



Office of Inspector General for the U.S. Department of Labor

# OIG Investigations Newsletter

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The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

## Michigan Residents Sentenced for Role in \$3.8 Million Unemployment Insurance Fraud Scheme

On April 13, 2022, Johnny Richardson was sentenced to 97 months in prison and Micahia Taylor was sentenced to 30 months in prison for conspiring with State of Michigan contract employee Brandi Hawkins. Hawkins was previously sentenced for her role in the conspiracy. The multi-million dollar unemployment insurance (UI) fraud scheme aimed at defrauding the State of Michigan and the U.S. Government of funds earmarked for unemployment assistance during the COVID-19 pandemic. Richardson and Taylor were also ordered to pay almost \$700,000 in restitution. The investigation revealed that Hawkins was a State of Michigan Unemployment Insurance Agency (UIA) contract employee hired as an UI examiner. Hawkins's duties included reviewing, processing, and verifying the legitimacy of UI claims. In spring 2020, Hawkins worked with Richardson and Taylor who entered numerous false claims into the UIA's system, many of which were filed using stolen identities. Once the claims were filed, Richardson and Taylor communicated with Hawkins, who then released payment on the claims in exchange for bribes. Hawkins used her insider access to fraudulently release payment on more than 700 claims, including the false claims filed by Richardson and Taylor. In total, the scheme resulted in the fraudulent disbursement of approximately \$3.8 million of federal and state funds intended for unemployment assistance during the pandemic.

This is a joint investigation with the Federal Bureau of Investigation (FBI), the Internal Revenue Service Criminal Investigations Division (IRS-CI), U.S. Secret Service (USSS), the U.S. Postal Inspection Service (USPIS), and the State of Michigan Unemployment Insurance Agency (UIA). *United States v. Johnny Richardson and Micahia Taylor* (E.D. Michigan)

## **Federal Inmate Pled Guilty to Role in Stealing more than \$2.2 Million in Pandemic Assistance Benefits**

On May 10, 2022, Cortney Shields, a Bureau of Prisons (BOP) inmate, pled guilty to one count of conspiracy to commit wire fraud, in connection with a scheme to defraud multiple state workforce agencies (SWA) and the U.S. Small Business Administration (SBA) out of more than \$2.2 million in COVID-19 pandemic assistance.

From approximately May 2020 through July 2021, Shields conspired with multiple individuals to submit more than 240 fraudulent UI benefit claims to more than 20 SWAs. He fraudulently obtained more than \$2.2 million in UI benefits, primarily from the states of Michigan and California. Shields also successfully obtained a fraudulent Paycheck Protection Program (PPP) loan of more than \$20,000. He participated in the scheme within the confines of the Federal Correctional Complex in Allenwood, Pennsylvania, where he was serving a sentence on an unrelated fraud case. Members of the conspiracy transferred portions of the fraud proceeds to Shields via wire transfer into his BOP commissary account.

This is a joint investigation with the FBI, the U.S. Postal Service (USPS) – Office of Inspector General (OIG), and USPIA. *United States v. D-1 Cortney Shaquan Shields* (E.D. Michigan)

## **Former New York State Department of Labor Employee Admits to \$1.6 Million in Unemployment Insurance Fraud**

On April 13, 2022, Carl DiVeglia, a former New York State Department of Labor (NYDOL) employee pled guilty to an information charging him with mail fraud and aggravated identity theft for his role in an UI fraud scheme. As part of his guilty plea, DiVeglia admitted responsibility for over \$1.6 million in losses to NYDOL and to personally receiving approximately \$225,000 in fraud proceeds.

In pleading guilty, DiVeglia admitted that from about May 2020 through August 2021, he used his access to NYDOL's UI computer systems to create and approve fraudulent UI applications in other people's names in exchange for a portion of the benefits paid as a result of the fraudulent application. As part of the scheme, he abused his NYDOL computer system access to release benefit payments on the false claims.

