

PRESS RELEASE

Public Servants Plead Guilty to Covid-19 Relief Fraud

Thursday, March 6, 2025

For Immediate Release

U.S. Attorney's Office, Southern District of Florida

MIAMI – Angelo Stephen, a Federal Bureau of Prisons (BOP) Correctional Officer, and George Arestuche, a Miami-Dade County Aviation Department employee, have pled guilty to federal charges in separate federal cases for defrauding Covid-19 pandemic relief programs.

Stephen pled guilty this week before Chief U.S. District Judge Cecilia M. Altonaga to wire fraud in connection with his fraudulent applications for two Paycheck Protection Program (PPP) loans and one Economic Injury Disaster Loan (EIDL). He also admitted to wire fraud for his participation in two bank account takeover schemes.

Arestuche pled guilty to conspiracy to commit wire fraud in connection with his receipt of one EIDL and one EIDL advance. Senior U.S. District Judge Paul C. Huck accepted Arestuche's guilty plea this week.

Angelo Stephen

During his change of plea hearing, Stephen admitted that in an EIDL application he submitted to the Small Business Association (SBA), he falsely claimed to be an independent contractor and sole owner of a 10-employee business that did event planning and entertainment services. He also admitted that in this EIDL application, he falsely certified that for the applicable 12-month period, his business had gross revenues of approximately \$62,018 and a cost of goods sold of \$0. Stephen obtained from the SBA \$20,000 in EIDL funds, to which he was not entitled.

Stephen also admitted at the change of plea hearing that he submitted false information in two PPP loan applications. In both applications (one submitted in April 2021, the second a month later), Stephen falsely claimed that he owned a business that grossed \$106,554 in income in 2020, submitting a fake IRS Form 1040 Schedule C to support his fraudulent requests. Stephen received separate \$20,833 PPP loans from two different SBA-approved lenders for the non-existent business.

Finally, at the change of plea, Stephen also admitted his role in two bank account takeover schemes. On March 30, 2023, after his first scheme, Stephen received a \$20,000 wire transfer from the account of an unsuspecting victim in Virginia, and thereafter quickly withdrew all illegally obtained money through a series of cash withdrawals and through Zelle transfers to others. In the second takeover scheme, Stephen and his accomplices obtained new checks from the credit union account of a different unsuspecting victim. Stephen then used one of those checks to obtain \$8,500 in cash that he was not entitled to.

Stephen is scheduled for sentencing on May 22, 2025, at 8:30 a.m. before Chief U.S. District Judge Altonaga in Miami, Florida, where he faces a possible maximum sentence of up to 20 years in prison.

George Arestuche

According to the facts admitted at his change of plea, George Arestuche and a co-conspirator devised a scheme to defraud the SBA by submitting a false and fraudulent application to allow Arestuche to fraudulently obtain an EIDL loan in exchange for Arestuche paying the co-conspirator a large fee.

To carry out this conspiracy, on July 9, 2020, Arestuche's submitted to the SBA a false and fraudulent EIDL application on Arestuche's behalf claiming that Arestuche was an independent contractor and the 100% owner of an "Automotive Repair" business operating under the legal and DBA name "george." That EIDL application falsely certified that for the 12-month period prior to January 31, 2020, "george" had gross revenues of \$600,000, a cost of goods sold of \$184,000, and 10 employees. In reality, Arestuche was not an independent contractor and did not own any type of business. This EIDL application was supported by a fraudulent 2019 IRS Form 1040 and Schedule C in Arestuche's name that falsely claimed that he had a "mechanic" business that had gross receipts of \$725,000 and earned a net profit of \$706,151. As a result of this false and fraudulent EIDL application, Arestuche obtained from the SBA \$149,900 in EIDL proceeds and a \$10,000 EIDL advance, and he subsequently paid his co-conspirator \$17,275 for helping him fraudulently obtain this money from the SBA.

Arestuche is scheduled for sentencing on May 12, 2025, at 11:00 a.m. before Senior U.S. District Judge Paul C. Huck in Miami, where he faces a possible maximum sentence of up to 5 years in prison.

U.S. Attorney Hayden P. O'Byrne for the Southern District of Florida, Special Agent in Charge Andrew Hartwell of the Department of Justice Office of Inspector General's Fraud Detection Office (DOJ-OIG), Special Agent in Charge Amaleka McCall-Brathwaite, U.S.

Small Business Administration Office of Inspector General (SBA-OIG), Eastern Region, Acting Special Agent in Charge Brett Skiles of the FBI, Miami Field Office, and Inspector General Felix Jimenez of the Miami-Dade County Office of Inspector General (MDC-OIG) announced the guilty pleas.

DOJ-OIG and SBA-OIG investigated the Stephen case. SBA-OIG and the FBI's Miami Area Corruption Task Force, which includes task force officers from the MDC-OIG, investigated the Arestuche case.

Assistant U.S. Attorney Edward N. Stamm is prosecuting both cases. Assistant U.S. Attorney Annika Miranda is handling forfeiture matters on the Stephen case while Assistant U.S. Attorney Gabrielle Raemy Charest-Turken is handling forfeiture matters on the Arestuche case.

In March 2020, the Coronavirus Aid, Relief, and Economic Security ("CARES") Act was enacted. It was designed to provide emergency financial assistance to the millions of Americans suffering the economic effects caused by the COVID-19 pandemic. Among other sources of relief, the CARES Act authorized and provided funding to the SBA to provide Economic Injury Disaster Loans ("EIDLs") to eligible small businesses, including sole proprietorships and independent contractors, experiencing substantial financial disruptions due to the COVID-19 pandemic to allow them to meet financial obligations and operating expenses that could otherwise have been met had the disaster not occurred. EIDL applications were submitted directly to the SBA via the SBA's on-line application website, and the applications were processed and the loans funded for qualifying applicants directly by the SBA.

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>.

On September 15, 2022, the Attorney General selected the Southern District of Florida's U.S. Attorney's Office to head one of three national COVID-19 Fraud Strike Force Teams. The Department of Justice established the Strike Force to enhance existing efforts to

combat and prevent COVID-19 related financial fraud. For more information on the department's response to the pandemic, please click [here](#).

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>.

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 numbers 25-cr-20014 and 25-cr-20001.