



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

# OIG Investigations Newsletter

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## **Miami Man Sentenced to 9 Years in Prison for Role in Pandemic Unemployment Insurance and Elder Fraud Schemes**

On January 19, 2023, Medard Ulysse was sentenced to 108 months in prison for his role in multiple fraud schemes, including a pandemic-related unemployment insurance (UI) fraud scheme and a separate elder abuse fraud scheme, which resulted in combined losses of more than \$3 million.

From April 2020 to November 2020, Ulysse and his co-conspirators used the identities of numerous victims to submit fraudulent UI claims to multiple state workforce agencies (SWA), including the Maryland Department of Labor (MD DOL) and the California Employment Development Department (EDD). MD DOL and other SWAs then disbursed UI benefits through debit cards issued in the victims' names and mailed them to addresses provided in the applications, which were locations accessible to Ulysse and other co-conspirators. Once Ulysse and other co-conspirators obtained the UI debit cards, they used the funds for their personal benefit. In total, Ulysse and his co-conspirators submitted at least 143 fraudulent applications in the names of identity theft victims and obtained more than \$618,700 in fraudulent UI benefits.

Additionally, from January 2018 to November 2019, Ulysse and others executed an elder fraud scheme, in which they persuaded elderly victims to send thousands of dollars by impersonating an official, such as a police officer, lawyer, or other person in law enforcement. They convinced the victims that their grandchildren needed money for bail or legal fees. As a result of the elder fraud scheme, Ulysse and his co-conspirators convinced at least 83 different victims to send a total of at least \$2,420,000.

This is a joint investigation with the Federal Bureau of Investigation (FBI). *United States v. Ulysse* (D. Maryland)

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.

## **YouTube Rapper Sentenced to 77 Months in Prison for Role in Unemployment Insurance Fraud Scheme**

On December 7, 2022, YouTube rapper Fontrell Antonio Baines, who is also known as "Nuke Bizzle", was sentenced to 77 months in prison and was ordered to pay more than \$700,000 in restitution. He previously pled guilty to mail fraud charges related to his role in a pandemic-related UI fraud scheme.

From at least July 2020 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 which he had access to in Beverly Hills and Los Angeles, CA to take possession of and use fraudulently obtained EDD UI debit cards. This scheme caused more than 90 fraudulent Pandemic Unemployment Assistance (PUA) claims to be filed with EDD, resulting in attempted losses of more than \$1.2 million and actual losses of at least \$700,000. Baines bragged about his ability to defraud the EDD in a music video posted on YouTube and in postings on his Instagram account. In the music video called "EDD", he boasted about using the fraudulently obtained debit cards and getting rich quickly.

This is a joint investigation with the United States Postal Inspection Service (USPIS) and California EDD. *United States v. Baines* (C.D. California)

## **Detroit Man Sentenced to 63 Months in Prison for his Role in a Multi-State Unemployment Insurance Fraud Scheme**

On December 20, 2022, Daeshawn Posey was sentenced to 63 months in prison for his participation in a multi-state UI fraud scheme. Posey was ordered to pay restitution of approximately \$521,000 to the States of California, Michigan, Louisiana, Nevada, and Arizona, along with more than \$43,000 in restitution to the Small Business Administration, United States Postal Service (USPS), and to an identity theft victim.

Beginning in May 2020 and continuing through July 2021, Posey and co-conspirators, were collectively responsible for the submission of over 240 fraudulent UI claims to more than 20 states and territories. The fraudulent claims were filed using the co-conspirators' names and PII, along with the PII of individuals who were unaware their PII was being used to file UI claims. Once the claims were filed, the UI benefits were either loaded onto pre-paid debit cards and mailed via USPS to addresses controlled by the co-conspirators, or electronically deposited into bank accounts they controlled. As a result of the scheme, they fraudulently obtained more than \$2.2 million in UI benefits.

Also, from approximately October 2019 through December 2019, Posey conspired with multiple individuals to defraud the USPS. They conspired to submit more than 1,000 Domestic Indemnity Insurance claims in the names of more than 40 individuals. As a result of the scheme, Posey and co-conspirators fraudulently obtained more than \$200,000 in USPS insurance payments.

This is a joint investigation with the FBI, USPS-Office of Inspector General (USPS-OIG), and the State of Michigan UI Agency (SOM-UIA). *United States v. Daeshawn Tamar Posey* (E.D. Michigan)

## **Bronx Man Sentenced To 40 Months in Prison for Role in Pandemic Related Unemployment and Tax Fraud Schemes**

On January 3, 2023, Juan Carlos Castro Gonzalez was sentenced to 40 months in prison and was ordered to pay more than \$570,000 in restitution. He previously pled guilty for his role in a pandemic-related UI and tax fraud scheme. The UI fraud scheme resulted in more than \$500,000 in actual losses and over \$3.3 million in intended losses.

