



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.

## **Georgia Resident Pled Guilty to Defrauding the Illinois Department of Employment Security of More Than \$4 Million**

On June 8, 2022, Olushola Afolabi pled guilty to conspiracy to commit wire fraud in furtherance of a scheme to defraud the Illinois Department of Employment Security of more than \$4 million in state and federal unemployment insurance (UI) benefits.

From September 2020 through July 2021, Afolabi and co-conspirators orchestrated a scheme to file fraudulent UI claims using stolen identities, which were often associated with elderly Illinois residents. The co-conspirators opened Green Dot bank accounts using the stolen identities for the sole purpose of having fraudulent UI proceeds deposited into them. Afolabi and his co-conspirators then used the Green Dot debit cards to withdraw cash and purchase money orders made out to themselves and to an online vehicle auction company. Afolabi and his co-conspirators then laundered the UI funds by using the money orders to purchase salvaged automobiles in the United States which they then shipped to Nigeria. Afolabi also facilitated the transfer of conspiracy proceeds to overseas bank accounts in Nigeria.

This is a joint investigation with the U.S. Secret Service.  
*United States v. Olushola Afolabi, et al.* (N.D. Alabama)

## **Maryland Man Pled Guilty for Role in \$2.7 Million Pandemic-Related Unemployment Insurance Fraud Scheme Involving More Than 600 Victims**

On July 13, 2022, Sylvester Atekwane pled guilty to conspiracy to commit wire fraud for his role in a \$2.7 million pandemic-related UI fraud scheme that involved more than 600 victims. As part of his guilty plea, he will be required to pay \$250,000 in restitution.

From February 2020 to February 2021, Atekwane and others collected the names, dates of birth, and social security numbers of victims in order to impersonate those victims and submit fraudulent UI benefit claims using their identities. In at least one instance, Atekwane used his position as a caregiver to unlawfully access victims' personally identifiable information to fraudulently obtain UI benefits.

As part of the scheme, Atekwane notified co-conspirators once UI debit cards were received at his address or at nearby apartments. He and others then collected the UI prepaid debit cards, activated them, and withdrew cash from ATMs using the debit cards. Throughout the scheme, at least \$150,000 in fraudulently obtained UI benefits from 61 victims were sent directly to Atekwane's address or to nearby apartments.

This is a joint investigation with the U.S. Postal Inspection Service (USPIS), Homeland Security Investigations (HSI), and the U.S. Department of Treasury-OIG. *United States v. Sylvester Atekwane* (D. Maryland)

### **Former Federal Employee Pled Guilty to \$2 Million Unemployment Insurance Fraud Scheme**

In July 2022, Heather Huffman, who is a former registered nurse with the U.S. Department of Veterans Affairs (VA), and several co-conspirators, pled guilty to participating in a conspiracy to defraud multiple state workforce agencies (SWAs) of COVID-19 pandemic UI benefits. Heather Huffman, Sheldon Huffman, Anthowan Daniels, and Dorothea Rosado pled guilty to conspiracy to commit mail and wire fraud. Additionally, Heather Huffman, Sheldon Huffman, and Rosado pled guilty to aggravated identity theft. Daniels pled guilty to being a felon in possession of a firearm because a firearm was discovered in a car operated by him during the execution of a search warrant in this case.

From April 2020 through at least March 2021, Heather Huffman worked with Sheldon Huffman, Daniels, and Rosado to defraud the Virginia Employment Commission, the Washington State Employment Security Department, and the California Employment Development Department (EDD) by submitting false and misleading UI applications in the names of identity theft victims and inmates of various correctional facilities. Once the fraudulent UI applications were approved, the co-conspirators would file weekly false certifications of unemployment status, resulting in the receipt of additional UI benefits from the SWAs. The co-conspirators then received and shared the prepaid debit cards containing the fraudulently received UI benefits.

During the course of the conspiracy, Huffman used VA assets to further the scheme by using her work computer to submit the false UI applications to SWAs. In total, Huffman and co-conspirators fraudulently obtained over \$2 million in UI benefits intended for unemployed workers.

This is a joint investigation with the VA-OIG. *United States v. Huffman, et al.* (E.D. Virginia).

### **California Defendants Sentenced in Unemployment Fraud Investigation**

On June 17, 2022, Sevak Mehrabian was sentenced to 101 months in prison, and on July 20, 2022, Viken Malakian was sentenced to 61 months in prison for their involvement in a pandemic-related UI fraud scheme. Malakian and Mehrabian were also ordered to pay joint restitution of more than \$1.3 million.