This is a joint investigation with the FBI. *United States v. Carl DiVeglia* (N.D. New York)

## **Maryland Man Sentenced to Over 7 Years in Prison for Orchestrating \$1.5 Million COVID-19 Unemployment Insurance and Aggravated Identity Theft Schemes**

On May 20, 2022, Idowu Raji was sentenced to 94 months in federal prison for conspiracy to commit access device fraud and aggravated identity theft in relation to multiple financial schemes. The Court also ordered Raji to pay approximately \$1.8 million in restitution.

In 2020, Raji conspired with other individuals to traffic and use unauthorized access devices to fraudulently obtain more than \$900,000 in UI and other COVID-19 related benefits. In furtherance of the UI fraud scheme, he arranged for the delivery of fraudulent UI debit cards to his co-conspirators, provided instructions on the use of the cards, and then obtained a portion of the fraudulent UI benefits. Raji also fraudulently used mailing addresses in Maryland to receive UI debit cards funded from various states and directed the use of the fraudulently obtained UI debit cards to engage in point-of-sale and

ATM transactions. In total, he admitted that he was involved in the filing of fraudulent UI claims that used the stolen identities of more than 50 people and caused more than \$900,000 in losses to the UI program.

In a separate fraud conspiracy from October 2018 to November 2020, Raji conspired with multiple individuals charged in the District of Maryland in a scheme to defraud several businesses, individuals, and financial institutions of more than \$750,000. Raji's co-conspirators used fake identification documents to open bank accounts. Raji then used the accounts to receive the proceeds from the various fraud schemes. Additionally, in July 2020, Raji received and used funds from the submission of a fraudulent PPP loan.

In April and May 2022, co-defendants, Adewumi Abioye and Lukman Salam, were sentenced to 27 months and 30 months in federal prison, respectively, for conspiracy to commit wire fraud for their roles in the scheme. Additional co-defendants, Hameed Adesokan, Olatunde Vincent, Akolade Ojo, and Damilola Lawal will be sentenced later this year in related cases.

This is a joint investigation with Homeland Security Investigations (HSI), the Diplomatic Security Service (DSS), and USPIS. *United States v. Idowu Raji* (D. Maryland)

### **Former Virginia State Government Employee Pled Guilty to \$1.2 Million COVID-19 Fraud Scheme**

On May 17, 2022, Sadie Mitchell, a former employee of the Virginia Motor Vehicle Dealer Board (VMVDB), pled guilty to defrauding the UI/Pandemic Unemployment Assistance (PUA) program, the PPP, and the Economic Injury Disaster Loan (EIDL) program, using victims' personally identifiable information (PII) that she obtained from her state government employment.

From May 2020 to August 2021, Mitchell and a co-conspirator executed a scheme to defraud the Virginia Employment Commission (VEC) by filing at least 20 fraudulent UI/PUA applications using the PII of inmates. Among the false information included in these applications were false physical addresses, false last employers, and false certifications that the inmates were ready, willing, and able to work in the event employment became available. She further defrauded the VEC by filing at least 30 fraudulent UI/PUA applications in the names of other individuals whose PII was obtained, in part, by Mitchell querying a government database she had access to as an employee of the VMVDB. Through this fraud scheme, the conspirators obtained approximately \$1 million in UI/PUA benefits.

Additionally, from June 2020 to June 2021, Mitchell devised and executed a scheme to defraud the PPP and EIDL programs. She submitted five PPP applications to a financial institution, each containing false statements, false representations, or false certifications. For instance, these applications contained false and fabricated gross figures and false certifications that the businesses were in operation on February 15, 2020. Mitchell also submitted several fraudulent EIDL applications to the SBA for businesses that did not have customers, employees, or business activity. In those applications, Mitchell made false statements, representations, and false certifications.