From July 2019 to August 2021, Castro Gonzalez worked with others to obtain fraudulent tax refunds and Economic Impact Payments from the Internal Revenue Service (IRS), which were benefits provided by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Additionally, between June 2020 and August 2021, he worked with others to fraudulently obtain CARES Act UI benefits. In furtherance of the scheme, Castro Gonzalez submitted eligibility certifications to the New York State DOL for UI benefit applications that had been fraudulently submitted using the names and Social Security numbers of victims who were unaware that such applications had been submitted using their personal information. Once the applications were approved, the funds were sent to specified bank accounts or to pre-paid debit cards, at least some of which were controlled and received by Castro Gonzalez.

This is a joint investigation with the IRS and the USPIA. *United States v. Juan Carlos Castro Gonzalez* (S.D. New York)

## **Michigan Man Sentenced for Role in Using Identities of Prison Inmates to File Fraudulent Unemployment Claims**

On December 2, 2022, Terrell Mason was sentenced to 57 months in prison and was ordered to pay approximately \$423,000 in restitution for his role in an 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. Mason previously pled guilty to committing wire fraud and aggravated identity theft for filing fraudulent UI claims.

Mason used the identities of inmates in the custody of the Federal Bureau of Prisons and the Michigan Department of Corrections, knowing they were ineligible for such benefits. He obtained the PII from the inmates themselves based on his representations that he would help repair their credit. Mason also purchased inmates' PII from websites on the dark web. His filing of fraudulent UI claims, and subsequent false verification of the inmates' continued eligibility for benefits, caused the SOM-UIA to continue making benefit payments to the fraudulent accounts.

This is a joint investigation with the SOM-UIA-Fraud Investigation Unit and the FBI. *United States v. Terrell Dwayne Mason* (E.D. Michigan)

## **Former Mail Carrier and Co-Conspirator Sentenced in Unemployment Fraud Scheme**

On December 12, 2022, Stephen Glover, a former USPS mail carrier, and Travis McKenzie were sentenced for their roles in a mail fraud scheme that involved fraudulently obtaining more than \$250,000 in UI benefits. Glover was sentenced to 41 months in prison and ordered to pay approximately \$151,000

in restitution. McKenzie was sentenced to 41 months in prison and ordered to pay approximately \$448,000 in restitution. From August 2020 to June 2021, Glover and McKenzie defrauded the EDD out of hundreds of thousands of dollars of COVID-related UI funds by fraudulently applying for UI benefits. Glover provided McKenzie with addresses on his mail route, which were then used as mailing addresses on the fraudulent UI applications filed with EDD using stolen identities. Based on the fraudulent claims, EDD mailed out pre-loaded UI debit cards to the addresses listed on the applications and Glover would then intercept the mail containing the cards. In total, Glover admitted to stealing approximately 40 pieces of mail with an attempted loss of more than \$270,000. McKenzie admitted to possessing more than 300 pieces of stolen mail with an attempted loss of more than \$570,000. Both Glover and McKenzie admitted to withdrawing thousands of dollars of fraudulently obtained UI funds in cash from ATMs.

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

### **Baton Rouge Woman Sentenced for Wire Fraud and Aggravated Identity Theft in Connection with Unemployment Insurance and Disaster Unemployment Assistance Fraud Schemes**

On December 15, 2022, Shawnda Augustus, of Baton Rouge, Louisiana, was sentenced to 75 months in prison and ordered to pay approximately \$361,000 in restitution, following convictions of wire fraud and aggravated identity theft related to her role in obtaining false PUA and Disaster Unemployment Assistance (DUA) benefits.

Beginning in March 2020 and continuing through at least January 2021, Augustus orchestrated a multi-state fraud scheme to obtain PUA benefits. She illegally obtained victims' PII to file fraudulent applications for PUA benefits in multiple states including, Louisiana, Arizona, Georgia, Tennessee, Hawaii, and Nebraska. Augustus received approximately \$123,000 in fraudulently obtained PUA benefits, which she then withdrew as cash. She used the money to pay for hotels, airline tickets, and purchases at restaurants and retail stores.

Additionally, as part of her guilty plea, Augustus also admitted that following a 2016 major disaster declaration for parts of Louisiana, she engaged in a scheme to defraud and illegally obtain money from the Federal Emergency Management Agency. She submitted or caused to be submitted approximately 40 fraudulent applications for DUA benefits to the Louisiana Workforce Commission in both her own name and in the names of victims without their knowledge or consent.

This is a joint investigation with the FBI. *United States v. Shawnda Rochelle Augustus* (M.D. Louisiana)

### **Former New York State Department of Labor Employee Sentenced for Role in Unemployment Insurance Fraud**

On December 5, 2022, former New York State Department of Labor (NYS DOL) employee Tramaine Pope was sentenced to 24 months of probation and ordered to pay more than \$310,000 in restitution to the NYS DOL after pleading guilty to theft from a federal program and admitting to abusing her position as a NYS DOL employee to fraudulently obtain pandemic-related UI benefits.

Report allegations of fraud, waste, and abuse concerning DOL programs and operations to the  
OIG hotline via 800-347-3756 or [www.oig.dol.gov](http://www.oig.dol.gov).