In October 2020, both Malakian, possessing approximately 20 California EDD UI debit cards, a foldable knife, and more than \$17,000 in cash, and Mehrabian, possessing approximately 16 UI debit cards, ATM receipts showing more than \$2,000 in withdrawals, and more than \$14,000 in cash, attempted to tamper with an ATM using the UI debit cards, many of which had the pin numbers written in black marker across the front. Inside a vehicle parked close to the ATM, Malakian and Mehrabian possessed more than 40 additional UI debit cards in other names along with ATM receipts.

Between August 2020 and October 2021, both Malakian and Mehrabian knowingly possessed with intent to defraud more than 80 debit card account numbers and means of identification which belonged to persons other than the defendants. Both individuals traveled to ATMs across Los Angeles County and made cash withdrawals using the UI debit cards.

This is a joint investigation with the USFIS. *United States v. Mehrabian et.al.* (C.D. California)

### **Nigerian National Sentenced in Maryland to 96 Months in Prison for Pandemic-Related Unemployment Insurance and Elder Fraud Schemes**

On July 12, 2022, Oluwaseyi Akinyemi, who is also known as “Paddy Linkin” and “Joseph Kadin”, was sentenced to 96 months in prison for his role in a pandemic-related UI fraud scheme and a separate advance-fee fraud scheme that targeted elderly victims via social media. Akinyemi was also ordered to pay more than \$486,000 in restitution to his victims.

Beginning in 2020, Akinyemi and his co-conspirators filed fraudulent UI claims under the names of living and deceased victims. They used Akinyemi’s Maryland residence and the home address of a client for whom Akinyemi provided at-home nursing care, as the mailing addresses to receive the UI debit cards associated with the fraudulent claims. In total, Akinyemi and his co-conspirators used the identities of 19 individuals to file fraudulent UI claims with multiple states, including Maryland, with an intended loss of \$250,000.

In a separate scheme, from July 2018 to April 2019, Akinyemi and at least 1 co-conspirator engaged in an elder fraud scheme. He and his co-conspirators targeted elderly victims on social media platforms and impersonated the victims’ friends in order to convince the victim to send money. As part of the scheme to defraud, they presented themselves as agents of real and fictitious government programs that offered supposed financial benefits to qualifying individuals.

This is a joint investigation with HSI. *United States v. Oluwaseyi Akinyemi* (D. Maryland)

### **Two Members of “Robles Park” Criminal Enterprise Sentenced for Their Roles in a Pandemic Unemployment Insurance Fraud Scheme**

In June 2022, two members of the Robles Park criminal enterprise, who previously entered guilty pleas, were sentenced. Tywon Spann aka “Weez” was sentenced to 81 months in prison after pleading guilty to racketeering conspiracy in furtherance of a criminal enterprise, conspiracy to commit fraud, aggravated identity theft, use of one or more unauthorized access devices, and possession of 15 or more unauthorized access devices. Eriaius Bentley was sentenced to 12 months and 1 day in prison following a previous guilty plea to conspiracy to commit fraud and aggravated identity theft. Robles Park is a criminal organization whose members and associates engaged in acts involving murder, assault, intimidation, narcotics trafficking, access device fraud, identity theft, obstruction of justice, and other crimes.

Spann, Bentley, and others conspired to conduct and participate in the criminal enterprise through a pattern of racketeering activity to include narcotics trafficking, wire fraud, and identity theft. In pleading guilty, Spann and Bentley admitted to unlawfully obtaining the personally identifiable information (PII) of others in order to submit false applications for UI benefits. More than \$420,000 in UI benefits were paid

to Robles Park members in the form of bank debit cards issued in the names of victims who did not give permission to use their PII.

This is a joint investigation with the Federal Bureau of Investigation (FBI) and the Tampa Police Department. *United States v. Tywon Spann* (M.D. Florida), *United States v. Eriaius Bentley* (M.D. Florida)

### **YouTube Rapper Pled Guilty to Unemployment Insurance Fraud**

On July 6, 2022, YouTube rapper Fontrell Antonio Baines, who is also known as "Nuke Bizzle", pled guilty to mail fraud charges related to his role in a pandemic-related UI fraud scheme. Baines also pled guilty to unlawful possession of a firearm and ammunition by a convicted felon.

From July to September 2020, Baines assisted in executing a scheme to submit, or cause to be submitted, fraudulent UI benefit applications in the names of others, to include identity theft victims. Baines utilized addresses he had access to in Beverly Hills and Los Angeles to take possession of and use the fraudulently obtained California EDD UI debit cards. This scheme caused more than 90 fraudulent Pandemic Unemployment Assistance claims to be filed with EDD. Baines' scheme resulted in attempted losses that exceeded \$1 million and actual losses of more than \$700,000.

Baines also bragged about his ability to defraud the EDD in a music video posted on YouTube and in postings on his Instagram account. He even used the fraudulently obtained UI debit cards in a music video called "EDD" and boasted about the scheme.