This is a joint investigation with U.S. Department of Homeland Security (DHS) – OIG and USPIS. *United States v. Sadie Mitchell* (E.D. Virginia)

## **Nigerian Citizen Pled Guilty to COVID-19 Unemployment Fraud**

On May 3, 2022, Abidemi Rufai, a Nigerian resident, pled guilty to wire fraud and aggravated identity theft for using stolen identities to claim hundreds of thousands of dollars in pandemic-related UI benefits.

Since 2017, Rufai unlawfully obtained the PII of more than 20,000 Americans to submit more than \$2 million in fraudulent claims for federally funded benefits under a variety of relief programs. The Washington State Employment Security Department paid out more than \$350,000 in fraudulent pandemic-related UI claims to accounts controlled by Rufai.

This is a joint investigation with IRS-CI, the FBI, DHS – OIG, and SBA – OIG. *United States v. Rufai* (W.D. California)

## **Former Chiropractor Sentenced to Nearly 6 Years in Federal Prison**

On April 12, 2022, former Chiropractor Susan Poon was sentenced to 70 months in federal prison for stealing from health insurers by fraudulently submitting more than \$2 million in billings for chiropractic services and medical diagnoses that were not rendered. In addition, she submitted billings for office visits that never occurred and falsely prescribed medical devices as part of the scheme. Poon was ordered to pay approximately \$1.3 million in restitution to her victims.

From January 2015 to April 2018, Poon schemed to defraud health insurance companies, including the Teamsters Western Region and Local 177 Health Care Plan, by submitting false reimbursement claims for services that were never performed. Poon also submitted fraudulent prescriptions containing medical diagnoses of individuals who she had never met, including toddlers and children.

Poon claimed to have met with and treated patients who were dependents of plan participants. These dependents included the spouses and children of Costco Wholesale Corporation and United Parcel Service (UPS) employees. She unlawfully took and used the dependent's PII in her reimbursement requests and prescriptions. Poon obtained the PII by attending health fairs at various UPS warehouses and Costco locations and soliciting such information from employees.

This is a joint investigation with Amtrak – OIG, California Department of Insurance, Employee Benefits Security Administration, the FBI, and Office of Personnel Management – OIG. *United States v. Poon* (C.D. California)

## **Michigan Resident Sentenced for Wire Fraud and Aggravated Identity Theft**

On May 9, 2022, Andre Taylor, Jr. was sentenced to 75 months in prison on charges of wire fraud and aggravated identity theft arising out of a pandemic fraud and credit card scheme. He was also ordered to pay more than \$700,000 in restitution.

In late 2019, Taylor Jr. had begun to obtain credit cards intended for other individuals and used them without the cardholders' authorization. He obtained such cards that included paying bribes to letter carriers. By early 2020, his scheme expanded to obtaining PUA which he was not entitled. Taylor Jr. obtained PII and filed fraudulent UI claims with several state workforce agencies, including Michigan and Pennsylvania. In some cases, he directed PUA benefits be electronically loaded onto bank cards or into accounts he controlled. In other instances, Taylor Jr. had the SWAs mail pre-loaded debit cards

containing PUA benefits to addresses he had access to. Frequently, he would have the debit cards sent to addresses along the routes of the letter carriers with whom he had financial relationships, so the complicit letter carriers could intercept the UI mailings and provide the material to him.

This is a joint investigation with USPI and the USPS-OIG. *United States v. Andre Taylor, Jr. (E.D. Michigan)*

### **Dallas Man Sentenced to 46 Months in Prison for Fraudulently Obtaining More than \$2 million in Pandemic-Related Unemployment Insurance and Small Business Administration Benefits**

On April 29, 2022, Chukwuma N. Okoye, Jr. was sentenced to 46 months in prison, followed by 36 months supervised release, for a conspiracy that involved illegally obtaining money through the use of pre-paid Green Dot debit cards registered to other individuals. Okoye was also ordered to pay more than \$2.3 million in restitution.