Pope worked as a senior employment security clerk with the NYS DOL on UI claims. Soon after commencing employment with NYS DOL, she used her position to create and approve more than \$310,000 in fraudulent UI applications. Pope received lists of names and PII from another individual and then used her access to NYS DOL systems to submit and approve fraudulent claims using the information she received.

This is a joint investigation with the USPIIS, Homeland Security Investigations (HSI), and the NYS DOL. *United States v. Tramaine Pope* (N.D. New York)

### **Detroit Man Sentenced for Role in Pandemic Unemployment Insurance Fraud Scheme**

On January 11, 2023, Keyon Fails was sentenced to 36 months in prison, ordered to forfeit approximately \$34,000 to the United States, with the determination of restitution deferred until April 11, 2023, for his role in a UI fraud scheme. The scheme defrauded multiple states and the U.S. Government of funds earmarked for PUA during the COVID-19 pandemic.

In furtherance of the scheme, Fails filed fraudulent UI claims using the PII of unwitting victims. He and his co-conspirators took several actions to defraud the PUA program when submitting the fraudulent claims, including creating email accounts to link with the UI claims, collecting mail associated with the UI claims (which contained pre-paid debit cards in which UI benefits had been deposited), and having the fraudulently obtained UI benefits deposited into bank accounts of which they had control.

This is a joint investigation with the FBI-Violent Gang Task Force. *United States v. Keyon Fails* (E.D. Michigan)

### **New Jersey Man Pled Guilty to Stealing California Unemployment Insurance Benefits**

On January 9, 2023, Eric Jaklitsch pled guilty to aggravated identity theft and wire fraud for his role in the filing of more than 180 fraudulent UI claims with the California EDD.

In furtherance of the scheme, Jaklitsch collected personally identifiable information (PII) of numerous identity theft victims and then used the stolen identities to file fraudulent UI claims with EDD. The filings falsely represented, among other things, that the claimants had recently lost employment or were unable to find employment due to the COVID-19 pandemic. Jaklitsch then requested that UI benefits be mailed to various addresses under his control, including his own mailing address in New Jersey. EDD debit cards, which contained UI benefits, were mailed to the addresses provided by him. Jaklitsch then activated the EDD debit cards and withdrew benefits he was not entitled to at ATMs throughout New York and New Jersey. The attempted loss due to his fraud scheme was \$7.5 million in UI benefits, with an actual loss of approximately \$3.4 million.

This is a joint investigation with the FBI and California EDD. *United States v. Jaklitsch* (E.D. California)



## Florida Man Sentenced to 118 Months in Prison for his Role in Racketeering Conspiracy Involving Forced Labor

On December 28, 2022, Bladimir Moreno was sentenced for his role in leading a federal racketeering and forced labor conspiracy that victimized Mexican agricultural workers admitted to the United States under the H-2A temporary visa program. He was sentenced to 118 months in prison and was ordered to pay restitution of more than \$170,000 to the victims.

Moreno was the owner and manager of Los Villatoros Harvesting (LVH), a labor contracting company that employed Mexican H-2A workers to harvest fruits and vegetables in Florida, Kentucky, Indiana, Georgia, and North Carolina. Through his business, he conspired with others to commit racketeering offenses, including subjecting H-2A workers to forced labor, harboring, visa fraud, and fraud in foreign labor contracting. Moreno and his co-conspirators used coercive means to obtain thousands of hours of physically demanding agricultural labor from victimized H-2A workers, all for less pay than required by law. The coercive means used included confiscating the workers' passports; subjecting the workers to crowded, unsanitary, and degrading living conditions; isolating the workers; limiting their ability to interact with anyone other than LVH employees; and subjecting workers to debt manipulation. In order to conceal aspects of the criminal enterprise, he provided false statements and information to federal investigators and directed his employees to do the same.

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

## Wisconsin Businessman Pled Guilty to Making False Statements Concerning Employment of H-2B Workers

On January 13, 2023, Alfredo Aguilar pled guilty to a conspiracy involving material false statements made to the DOL and U.S. Citizenship and Immigration Services concerning H-2B workers hired to perform forestry work in the United States.

Aguilar co-owned and operated Northwoods Forestry located in Eleva, Wisconsin. Between December 2016 and June 2018, he and co-conspirators made false statements under oath and attestations representing that individuals recruited as H-2B visa workers would be employed in the forestry industry in Maine and New Hampshire. Aguilar placed H-2B workers with non-forestry employers, including meat packing, construction, roofing, agriculture, painting, fur processing, and landscaping businesses. The investigation revealed that the H-2B workers' pay was improperly garnished for travel, subsistence, and equipment costs. Additionally, the H-2B workers were not paid the correct prevailing wage for the occupations they worked in and their hours and hourly rate reported to the DOL were manipulated.

This is a joint investigation with the DOL–Wage and Hour Division and the U.S. Department of State–Bureau of Diplomatic Security. *United States v. Alfredo Aguilar* (W.D. Wisconsin)