

Bergen County Man Admits Fraudulently Obtaining Cares Act Loan and Laundering the Proceeds of his Fraud

Friday, June 14, 2024

For Immediate Release

U.S. Attorney's Office, District of New Jersey

NEWARK, N.J. – A Bergen County, New Jersey, man admitted that he fraudulently obtained an Economic Injury Disaster Loan (EIDL) and laundered the loan proceeds, U.S. Attorney Philip R. Sellinger announced today.

George Leguen, 51, of Paramus, New Jersey, pleaded guilty on June 12, 2024, before U.S. District Judge Madeline Cox Arleo in Newark federal court to an information charging him with one count of wire fraud and one count of money laundering.

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

From August 2020 through January 2021, Leguen participated in a scheme to defraud to fraudulently receive COVID-19 emergency relief funds meant for distressed small businesses under the EIDL program. Leguen applied to the Small Business Administration (SBA) on behalf of a business he owned and controlled. He submitted fraudulent information in support of that application, including the number of employees, annual gross revenue figures, and fraudulent federal tax returns. Leguen received \$149,900. After receiving the fraudulent funds, he diverted the proceeds for his personal gain.

The charge of wire fraud carries a maximum penalty of 20 years in prison and a maximum fine of \$250,000 or twice the gross gain to the defendant or gross loss to the victim, whichever is greatest. The charge of money laundering carries a maximum penalty of 10 years in prison and a maximum fine of \$250,000, or twice the value of the

monetary instrument or funds involved in the laundering offense, whichever is greater. Sentencing is scheduled for Dec. 19, 2024.

U.S. Attorney Sellinger credited special agents and task force officers of IRS – Criminal Investigation, under the direction of Special Agent in Charge Jenifer L. Piovesan in Newark; the Drug Enforcement Administration, under the direction of Special Agent in Charge Cheryl Ortiz of the New Jersey Field Division; special agents of the U.S. Secret Service, under the direction of Special Agent in Charge Aaron Hatley, Newark Field Office; and special agents of the U.S. Department of Labor – Office of the Inspector General, under the direction of Special Agent in Charge Jonathan Mellone, Northeast Region, with the investigation leading to the guilty plea.

The District of New Jersey COVID-19 Fraud Enforcement Strike Force is one of five strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The government is represented by Assistant U.S. Attorneys Fatime Meka Cano and Aja Espinosa of the Economic Crimes Unit in Newark.

[leguen.information.pdf](#)

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