UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 25-20001-Cr-HUCK/LOUIS

UNITED STATES OF AMERICA

v.

GEORGE ARESTUCHE,

Defendant.
____________________________________/

STIPULATED FACTUAL BASIS

The United States and GEORGE ARESTUCHE ("the defendant") hereby stipulate and agree that had this matter proceeded to trial, the United States would have offered evidence and testimony sufficient to establish a factual basis beyond a reasonable doubt for the crime charged, including the following:

The defendant, who resided in Miami-Dade County, in the Southern District of Florida, was at all relevant times employed by the Miami-Dade Aviation Department as an Airport Refrigeration/AC Mechanic. The defendant maintained an account at the Dade County Federal Credit Union ("DCFCU"). DCFCU was identified in the Information as "the Credit Union." DCFCU did business, including maintaining branches, in the Southern District of Florida.

The United States Small Business Administration ("SBA") was an agency of the executive branch of the Government of the United States. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in or around March 2020 that was designed to provide emergency financial assistance to the millions of

Americans who were suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization and provision of funding to the SBA to provide Economic Injury Disaster Loans ("EIDLs") to eligible small businesses experiencing substantial financial disruptions due to the COVID-19 pandemic to allow them to meet financial obligations and operating expenses that otherwise could have been met had the disaster not occurred.

In order to obtain a COVID-19 EIDL, a qualifying for-profit business was required to submit an EIDL application to the SBA and provide information about its operations, including its gross revenues for the 12-month period preceding January 31, 2020. The applicant also was required to certify under penalty of perjury that all the information in the application was true and correct. EIDL applications were submitted directly to, and processed by, the SBA. The amount of the loan approved and any advance provided was determined based, in part, on the information provided in the application concerning the cost of goods sold. EIDL funds were issued directly by the United States government to the applicant's bank account via Electronic Funds Transfer.

From in or around July 2020 through in or around August 2020, the defendant and an unindicted co-conspirator referred to herein, and in the Information, as Individual 1, conspired and agreed to devise a scheme to defraud the SBA by obtaining for the defendant both an EIDL and an EIDL advance to which the defendant was not entitled. As part of this conspiracy, the defendant agreed to pay Individual 1 a large fee for filing the necessary EIDL application on the defendant's behalf that would be owed if the defendant received the loan from the SBA.

In furtherance of this conspiracy, Individual 1, with the knowledge and on behalf of the defendant, submitted to the SBA, via interstate wire communications, a false and fraudulent EIDL application claiming that the defendant 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, the defendant was not an independent contractor and did not own any type of business.

In support of this EIDL application, Individual 1, with the knowledge and on behalf of the defendant, also submitted and caused to be submitted to the SBA a false and fraudulent Internal Revenue Service ("IRS") Form 1040 in the defendant's name for calendar year 2019. This Form 1040 falsely claimed that the defendant earned approximately $706,151 in total income from a business he allegedly operated. This Form 1040 included a 2019 Schedule C entitled "Profit or Loss From Business (Sole Proprietorship)" that falsely claimed that the defendant 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, the defendant fraudulently obtained from the SBA $149,900 in EIDL proceeds and a $10,000 EIDL advance, both of which were sent by the SBA via Electronic Funds Transfer to the defendant's account at DCFCU. These Electronic Funds Transfers of EIDL proceeds involved the use of interstate wire communications. After receiving these EIDL proceeds from the SBA, the defendant paid Individual 1 his fee by providing him with two checks totaling approximately $17,275.

The United States and the defendant agree that this Stipulated Factual Basis, while not containing all facts known to the United States, is sufficient to satisfy all the elements establishing the guilt of the defendant for the crime charged in the Information.

HAYDEN P. O'BYRNE
UNITED STATES ATTORNEY

Date: 2/24/25 By: ______________________
Edward N. Stamm
Assistant United States Attorney

Date: 2/24/25 By: ______________________ 96790
Marco Farah, Esq.
Attorney for Defendant George Arestuche

Date: 02/24/25 By: ______________________
George Arestuche
Defendant