This is a joint investigation with the USPIS. *United States v. Baines* (C.D. California)

### **Washington State Employee Pled Guilty to Stealing Pandemic Unemployment Benefits in Exchange for Kickbacks**

On June 22, 2022, Reyes De La Cruz, who was a former employee of the Washington Employment Security Department (ESD), pled guilty to charges of wire fraud, bribery by an agent of an organization receiving federal funds, and aggravated identity theft for his role in a scheme to exploit the ESD and to fraudulently distribute more than \$300,000 in pandemic-related UI benefits.

Between July 2020 and March 2021, De La Cruz used his access to the ESD UI claims database to defraud the benefits system in multiple ways. In at least 10 instances, he accepted bribes in exchange for fraudulently facilitating UI benefits payments for his friends, family, or acquaintances by making false entries into the claims database. In many cases, the individual did not qualify for UI benefits, but De La Cruz manipulated the claims database so the claimants received lump-sum retroactive payments that sometimes amounted to tens of thousands of dollars. The claimants then paid him a portion of the lump sum ranging from \$500 to \$6,500. In total, De La Cruz received approximately \$20,000 in kickback payments.

This is a joint investigation with the FBI. *United States v. De La Cruz*, (W.D. Washington)

## Mail Carrier Pled Guilty to Stealing Unemployment Insurance Funds

On July 11, 2022, Stephen Glover, who was a former U.S. Postal Service (USPS) mail carrier, pled guilty to mail fraud and theft by an officer or employee. He participated in a scheme to steal more than \$250,000 in UI funds by making false claims of COVID-19 related job losses and stealing UI debit cards intended for other people on his mail route.

From August 2020 to June 2021, Glover and his co-conspirators defrauded the California EDD out of COVID-related UI funds by fraudulently applying for UI benefits. He provided a co-conspirator with addresses on his mail route, which they would use as mailing addresses on fraudulent UI applications filed with EDD. Based on the fraudulent claims, EDD mailed UI debit cards to the addresses listed on the applications. After EDD mailed the UI debit cards to those addresses, Glover intercepted the mail containing the UI debit cards. Glover admitted to withdrawing thousands of dollars in cash from ATMs and stealing more than 40 pieces of mail.

This is a joint investigation with the USPS-OIG and the California EDD. *United States v. Glover et al.* (C.D. California).

## Tampa Man Sentenced in Maryland to More Than 65 Months in Prison in Scheme to Fraudulently Obtain Unemployment Insurance Benefits

On June 7, 2022, Christopher Guy, of Tampa, Florida, was sentenced in Maryland to 65 months in prison following his conviction on charges of conspiracy to commit wire fraud, mail fraud, and aggravated identity theft for his role in a pandemic-related UI fraud scheme. Guy was also ordered to pay more than \$176,000 in restitution.

Beginning in May 2020, Guy and his co-conspirators submitted fraudulent applications to multiple state workforce agencies (SWAs), using the personally identifiable information of identity theft victims. They claimed UI benefits to which they were not entitled. Based on the fraudulent applications, the SWAs disbursed UI benefits through debit cards issued in the names of the identity theft victims. The UI debit cards were mailed to addresses in Maryland and other locations accessible to Guy and his co-conspirators. Guy and his co-conspirators then used the UI debit cards to withdraw money and conduct retail transactions for their own personal benefit. The scheme was discovered when Guy used a UI debit card in the name of an identity theft victim to purchase a laptop computer. In total, Guy used the identities of 16 identity theft victims to file fraudulent UI claims, which caused an actual loss of more than \$175,000.

This is a joint investigation with the USFIS and the Howard County (MD) Police Department. *United States v. Christopher Guy* (D. Maryland)

## Former Washington, D.C. Union Officer Pled Guilty to More Than \$500,000 Embezzlement Scheme

On July 1, 2022, Attia Little, the former Operations Manager of the Property Services Division of the Service Employee International Union (SEIU) in Washington, D.C., pled guilty to conspiracy and theft from a labor organization for her role in multiple schemes to defraud the union of more than \$500,000.



Between November 2015 and October 2017, Little used her position as the SEIU Operations Manager, and specifically her access to an SEIU credit card and travel booking platform, to embezzle approximately \$503,000 from the union. Little used the credit card to pay approximately \$60,000 in fake invoices to fictitious companies created and controlled by Melba Norris, a convicted co-defendant in the case. Norris then kicked back approximately \$29,000 of the embezzled proceeds to Little. Additionally, Little used the credit card to purchase personal items, such as baby items, items for parties hosted at her residence, travel, furniture, watches, clothing, video games, and gift cards. To justify and conceal these unauthorized payments, Little submitted fabricated receipts to SEIU, falsely claiming that the purchases were for official union purposes. In May 2022, Norris pled guilty to conspiracy and theft from a labor organization for her participation in the scheme.

