

PRESS RELEASE

# Florida Man Pleads Guilty to Fraud Involving Small Business Administration Disaster Funds

Friday, April 26, 2024

## For Immediate Release

U.S. Attorney's Office, District of Massachusetts

### **Defendant conspired to obtain over \$452,000 in fraudulent SBA funds**

BOSTON – A Florida man pleaded guilty yesterday in U.S. District Court in Boston to conspiring to use stolen identities to fraudulently obtain disaster loans from the Small Business Administration (SBA) and to launder the funds.

Hector Garcia, 52, of Ocala, Fla., pleaded guilty to one count of conspiracy to commit wire fraud and three counts of wire fraud. U.S. District Court Judge Denise J. Casper scheduled sentencing for July 24, 2024.

Garcia conspired with Ramon Cruz, Darwyn Joseph, Edwin Acevedo, and others, to use stolen identity information of United States citizens to apply for SBA Economic Injury Disaster Loans. Garcia used stolen identity information of a United States citizen to open a fraudulent bank account, which was then linked to other fraudulent bank accounts set up to receive the SBA funds. Garcia and his co-conspirators used debit cards associated with those accounts to launder the funds by purchasing iPhones for re-sale. Garcia and other co-conspirators wired a portion of the funds to the Dominican Republic.

Over \$452,000 in SBA funds were fraudulently obtained in connection with the scheme. Approximately \$250,000 of this money was used to purchase iPhones in Massachusetts and New Hampshire.

Cruz and Joseph pleaded guilty and were each sentenced [in August 2023](#) and [October 2023](#), respectively, to two years and one day in prison and three years of supervised

release. Acevedo pleaded guilty and was sentenced [in August 2023](#) to 33 months in prison and three years of supervised release.

The charges of wire fraud and conspiracy to commit wire fraud each provide for a sentence of up to 20 years in prison, three years of supervised release and a fine of up to \$250,000 or twice the gross gain or loss from the offense, as well as restitution. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and statutes which govern the determination of a sentence in a criminal case.

Acting United States Attorney Joshua S. Levy and Michael J. Krol, Special Agent in Charge of Homeland Security Investigations in New England made the announcement today. Valuable assistance was also provided by Homeland Security Investigations in Orlando, Fla.; Small Business Administration, Office of the Inspector General; Department of Housing and Urban Development, Office of the Inspector General; Social Security Administration, Office of the Inspector General; Department of Labor, Office of the Inspector General; Department of State; U.S. Postal Inspection Service; Massachusetts State Police; New Hampshire State Police; and the Acton, Nashua (N.H.), Manchester (N.H.) and Ocala (Fla.) Police Departments. Assistant U.S. Attorneys Elianna J. Nuzum and Adam W. Deitch of the Criminal Division are prosecuting the case.

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>.

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>.

*Updated April 26, 2024*

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