US Republican congressman George Santos described the case against him a "witch hunt" as he pleaded not guilty to charges of fraud, money laundering and theft of public funds.

The 34-year-old US politician appeared in court in New York and pleaded not guilty to the 13 charges against him, around five hours after his arrest.

Prosecutors claim he used election campaign donations to buy designer clothes, lied about being a millionaire, and collected unemployment benefits.

After leaving court proceedings, Santos said "it's a witch hunt" adding that he would clear his name and would not resign and will run for re-election.

He could face up to 20 years in prison if convicted.

Santos has been charged with seven counts of wire fraud, three counts of money laundering, one count of theft of public funds, and two counts of making materially false statements to the House of Representatives.

The indictment charges Santos with defrauding prospective political supporters by laundering funds to pay for his personal expenses and illegally receiving unemployment benefits while he was employed.

He is also accused of making false statements to the House of Representatives about his assets, income and liabilities.