UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 25-20014-Cr-ALTONAGA/REID

UNITED STATES OF AMERICA

v.

ANGELO STEPHEN,

Defendant.
_______________________________________/

STIPULATED FACTUAL BASIS

The United States and ANGELO STEPHEN ("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 and Other Relevant Individuals and Entities

The defendant, who resided in Miami-Dade County, in the Southern District of Florida, was at all relevant times employed by the Federal Bureau of Prisons as a Correctional Officer working at the Federal Correctional Institute – Miami. The defendant maintained accounts at Chase Bank (referred to in the Information as "Bank 1"), Navy Federal Credit Union ("Navy Federal" and referred to in the Information as Credit "Union 1"), and Publix Employees Federal Credit Union ("PEFCU" and referred to in the Information as "Credit Union 2"). Chase Bank, Navy Federal, and PEFCU all did business, including maintaining branches, in the Southern District of Florida.

Victim 1 was an individual residing in the state of Virginia who maintained an account at Wells Fargo Bank ("Wells Fargo" and referred to in the Information as "Bank 2"). Victim 1 did not know and had no connection of any type to the defendant. Victim 2 was an individual residing in the country of Panama who maintained an account at Guardians Credit Union ("Guardians" and referred to in the Information as "Credit Union 3"). Wells Fargo and Guardians also maintained branches in the Southern District of Florida.

The Economic Injury Disaster Loan Program

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 small business owners 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 or credit union account via Electronic Funds Transfer in interstate commerce.

The Paycheck Protection Program

The CARES Act also authorized forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). In order to obtain a PPP loan, a qualifying business, including a sole proprietorship, submitted a PPP loan application, which was signed by an authorized representative of the business. The PPP loan application required the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP Borrower Application Form for Schedule C Filers using Gross Income (SBA Form 2483-C), the small business (through its authorized representative) was required to provide, among other things, its: (a) total amount of gross income reported on its Schedule C for either 2019 or 2020; and (b) number of employees. The information on the application and the supporting documentation submitted therewith were used to calculate the amount of money the applicant was entitled to receive under the PPP.

The PPP also allowed a qualifying business that had obtained a first draw PPP loan and experienced a required revenue reduction in 2020 to obtain a second PPP loan in 2021. These second PPP loans were also known as "second draw" loans. Starting on or about March 4, 2021, small businesses, including sole proprietorships, that filed an IRS Form 1040, Schedule C, could apply for this second draw loan based on their gross income by using the PPP Second Draw Borrower Application Form for Schedule C Filers Using Gross Income (SBA Form 2483-SD-C) that provided their gross income from either 2019 or 2020 and their number of employees. This second draw application and the supporting documentation submitted were used to calculate the amount of second draw money the applicant was entitled to receive under the PPP.

A PPP loan application was processed by a participating lender. If a PPP loan application was approved, the participating lender funded the PPP loan using its own monies. While it was the participating lender that issued the PPP loan, the loan was 100% guaranteed by the SBA. Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, was transmitted by the lender to the SBA in the course of processing the loan.

Womply (referred to in the Information as the "Financial Technology Company") operated an online platform that received PPP loan applications from throughout the United States. Womply was not a PPP lender, but rather was a business that received and processed PPP applications for multiple SBA-approved PPP lenders. Womply then would make qualified PPP applications available to one of the lenders that retained its services for the lender's review, final approval, and funding of the PPP loan.

Harvest Small Business Finance ("Harvest," referred to in the Information as "Lender 1") was an SBA-approved lender for PPP loans with its headquarters in California. Harvest's servers were located outside the state of Florida. Harvest contracted with Womply to receive PPP applications for final review and PPP loan funding by Harvest.

Capital Plus Financial ("Capital Plus," referred to in the Information as "Lender 2") was an SBA-approved lender for PPP loans with its headquarters in Texas. The servers used by Capital Plus were located outside the state of Florida. Like Harvest, Capital Plus contracted with Womply to receive PPP applications for final review and PPP loan funding by Capital Plus.

