

Department of Justice

U.S. Attorney's Office

District of New Jersey

FOR IMMEDIATE RELEASE

Tuesday, July 19, 2022

Camden County Man Admits Defrauding COVID-19 Relief Programs and Illegally Possessing Firearm

CAMDEN, N.J. – A Camden County, New Jersey, man today admitted conspiring to fraudulently obtain COVID-19 relief funds, fraudulently obtaining unemployment benefits, and illegally possessing a firearm, U.S. Attorney Philip R. Sellinger announced.

Stephen Bennett, 46, of Berlin, New Jersey, pleaded guilty before U.S. District Judge Karen M. Williams in Camden federal court to an information charging him with one count of bank fraud conspiracy, one count of wire fraud, and one count of being a felon in possession of a firearm.

According to documents filed in this case and statements made in court:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act is a federal law enacted in March 2020 and was designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of hundreds of billions of dollars in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program (PPP). The CARES Act also authorized the Small Business Administration to provide Economic Injury Disaster Loans (EIDLs) of up to \$2 million to eligible small businesses that were experiencing substantial financial disruption due to the COVID-19 pandemic.

To obtain a PPP or EIDL loan, a qualifying small business was required to apply and provide information on its operations, including the number of employees and expenses. In addition, businesses generally had to provide supporting documentation.

The CARES Act also created a new temporary federal unemployment insurance program called Pandemic Unemployment Assistance (PUA), which provided unemployment insurance benefits for individuals who were not eligible for other types of unemployment (the self-employed, independent contractors, gig economy workers). The CARES Act also created a new temporary federal program called Federal Pandemic Unemployment Assistance (FPUC) that provided an additional \$600 weekly benefit to those eligible for PUA and regular unemployment insurance benefits.

In 2020, Bennett conspired with Rhonda Thomas to submit one PPP application and one EIDL application for a company controlled by Bennett. The applications stated that the company had 16 employees, gross revenues of \$1.73 million, and an average monthly payroll of \$144,000, when in fact the company had no employees, revenue, or payroll. Bennett and Thomas also submitted forged tax forms and altered bank statements as part of the PPP loan application. Based on the misrepresentations, the loans were approved in the amount of \$510,000. Bennett paid kickbacks of over \$150,000 to Thomas and used the rest of the fraudulently obtained PPP and EIDL loan proceeds to pay for personal expenses, including jewelry and vehicles.

Also in 2020, Bennett defrauded the Pennsylvania Department of Labor by submitting 74 unemployment insurance claims in the names of other individuals. Bennett falsely stated on that the applicants were self-employed and unemployed because of COVID-19. Benefits of \$425,339 were paid to Bennett as a result of the fraudulent claims he submitted.

In May 2021, law enforcement officials executing a search warrant at Bennett's home found a .9 millimeter semiautomatic pistol with no serial number (commonly referred to as a "ghost gun") and a magazine loaded with 16 rounds of ammunition.

The charge of bank fraud conspiracy carries a maximum penalty of 30 years in prison and a fine of \$1 million. The count of wire fraud is punishable by a maximum of 20 years in prison and a \$250,000 fine, or twice the gross gain or loss from the offense. The count of being a felon in possession of a firearm carries a maximum of 10 years in prison and a \$250,000 fine. Sentencing is scheduled for Nov. 21, 2022.

Thomas previously [pleaded guilty](#) to bank fraud conspiracy and money laundering and is awaiting sentencing.

U.S. Attorney Sellinger credited special agents of the Federal Deposit Insurance Corporation – Office of the Inspector General, under the direction of Patricia Tarasca, Special Agent-in-Charge, New York Regional Office; special agents of the Social Security Administration, Office of Inspector General, New York Field Division, under the direction of Special Agent in Charge Sharon MacDermott; special agents of the FBI's South Jersey Resident Agency, under the direction of Special Agent in Charge Jacqueline Maguire in Philadelphia, special agents of the U.S. Department of Labor, Office of the Inspector General, New York Region, under the direction of Special Agent in Charge Jonathan Mellone, with the investigation leading to today's guilty plea.

The government is represented by Assistant U.S. Attorney Daniel A. Friedman of the U.S. Attorney's Office's Criminal Division in Camden and Senior Litigation Counsel Jason M. Richardson of the U.S. Attorney's Office Civil Rights Division in Camden.

Attachment(s):

[Download Bennett.Information.pdf](#)

Topic(s):

Coronavirus
Firearms Offenses

Component(s):

[USAO - New Jersey](#)

Press Release Number:

22-271

Updated July 19, 2022