



THE UNITED STATES ATTORNEY'S OFFICE
EASTERN DISTRICT *of* VIRGINIA

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Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

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Former CEO Sentenced for Defrauding Multiple Federal Agencies

ALEXANDRIA, Va. – An Arlington businessman was sentenced today to 21 months in prison with three years of supervised release for making false statements to multiple federal agencies in order to fraudulently obtain multimillion-dollar government contracts, COVID-19 emergency relief loans, and undeserved military service benefits.

"In the early stages of the global pandemic, the defendant engaged in three egregious fraudulent schemes that he brazenly concocted to enrich himself," said Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia. "He falsely represented to the federal government that he could provide \$38 million in life-saving N95 masks, and simultaneously, he fraudulently obtained over \$1 million in pandemic assistance intended for deserving families and businesses. The defendant also continued an offensive seven-year scheme to obtain unearned veterans benefits by falsely claiming to have served as a Marine. This case underscores our commitment to holding accountable those who exploit essential government programs at the expense of veterans, front-line medical personnel, and vulnerable members of our communities."

According to court documents, Robert S. Stewart, Jr., 35, was the owner and president of Federal Government Experts (FGE) LLC, an Arlington-based company that purported to provide various services to the U.S. government. In this capacity, between April 1, 2020 and May 14, 2020, Stewart made false statements to the Federal Emergency Management Agency (FEMA) and the Department of Veterans Affairs (VA) in order to obtain lucrative contracts to provide COVID-19 personal protective equipment (PPE). In addition, Stewart fraudulently obtained loans under the federal Paycheck Protection Program and the Economic Injury Disaster Loan Program. He also defrauded the VA by falsely claiming to be entitled to veteran's benefits for serving in the U.S. Marine Corps when, in fact, he never served in the Marines.

As part of his PPE scheme, Stewart falsely stated to procurement officials from FEMA and the VA that he was in possession of large quantities of PPE, including N95 masks. Based on Stewart's false statements, the VA and FEMA awarded FGE contracts valued at \$35,000,000 and \$3,510,000, respectively. The VA intended to use the PPE purchased from FGE to protect employees and patients at various Veterans Health Administration facilities, which serve the medical needs of over nine million veterans each year. FGE failed to supply any PPE to the VA and FEMA. The U.S. government suffered no financial loss because the contract called for payment upon delivery and inspection of the goods.

"These were crimes against the American people. Stewart fraudulently pursued contracts that were needed to supply VA hospital patients and staff with critical personal protective equipment during the COVID-19

pandemic, and stole taxpayer dollars intended to help local businesses stay afloat during the pandemic. In addition, he lied about his service in the military and received veterans benefits for which he was not entitled,” said VA Inspector General Michael J. Missal. “This sentence should send a clear message that the VA Office of Inspector General will work diligently with its law enforcement partners to ensure those who would defraud the nation’s veterans and the public will be caught and prosecuted.”

“We continue to collaborate with our law enforcement partners to pursue and dismantle schemes aimed at exploiting critical COVID-19 resources, and we are grateful for today’s sentencing decision, which sends a strong message to help deter potential fraudsters,” said Joseph V. Cuffari, Inspector General for the Department of Homeland Security (DHS).

“Today’s sentencing shows that we will not allow criminals to get away with exploiting government relief efforts that were designed to assist millions of Americans during the COVID-19 pandemic. Stewart fraudulently obtained government-backed loans, and his nefarious and unethical actions were for his own personal gain,” said Robert E. Bornstein, Acting Special Agent in Charge of FBI’s Washington Field Office Criminal Division. “The FBI and our partners are committed to protecting the American people and the integrity of government assistance programs and will work to identify, arrest, and prosecute those who choose criminal activity and greed over principle and the law.”

Stewart also applied for various loans on behalf of FGE under the federal Paycheck Protection Program and the Economic Injury Disaster Loan Program. These programs were designed to provide emergency financial assistance to the millions of people suffering the economic effects of the COVID-19 pandemic. The loan applications submitted by Stewart falsely overstated the number of FGE employees and the amount of FGE’s payroll, two factors that were important in determining loan eligibility and the proper amount of the loan. In addition, Stewart used some of the loan proceeds for personal expenditures rather than to pay employees or for other appropriate business expenses. As a result of these fraudulent loan applications, Stewart obtained approximately \$1,066,000 in government-backed loans during the pandemic.

In a separate fraudulent scheme, Stewart, an Air Force veteran, submitted an application for benefits to the VA. The application was fraudulent in that Stewart falsely claimed that he also served in the U.S. Marine Corps. Stewart created fraudulent documents that stated he attained the rank of Corporal in the Marine Corps and was honorably discharged after receiving several awards and commendations, including the Rifle Expert Badge, Pistol Expert Badge, Meritorious Mast, National Defense Service Medal, Sea Service Deployment Ribbon, Southwest Asia Service Medal, Certificate of Appreciation, and the Kuwaiti Liberation Medal. Stewart, in fact, never served in the Marines. Based on his fraudulent application, he received excess benefits in the amount of \$73,722.45 between September 2013 and October 2020.

Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia; Robert E. Bornstein, Acting Special Agent in Charge of FBI Washington Field Office Criminal Division; Joseph V. Cuffari, Inspector General for the Department of Homeland Security (DHS); and Michael J. Missal, Inspector General for the U.S. Department of Veterans Affairs, made the announcement after sentencing by U.S. District Judge Rossie D. Alston, Jr.

Assistant U.S. Attorney William Fitzpatrick prosecuted the case.

A copy of this press release is located on the website of the [U.S. Attorney’s Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 1:21-cr-5.

Topic(s):

Coronavirus

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