

PRESS RELEASE

Public Servants Sentenced for COVID-19 Relief Fraud

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For Immediate Release

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

MIAMI – Angelo Stephen, 33, a former Federal Bureau of Prisons Correctional Officer, and George Arestuche, 47, a former Miami-Dade County Aviation Department employee, were sentenced in separate cases after [pleading guilty](#) to defrauding COVID-19 relief programs.

Angelo Stephen

On May 22, Stephen was sentenced to four months in prison to be followed by three years of supervised release and ordered to pay \$75,513 in restitution by Chief U.S. District Judge Cecilia M. Altonaga. Chief Judge Altonaga also entered a forfeiture money judgment against Stephen in the additional amount of \$71,166. The sentence follows Stephen's conviction for wire fraud in connection with his fraudulent applications for two Paycheck Protection Program (PPP) loans and one Economic Injury Disaster Loan (EIDL), as well as his participation in two bank account takeover schemes.

During his change of plea hearing, Stephen admitted that on August 4, 2020, he submitted a false and fraudulent EIDL application in his own name to the Small Business Administration (SBA), claiming to be an independent contractor and the sole owner of a business that provided event planning and entertainment services with 10 employees. The EIDL application falsely certified that for the applicable 12-month period, the business had approximately \$62,018 in gross revenue and a cost of goods sold of \$0. Based on his false and fraudulent application, Stephen received \$20,000 in EIDL proceeds from the SBA.

Stephen additionally admitted to fraudulently obtaining two PPP loans. On April 24, 2021, Stephen submitted a first-draw PPP loan application, claiming to be the sole proprietor of a non-existent business with \$106,554 in gross income in 2020. In support of the application, Stephen submitted a fraudulent IRS Form 1040 Schedule C. Based on his false and fraudulent application, Stephen received \$20,833 in PPP loan proceeds from an SBA-approved lender. On May 11, 2021, Stephen submitted a second-draw PPP loan

application, making the same false claims about his nonexistent business that was supported by submission of the identical false Schedule C. Based on his false and fraudulent application, Stephen obtained \$20,833 in PPP loan proceeds from a different SBA-approved lender.

Stephen also admitted to taking part in two bank account takeover schemes. On March 30, 2023, Stephen received a \$20,000 wire transfer from the account of an unsuspecting victim in Virginia. Stephen quickly withdrew all illegally obtained money through a series of cash withdrawals and 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 subsequently used one of those checks to obtain \$8,500 in cash that he was not entitled to.

George Arestuche

On May 28, Arestuche was sentenced by Senior U.S. District Judge Paul C. Huck to five years of probation to include 210 days in home detention and ordered to pay \$114,679 in restitution, plus community service. The sentence follows Arestuche's conviction for conspiracy to commit wire fraud in connection with his fraudulent application for an EIDL.

According to the facts admitted at the change of plea hearing, Arestuche and a co-conspirator devised a scheme to defraud the SBA by submitting a false and fraudulent application for Arestuche to obtain an EIDL and EIDL advance. As part of the conspiracy, Arestuche agreed to pay the co-conspirator a large fee.

On July 9, 2020, Arestuche's co-conspirator submitted a false and fraudulent EIDL application to the SBA on behalf of Arestuche, claiming that Arestuche was an independent contractor and the sole owner of an automotive repair business with 10 employees. The EIDL application falsely certified that for the applicable 12-month period, the business had \$600,000 in gross revenue and a cost of goods sold of \$184,000. In reality, Arestuche was not an independent contractor and did not own any type of business. The EIDL application was supported by a fraudulent IRS Form 1040 Schedule C. As a result of this false and fraudulent EIDL application, Arestuche obtained \$149,900 in EIDL proceeds and a \$10,000 EIDL advance from the SBA. Arestuche subsequently paid his co-conspirator \$17,275 for helping him fraudulently obtain the money from the SBA. Since pleading guilty, Arestuche has paid \$50,000 in advance restitution payments.

U.S. Attorney Hayden P. O'Byrne for the Southern District of Florida; acting Special Agent in Charge Amber Howell 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 D. Skiles of FBI Miami; and Inspector General Felix Jimenez of the Miami-Dade County Office of Inspector General (MDC-OIG) made the announcement.

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 prosecuted both cases.

Assistant U.S. Attorney Annika Miranda is handling forfeiture matters in the Stephen 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 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 (Stephen) and 25-cr-20001 (Arestuche).