

THE UNITED STATES ATTORNEY'S OFFICE  
CENTRAL DISTRICT *of* CALIFORNIA

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**Department of Justice**

U.S. Attorney's Office

Central District of California

FOR IMMEDIATE RELEASE

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## **Los Angeles Man Found Guilty of Stealing More Than \$150,000 and Attempting to Steal Nearly \$1.9 Million More in COVID Business Loans**

*LOS ANGELES* – A downtown Los Angeles man was found guilty today by a jury of federal criminal charges for fraudulently obtaining more than \$150,000 – and attempted to obtain an additional \$1.85 million – in COVID-relief loans for several companies he claimed to own and operate.

Sean Schoepflin, 43, a.k.a. "Sean Fitzgerald," was found guilty of two counts of wire fraud and two counts of money laundering.

According to evidence presented at his three-day trial, from April 2020 to October 2021, Schoepflin made numerous false statements to the United States Small Business Administration to secure more than \$150,000 – and attempting to secure an additional \$1.85 million – in Economic Injury Disaster Loans (EIDLs) for his business.

In applying for the EIDL loans, Schoepflin falsely stated that the business entity he created had several employees and more than half a million dollars in revenue, and that he would use the EIDLs for working capital for the business. Schoepflin also falsely stated on loan application that he had never been convicted of a felony.

In fact, his purported business, Capital Adventures Inc., had no employees and little to no revenue. Schoepflin used the EIDLs largely for personal expenses, and he had previously been convicted of multiple felonies.

For example, Schoepflin falsely stated in the loan application that Capital Adventures had revenues of \$560,000 in a one-year period just before the pandemic. When an SBA employee sent an email to Schoepflin requesting Capital Adventures' business tax return to show proof of the company's existence as a business entity, Schoepflin sent an unsigned tax form that stated that Capital Adventures had gross sales or receipts of \$625,112 in 2019.

In fact, Capital Adventures did not file the required IRS form for 2019 until July 2021, after it requested and was denied an increase for its EIDL. Furthermore, between February 2018 and April 2020, Capital Adventures' bank accounts had total deposits of approximately \$35,000.

United States District Judge Fernando M. Olguin scheduled a July 27 sentencing hearing, at which time Schoepflin will face a statutory maximum sentence of 20 years in federal prison for each wire fraud count and up to 10 years in federal prison for each money laundering count.

Schoepflin's wife, Erika Leon, 45, a.k.a. "Erika Fitzgerald," also of downtown Los Angeles, has pleaded not guilty to two counts of wire fraud in this case. Her trial is scheduled for February 21, 2023.

Schoepflin also is scheduled to go to trial on May 16, 2023 on an indictment charging him with one count of being a felon in possession of firearms and ammunition. Schoepflin allegedly possessed nine firearms and more than 2,000 rounds of ammunition despite felony convictions dating back to the late 1990s in Florida state court, including witness tampering, cocaine possession and burglary.

The FBI and the Treasury Inspector General for Tax Administration investigated this matter. The Small Business Administration's Office of Inspector General provided substantial assistance with the investigation.

Assistant United States Attorneys Solomon Kim of the Terrorism and Export Crimes Section and Ali Moghaddas of the Major Frauds Section are prosecuting this case.

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>.

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**Topic(s):**

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**Component(s):**

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