Okoye and his co-defendants used the debit cards, which were registered to other individuals, to purchase money orders and conduct cash withdrawals. Between July and September of 2020, Okoye and others traveled from Texas to Bossier City, Louisiana, where the debit cards were used at a Walmart store.

The funds on the debit cards originated from fraudulently obtained Washington State UI and SBA loans that were obtained by unknown individuals using stolen PII. After the funds were deposited into PayPal accounts, unknown individuals transferred funds to the debit cards which were then used at online retailers and various physical retail stores.

Okoye's co-defendants, Patrick N. Madubuko and Barnabas Akporehe, were also indicted. However, they fled prior to apprehension and are now fugitives.

This is a joint investigation with the USSS and Bossier Parish Sheriff's Department. *United States v. Chukwuma N Okoye, JR (W.D. Louisiana)*

### **Two Bronx Residents Sentenced for Role in Fraudulent Unemployment Insurance Benefit Scheme**

On May 11, 2022, Elvin German was sentenced to 48 months of imprisonment and Vanessa Gomez was sentenced to 6 months of home confinement. They were jointly ordered to pay restitution of more than \$1.4 million, and Gomez was ordered to forfeit approximately \$54,000. Both were sentenced pursuant to guilty pleas for conspiring to commit wire fraud and conspiracy to commit theft of government funds. The charges stemmed from stealing the identities of approximately 255 individuals and using those identities to file fraudulent pandemic-related UI claims in the state of New York.

German and Gomez engaged in a scheme to obtain COVID-19 UI benefits by fraudulently filing and verifying applications using the names and social security numbers of more than 250 other people. New York DOL was alerted to the suspicious activity with the applications, which indicated the applications were either submitted and/or verified on a weekly basis from the same internet protocol (IP) address. Further investigation revealed that German owned a dog named Benji, whose name was the answer to the security question for many of the fraudulent applications. As a result of the scheme, New York DOL authorized the release of more than \$1.4 million in COVID-19 UI benefits.



This is a joint investigation with the USSS and New York City Police Department. *United States v. Elvin German and Vanessa Gomez* (S.D. New York)

### **Former Massachusetts Department of Unemployment Assistance Employee Sentenced to 42 Months in Prison for COVID-19 Fraud Scheme**

On April 27, 2022, Tiffany Pacheco, a former Commonwealth of Massachusetts, Department of Unemployment Assistance (DUA) employee, was sentenced to 42 months incarceration and ordered to pay over \$199,000 in restitution to DUA.

In April 2020, Pacheco was hired by the DUA, shortly after her release from federal prison following an unrelated conviction for aggravated identity theft. While employed by DUA, she abused her position and her access to the PUA claims system to submit fraudulent PUA claims using stolen PII. Additionally, Pacheco submitted claims on behalf of herself and her husband, who was incarcerated in Texas at that time and was ineligible to receive PUA funds. She also induced a friend to continue her PUA fraud scheme after she was charged and arrested.

This is a joint investigation with the HSI, USPIIS, and the Commonwealth of Massachusetts, DUA. *United States v. Pacheco et al* (D. Massachusetts)

### **Inland Empire Woman Sentenced to 21 Months Jail in Unemployment Fraud Scheme**

On April 8, 2022, Sequoia Edwards was sentenced to 21 months imprisonment and ordered to pay over \$450,000 in criminal restitution for her role in defrauding the California Employment Development Department (EDD).

From July 2020 to August 2020, Edwards submitted at least 27 fraudulent pandemic related UI claims to the EDD using the names, social security numbers, dates of birth, and other PII of California state prison inmates and other people. She falsely represented to the EDD that these individuals had lost their jobs because of the COVID-19 pandemic. Edwards knowingly entered false occupations for each inmate and non-inmate on the benefit applications and created various email addresses so she could monitor the status of the applications. Furthermore, Edwards knowingly entered false mailing addresses on the benefit applications so that debit cards containing EDD benefits would be sent to addresses where she could retrieve them.

