



THE UNITED STATES ATTORNEY'S OFFICE

EASTERN DISTRICT *of* VIRGINIA

[U.S. Attorneys](#) » [Eastern District of Virginia](#) » [News](#)

Department of Justice

U.S. Attorney's Office

Eastern District of Virginia

FOR IMMEDIATE RELEASE

Wednesday, February 3, 2021

CEO Pleads Guilty to Defrauding Multiple Federal Agencies

ALEXANDRIA, Va. – An Arlington businessman pleaded guilty today to 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.

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, 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, and 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.

"Stewart's fraudulent conduct during a critical time in our Nation's fight against COVID-19 undermined the government's ability to provide much needed PPE to the community, including to the front-line health care workers serving our military veterans," said Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia. "In addition, by fraudulently obtaining government-backed loans intended to be lifelines to keep businesses afloat, Stewart unlawfully took and misused resources devoted to help struggling Americans."

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.

"Exploiting COVID-19 relief efforts for personal gain, to receive lucrative contracts with no intention of fulfilling them, is unconscionable," said DHS Inspector General Joseph V. Cuffari. "I am proud of everyone at DHS OIG who worked on this case. I am also thankful to our law enforcement partners who helped us bring a swift end to this scheme."

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. The loss to the U.S. government from this fraud is approximately \$261,500.

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.

"By falsely claiming to have served in the U.S. Marine Corps to unlawfully increase his veteran's benefits, Stewart stole money dedicated to providing resources and services to American military veterans and their families. This was an affront to those who honorably served," said Acting U.S. Attorney Parekh. "We thank our law enforcement partners for bringing Stewart to justice."

Stewart pleaded guilty to making false statements, wire fraud, and theft of government funds and is scheduled to be sentenced on June 16, 2021. He faces a maximum penalty of 35 years in prison. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia; James A. Dawson, Special Agent in Charge of the FBI's 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 U.S. District Judge Rossie D. Alston, Jr. accepted the plea.

Assistant U.S. Attorney William Fitzpatrick is prosecuting 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

Financial Fraud

Component(s):

[USAO - Virginia, Eastern](#)

Contact:

Press Officer

USAVAE.Press@usdoj.gov