The EIDL Fraud

On or about August 4, 2020, the defendant submitted to the SBA, via interstate wire communications, a false and fraudulent EIDL application in his own name claiming to be an independent contractor and the 100% owner of a business that did "event planning" and "entertainment services" and had ten employees as of January 31, 2020. This fraudulent EIDL application also falsely certified that for the twelve (12) month period prior to January 31, 2020, his business had gross revenues of approximately $62,018 and a cost of goods sold of $0. As a result of this false and fraudulent EIDL application, the SBA, on or about August 5, 2020, approved and funded the loan, providing the defendant with approximately $20,000 in EIDL proceeds which were sent using interstate wire communications by the SBA via Electronic Funds Transfer to the defendant's account at Navy Federal.

The PPP Fraud

In 2021, the defendant used the Womply application portal to submit, via interstate wire communications, two separate false and fraudulent PPP loan applications, both of which were passed along to and funded by SBA-approved PPP lenders. Specifically, on or about April 24, 2021, the defendant submitted a first draw loan application (SBA Form 2483-C) claiming to be a sole proprietor operating a business under the tradename "Angelo Stephen." That PPP loan application falsely and fraudulently represented that his business' 2020 gross income was $106,554, and as part of the application process, the defendant submitted a fraudulent IRS Form 1040 Schedule C for tax year 2020 that included the same false gross income figure. Womply then provided this first draw PPP application to Harvest for final review and funding. Based on this false and fraudulent application, on or about April 30, 2021, the defendant obtained approximately $20,833 in first draw PPP loan proceeds that were electronically deposited by Harvest via interstate wire communications into the defendant's account at PEFCU. Subsequently, in July 2021, PEFCU returned $19,000 from the defendant's account to Harvest.

The defendant subsequently submitted to Womply, via interstate wire communications, a false and fraudulent PPP second draw loan application (SBA Form 2483-SD-C), again claiming to be a sole proprietor operating a business under the tradename of "Angelo Stephen." This second draw PPP loan application also falsely and fraudulently represented the business' 2020 gross income to be $106,554, and as part of this second draw application process, the defendant submitted the same false and fraudulent IRS Form 1040 Schedule C for tax year 2020 that was used in the fraudulent first-draw PPP application. The defendant's second draw PPP application was then provided by Womply to Capital Plus for final review and funding. Based on this false and fraudulent application, the defendant obtained approximately $20,833 in second draw

PPP loan proceeds from Capital Plus that were electronically deposited by Capital Plus via interstate wire communications into the defendant's account at PEFCU.

The Account Takeover Schemes

Regarding Victim 1, on or about March 30, 2023, the defendant and his accomplices caused a wire transfer of $20,000 from Victim 1's account at Wells Fargo in Virginia into the defendant's recently opened account at Chase Bank in the Southern District of Florida without the knowledge, authorization, or consent of Victim 1. Upon receipt of this fraudulent wire transfer, the defendant quickly made numerous large withdrawals and Zelle payments, moving the entire $20,000 out of his account by April 6, 2023. This incoming wire transfer and the defendant's subsequent Zelle payments all involved the use of interstate wire communications in furtherance of the fraud.

Regarding Victim 2, during late June 2023 and early July 2023, the defendant and his accomplices, without the knowledge, authorization, or consent of Victim 2, communicated with Guardians and caused Guardians to send blank checks for Victim 2's account to a new address that was not associated with Victim 2. After the fraudulently obtained checks were received from Guardians, the defendant, on or about July 14, 2023, went to a Guardians branch in Palm Beach County in the Southern District of Florida and cashed one of the checks that was made out to the defendant in amount of $8,500 with "Remodeling" written in the memo section. This check was neither written nor authorized by Victim 2, who did not know the defendant and did not hire the defendant to do remodeling work.

Conclusion

The defendant fraudulently obtained a total of approximately $90,166 from the SBA, Harvest, Capital Plus, Victim 1, and Victim 2 through the wire fraud scheme described in the Information.

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: 3/4/2025 By: ______________________
Edward N. Stamm
Assistant United States Attorney

Date: 3/4/2025 By: ______________________
Juan Berrio, Esq.
Attorney for Defendant Angelo Stephen

Date: 3/4/2025 By: A Stephen
Angelo Stephen
Defendant