

Department of Justice
U.S. Attorney's Office
Southern District of New York

FOR IMMEDIATE RELEASE

Wednesday, January 4, 2023

Bronx Man Sentenced To 40 Months In Connection With COVID-19-Related Tax And Unemployment Fraud Schemes

Damian Williams, the United States Attorney for the Southern District of New York, announced that JUAN CARLOS CASTRO GONZALEZ was sentenced yesterday to 40 months in prison in connection with his participation in COVID-19-related tax fraud and unemployment benefits fraud schemes that resulted in actual losses totaling over \$570,000 and intended losses of over \$3.3 million. On April 6, 2022, CASTRO GONZALEZ pled guilty to conspiracy to commit wire fraud before U.S. District Judge Paul A. Engelmayer, who imposed the sentence.

U.S. Attorney Damian Williams said: "Juan Carlos Castro Gonzalez exploited the Government's efforts to help individuals struggling to make ends meet during the COVID-19 pandemic in order to enrich himself and his co-conspirators. Castro Gonzalez's sentence shows that this Office and our law enforcement partners will work tirelessly to prosecute those who sought to commit pandemic relief fraud."

According to the allegations in the Information to which the defendant pled guilty, other public filings, and statements made in public court proceedings:

From 2019 to 2021, CASTRO GONZALEZ participated in a conspiracy to commit wire fraud by defrauding government agencies. Between July 2019 and August 2021, CASTRO GONZALEZ worked with others to obtain fraudulent tax refunds and Economic Impact Payments, which were authorized as part of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, from the Internal Revenue Service (the "Tax Fraud Scheme"). Between June 2020 and August 2021, CASTRO GONZALEZ worked with others to obtain CARES Act unemployment insurance ("UI") benefits as a result of the ongoing COVID-19 pandemic (the "UI Benefits Fraud Scheme").

With respect to the Tax Fraud Scheme, CASTRO GONZALEZ controlled several bank accounts under different identities. These accounts were used by CASTRO GONZALEZ to deposit and receive, among other things, U.S. Treasury payments in the names of other individuals. CASTRO GONZALEZ was observed on bank surveillance footage at several of these bank locations depositing U.S. Treasury checks into the accounts. CASTRO GONZALEZ is responsible for \$56,648.01 in losses to the Internal Revenue Service.

With respect to the UI Benefits Fraud Scheme, CASTRO GONZALEZ verified CARES Act UI benefit applications to the New York Department of Labor (the "NY DOL") that had been fraudulently submitted using the names and social security numbers of people who were unaware that such applications had been made using their personal information. Once the NY DOL received and approved the fraudulent UI benefit applications, the funds were sent to specified bank accounts or to pre-paid cards, at least some of which were controlled and received by CASTRO GONZALEZ. CASTRO GONZALEZ and his co-conspirators caused actual losses to the NY DOL of \$500,079 and intended losses of approximately \$3,363,000.

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In addition to his prison term, CASTRO GONZALEZ, 35, of the Bronx, New York, was ordered to pay restitution in the amount of \$574,202.01 and to forfeit the same amount to the Government.

Mr. Williams praised the outstanding investigative work of the United States Department of Labor, Office of Inspector General; the Internal Revenue Service, Criminal Investigation; and the United States Postal Inspection Service.

This case is being handled by the Office's Complex Frauds and Cybercrime Unit. Assistant U.S. Attorneys Olga I. Zverovich and Danielle M. Kudla are in charge of the prosecution.

Topic(s):

Coronavirus
Financial Fraud

Component(s):

[USAO - New York, Southern](#)

Contact:

Nicholas Biase (212) 637-2600

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