Industry Opt Out](#) [Terms of Use](#) [Site Map](#)

 **Your Privacy Choices/(Opt-Out of Sale/Targeted Ads)**