

Department of Justice
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Eastern District of Michigan

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Former Claims Examiner for Michigan Unemployment Agency Pleads Guilty In COVID-19 Fraud Scheme

DETROIT – A former unemployment examiner for the Michigan Unemployment Insurance Agency (MUIA) pleaded guilty today to conspiring to steal federal unemployment insurance benefits during the Covid-19 pandemic, United States Attorney Dawn N. Ison announced today.

Ison was joined in the announcement by Irene Lindow, Special Agent in Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General, and Acting Special Agent in Charge Charles Miller, Internal Revenue Service, Criminal Investigation Division in Detroit.

According to court documents, Semaje Reffigee, 26, of Detroit, began working as a contract unemployment insurance examiner with the MUIA in October 2020. In this position, she had electronic access to the MUIA claims database. Reffigee was able to use her credentials to access and approve specific fraudulent unemployment insurance claims submitted to the agency, including claims outside her assigned workflow.

Court documents indicate that shortly after she began her contract employment with MUIA, Reffigee entered into an agreement with various individuals to defraud the MUIA by obtaining unemployment benefits through the submission of false claims. Reffigee's co-conspirators would electronically submit fraudulent claims to MUIA in the names of various individuals, some of whom would be victims of identity theft and some of whom were entirely fictitious people. These co-conspirators made false statements in the applications attesting to the eligibility of these purported claimants and would upload fictitious documentation to support those fraudulent claims. The co-conspirators would then communicate with Reffigee, either directly or through intermediaries, and identify the claims that they had submitted. Reffigee would then use her insider access to the MUIA system to approve the claims and release benefits. Most of the time, benefits would be electronically loaded onto Bank of America debit cards and mailed to addresses controlled by Reffigee's co-conspirators. Reffigee was often paid a "kickback" for her services, typically receiving a few hundred dollars per claim. Reffigee herself also unlawfully received approximately \$9,000 in unemployment insurance benefits during the course of her employment with MUIA.

U.S. Attorney Ison stated, "This case reflects our ongoing commitment to prosecute those who took advantage of the Covid-19 pandemic by stealing funds intended for those in need. We treat this kind of fraud especially seriously because corruption within these programs undermines trust and confidence in government programs generally."

"Semaje Reffigee was a state contract employee who was trusted to handle sensitive employment information. She abused her position for personal gain by using her access to state data systems to approve fraudulent UI claims submitted by her co-conspirators. Many of the fraudulent claims used the personally identifiable information of identity theft victims. Protecting the integrity of the unemployment insurance program remains one of our highest priorities. We will continue to work with our law enforcement partners to safeguard unemployment benefits for those who need them and to bring to justice those who commit unemployment insurance fraud," said Irene Lindow, Special Agent in Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General.

“Semaje Reffigee was entrusted to work for the State of Michigan. She, along with her co-conspirators, devised a scheme to steal money that was intended to provide financial assistance to those in need during the COVID-19 pandemic,” said Charles Miller Acting Special Agent in Charge, IRS-Criminal Investigation Detroit Field Office. “IRS-CI is proud to work with our law enforcement partners as we continue the pursuit of criminals who steal from the American taxpayer.”

Reffigee pleaded guilty before U.S. District Judge Matthew F. Leitman. She is scheduled to be sentenced on July 13, 2023. She faces a maximum of twenty years in prison, and a fine of up to \$250,000. Per the terms of her plea agreement, Reffigee will also be required to repay \$313,497 in restitution to the State of Michigan.

The case is being prosecuted by Assistant U.S. Attorneys Ryan A. Particka and Sarah Youngblood.

This investigation is being conducted jointly by the U.S. Department of Labor Office of the Inspector General and the Internal Revenue Service Criminal Investigation, with assistance from the Michigan Unemployment Insurance Agency.

Topic(s):

Coronavirus

Financial Fraud

Component(s):

USAO - Michigan, Eastern

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