

Department of Justice
U.S. Attorney's Office
District of New Mexico

FOR IMMEDIATE RELEASE

Thursday, October 20, 2022

Albuquerque man indicted for mail, wire fraud

Charges arise from scheme to defraud COVID assistance program

ALBUQUERQUE, N.M. – Alexander M.M. Uballez, United States Attorney for the District of New Mexico, announced today that Pholopater Faltas was arraigned on an indictment charging him with eight counts of mail fraud and two counts of wire fraud. Faltas, 24, of Albuquerque, will remain on conditions of release pending trial, which has not yet been scheduled.

A federal grand jury indicted Faltas on October 12.

In response to the COVID-19 pandemic, Congress passed the CARES Act, which was signed into law on March 27, 2020. Among other provisions, the CARES Act bolstered and expanded unemployment insurance. In New Mexico, unemployment insurance is administered by the New Mexico Department of Workforce Solutions, and claimants may apply either over the phone or online, using the New Mexico Workforce Connection Online System. Eligible claimants can receive payments by direct deposit to their bank account or a prepaid debit card.

According to the indictment, Faltas allegedly recruited participants to his scheme by telling them he would submit applications for benefits on their behalf. If the applications were approved, Faltas allegedly would cause the funds to be disbursed to debit cards and bank accounts that he possessed and controlled. Faltas then either provided only a small fraction of the benefits to participants, falsely informing them that they were receiving all the benefits disbursed, or falsely informed participants that their applications had been denied. In either case, Faltas retained all or most of the assistance funds disbursed. The activity alleged in the indictment occurred in the early stages of the COVID-19 pandemic, between April and October of 2020.

Some of the participants in whose names Faltas submitted applications were not eligible for benefits, including because certain applicants were not actually residents of New Mexico. In those cases, Faltas included and aided and abetted the inclusion of materially false pretenses, representations, and promises calculated to make the purported applicant appear eligible, including by claiming non-New Mexico residents lived at addresses in New Mexico.

An indictment is only an allegation. A defendant is presumed innocent unless and until proven guilty. If convicted, Faltas faces up to 30 years in prison.

The United States Secret Service, Albuquerque Resident Office, and the Bernalillo County Sheriff's Office investigated this case with assistance from the Department of Labor – Office of the Inspector General. Assistant United States Attorney Taylor F. Hartstein is prosecuting the case.

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Disaster Fraud

Component(s):

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