This was a joint investigation with the FBI and USPIIS. *United States v. Edwards et al.* (C.D. California)

### **Arkansas Woman Pled Guilty to Money Laundering**

On April 1, 2022, Cynthia Church of Springdale, Arkansas, pled guilty to an information, charging her with money laundering for her involvement in a scheme that defrauded others out of their pandemic-related UI benefits.

The scheme, in part, consisted of Church opening various bank accounts, receiving fraudulent pandemic-related UI benefits into those accounts, and then knowingly wire-transferring these proceeds in the form of the digital currency Bitcoin to a person who Church had never met, but believed to be the musician “Kid Rock.” In one personal checking account alone, Church received approximately 70

deposits totaling approximately \$102,000 in fraudulently obtained pandemic-related UI benefits payments intended for approximately 40 different people.

This is a joint investigation with the FBI. *United States v. Cynthia Church* (W.D. Arkansas)  
**Florida Woman Convicted of Racketeering Conspiracy Involving the Forced Labor of Mexican Agricultural H-2A Workers**

On April 6, 2022, Christina Gamez pled guilty to a federal racketeering conspiracy, which victimized Mexican agricultural workers admitted to the United States under the H-2A temporary visa program.

Gamez worked as a bookkeeper, manager, and supervisor for Los Villatoros Harvesting (LVH), a labor contracting company employing Mexican H-2A workers harvesting fruits and vegetables in Florida, Kentucky, Indiana, Georgia, and North Carolina. The investigation revealed that Gamez conspired with LVH's owner and others to commit racketeering offenses, including subjecting H-2A workers to forced labor, harboring, visa fraud, and fraud in foreign labor contracting. Gamez admitted that she and her co-conspirators used coercive means to obtain thousands of hours of physically demanding agricultural labor from the victimized H-2A workers, all for lesser pay. The coercive means used included confiscating the workers' passports; subjecting the workers to crowded, unsanitary, and degrading living conditions; isolating the workers and limiting their ability to interact with anyone other than LVH employees; and subjecting workers to debt manipulation. Gamez also admitted that, while working for LVH, she knowingly prepared and sent falsified records to federal investigators to conceal aspects of the criminal enterprise.

This is a joint investigation with the Palm Beach County Human Trafficking Task Force (including the FBI, the HSI, and the Palm Beach County Sheriff's Office), and DSS. *United States v. Moreno et al* (M.D. Florida).

**Georgia Woman Pled Guilty to Conspiracy and Embezzlement from a Labor Union in Washington, D.C.**

On May 5, 2022, Melba Norris pled guilty to conspiracy and theft from a labor organization for her participation in a scheme to defraud the Service Employees International Union (SEIU) in Washington, DC, of more than \$500,000 with her co-conspirator, a former SEIU Operations Manager of the Property Services Division.

Between November 2015 and October 2017, the co-conspirator used her position as the SEIU Operations Manager, and specifically her access to an SEIU credit card and travel booking platforms, to embezzle approximately \$503,000 from SEIU. Norris participated in the fraud by helping her co-conspirator embezzle funds from the union.

In addition to the union embezzlement scheme, the co-conspirator used the SEIU credit card to pay approximately \$60,000 in fake invoices to fictitious companies created and controlled by Norris. She then kicked back approximately \$29,000 of the embezzled proceeds to her co-conspirator. Additionally, the co-conspirator used the SEIU credit card to purchase approximately \$204,000 in gift cards for personal use, including at various stores located in Virginia, Maryland, the District of Columbia, and online. To justify and conceal these unauthorized payments, the co-conspirator submitted fabricated receipts to SEIU claiming that the purchases were for official purposes. Norris facilitated a portion of this

fraud by distributing \$11,700 worth of unauthorized gift cards into the accounts of the fictitious companies under Norris's control.

This is a joint investigation with the Office of Labor-Management Standards. *United States v. Melba Norris* (District of Columbia)