

THE UNITED STATES ATTORNEY'S OFFICE

DISTRICT *of* COLORADO

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Former Colorado Director For The Small Business Administration Pays \$15,000 To Settle Claims For Violating Conflict-Of-Interest Rules

DENVER – United States Attorney Jason R. Dunn announced that Gregorio Lopez, a former official with the United States Small Business Administration (“SBA”), has paid \$15,000 to settle a civil case alleging that after he left the SBA, he attempted to improperly influence actions of the SBA in violation of federal law.

Mr. Lopez was the Colorado District Director of the SBA between 2008 and 2014. The SBA provides counseling, capital, and contracting expertise to small businesses. While he was the Colorado District Director of the SBA, one project Mr. Lopez participated in involved a company called Morreale Hotels, LLC. As District Director, Mr. Lopez personally and substantially participated in efforts to help Morreale Hotels restructure its debt, including the SBA’s interests in a \$1.7 million loan to Morreale Hotels guaranteed by the SBA under the SBA’s 504 loan program, which provides approved small businesses with financing for fixed assets, including the purchase and renovation of buildings.

After Mr. Lopez left the SBA in 2014, he attempted to influence the SBA’s handling of its loan guarantee by communicating with SBA employees on behalf of the owner of Morreale Hotels, who had become Mr. Lopez’s friend. To help his friend, on August 5, 2015 Mr. Lopez asked an SBA officer for a “favor” in obtaining SBA approval of a debt restructuring plan that would have benefited Morreale Hotels and its owner. A few months later, Mr. Lopez also asked another SBA administrator to help Morreale Hotels. Mr. Lopez’s attempts to influence the SBA were unsuccessful, and the SBA ultimately recovered the full amount of its loan guarantee.

On July 31, 2020, the United States filed a civil action against Mr. Lopez, *United States v. Lopez*, 20-cv-02265-RM-NRN (D. Colo.). The United States alleged that Mr. Lopez’s contacts with the SBA on behalf of the owner of Morreale Hotels violated the conflict of interest restrictions applicable to former federal employees pursuant to 18 U.S.C. § 207.

As part of the settlement, Mr. Lopez has acknowledged that the United States could prove the facts alleged in the civil action by a preponderance of the evidence. He has also paid \$15,000 to resolve the claim.

“Mr. Lopez’s attempts to exert improper influence over a federal agency on behalf of his friend were serious violations of the rules for former federal officials,” stated United States Attorney Jason Dunn. “The American people deserve to have confidence that the federal government runs its programs without favoritism towards former officials. We commend the SBA for not being swayed by Mr. Lopez’s improper attempts.”

“Despite Mr. Lopez’s improper efforts behalf of the debtor, SBA’s Office of General Counsel working in coordination with its participant lender obtained full recovery of the outstanding loan balance,” said SBA Associate General Counsel for Litigation Eric S. Benderson. “The resolution of this lawsuit should serve as a deterrent to any former federal official from violating the conflict of interest rules for federal employees.”

“Attempting to improperly influence the federal government to help your friends is reprehensible,” said SBA OIG’s Western Region Special Agent in Charge Weston King. “OIG will aggressively root out fraud to protect the integrity of SBA’s programs, which are intended to provide vital assistance to the nation’s small businesses. I want to thank the U.S. Attorney’s Office and our law enforcement partners for their dedication and commitment to seeing justice served.”

“The Denver Field Office of the FBI appreciated the opportunity to work alongside its colleagues from the US Attorney’s Office - District of Colorado and the Small Business Administration Office of the Inspector General on this important investigation in furtherance of this impactful civil settlement outcome,” said FBI Denver Special Agent in Charge Michael Schneider.

This case was investigated by the Office of the Inspector General of the Small Business Administration and the Denver office of the FBI. Assistant U.S. Attorney Jasand Mock handled the civil action on behalf of the United States.

The year 2020 marks the 150th anniversary of the Department of Justice. Learn more about the history of our agency at www.Justice.gov/Celebrating150Years.

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