This is a joint investigation with the DOL-Office of Labor-Management Standards (OLMS). *United States v. Attia Little* (District of Columbia)

### **Former Illinois State Senator Sentenced for Fraudulently Receiving Salary and Benefits from Labor Union**

On June 21, 2022, Thomas E. Cullerton, a former Illinois State Senator, was sentenced to 12 months in prison and ordered to pay more than \$245,000 in restitution for fraudulently receiving salary and benefits from Teamsters Joint Council 25.

In early 2013, Cullerton was hired as a purported union organizer and remained on the payroll until February 2016. For approximately 3 years, while serving as a state senator, he was compensated by the Teamsters Joint Council 25 with a salary, monthly allowances for his car and cellular phone, annual bonuses, and union-sponsored pension and health benefits. Cullerton admitted he performed little or no work during those 3 years. He fraudulently obtained approximately \$169,000 in salary and bonuses, approximately \$57,000 in health and pension contributions, and approximately \$21,000 in reimbursed medical claims from Teamsters Joint Council 25 and its members.

This is a joint investigation with the FBI. *United States v. Thomas E. Cullerton (N.D. Illinois)*

### **Former Carpenters' Benefit Plan Administrator Admits Embezzling \$140,000**

On June 3, 2022, George R. Laufenberg, who was the former administrative manager of the Northeast Carpenters Pension Fund (the Fund), pled guilty to embezzlement, making false statements, and defrauding the fund of approximately \$140,000.

Laufenberg, who was a fiduciary and participant in the Fund, admitted to stealing \$140,000 that was paid to him under a deferred compensation agreement to which he was not entitled. Laufenberg also made false statements on a form required under the Employee Retirement Income Security Act that he filed with DOL on behalf of the pension fund.

This is a joint investigation with the DOL-Employee Benefit Security Administration (EBSA) and Port Authority of New York/New Jersey. *United States v. George L. Laufenberg* (D. New Jersey).

## **United Auto Workers Local 412 Financial Secretary Treasurer Sentenced to 57 Months in Prison for Embezzlement and Money Laundering**

On July 26, 2022, Timothy Edmunds, a former United Auto Workers (UAW) Local 412 Financial Secretary-Treasurer, was sentenced to 57 months in prison and ordered to pay approximately \$2 million in restitution and approximately \$1 million in fines based on his convictions for embezzling union funds and laundering the proceeds.

Edmunds admitted he embezzled approximately \$2 million from UAW Local 412 and laundered it through a secondary bank account he personally controlled. He used the embezzlement proceeds to gamble and to purchase luxury clothing, firearms, cocaine, and high-end automobiles. In an effort to conceal his embezzlement, Edmunds provided fake bank statements to international UAW auditors and caused false labor management reports to be filed with DOL.

This is a joint investigation with the FBI, DOL-OLMS, and the Internal Revenue Service-Criminal Investigations. *United States v. Timothy Edmunds* (E.D. Michigan)

## **Union Attorney Sentenced for Obstructing a DOL Investigation**

On July 8, 2022, Charles Johnston, who is a former attorney for the Plumbers and Pipefitters Labor Union Plans, was sentenced to 12 months of probation and a \$50,000 fine. In November 2021, he was convicted following a 4-day trial of obstructing a DOL investigation regarding the administration of the Plumbers and Pipefitters Local 520 Pension Plan.

In September 2014, DOL served a subpoena for records on the union's pension plan in connection with an investigation it was conducting into the pension plan's financial activities. Johnston informed the DOL investigator that, as the attorney for the pension plan, he would produce the records. Johnston concealed and withheld emails and documents related to an internal audit of the union's pension plan from DOL. The audit findings, which Johnston received through a series of meetings and email communications, reported miscalculations of both pension and health and welfare benefits. When DOL asked whether he had produced all the requested documents, Johnston lied and stated he had done so.

This is a joint investigation with the DOL-EBSA and the FBI. *United States v. Charles Johnston* (M.D. Pennsylvania)

## **Defendant Sentenced for Assaulting DOL-OIG Special Agents**

On June 27, 2022, Cedric Duval was sentenced to 21 months in prison and 3 years supervised release for forcibly assaulting two DOL-OIG Special Agents while in custody and being transported to a federal courthouse in Los Angeles, CA.

During a vehicle transport, Duval unbuckled his seatbelt, repeatedly and forcibly kicked agents in the face, head, back, arm, and shoulders, and he was verbally abusive.

*United States v. Duval*, (C.D. California)