

PRESS RELEASE

Smyrna resident sentenced for \$3.3 million multi-state covid-19 Unemployment Insurance fraud scheme

Friday, March 31, 2023

For Immediate Release

U.S. Attorney's Office, Northern District of Georgia

ATLANTA - Rowlando Hatter, Jr. has been sentenced for conspiring to submit false claims for COVID-related Unemployment Insurance benefits using the personal identifying information of more than 100 victims and causing state workforce agencies in five states to pay a combined \$3,300,000 in fraudulently obtained benefits.

"The CARES Act provided vital assistance to unemployed Americans at the height of the pandemic," said U.S. Attorney Ryan K. Buchanan. "Hatter diverted funds from this federal program and removed potential assistance crucial for citizens fighting to survive and to support their families."

"Rowlando Hatter Jr. engaged in a scheme with his co-defendant, Clyde Parker Jr., to defraud multiple state workforce agencies, including the California Employment Development Department, by filing Unemployment Insurance (UI) claims in the names of unwitting individuals to fraudulently obtain UI benefits. We will continue to work with our law enforcement partners to safeguard the UI system from those who exploit these benefit programs," said Mathew Broadhurst, Special Agent-in-Charge, Southeast Region, U.S. Department of Labor Office of Inspector General.

"It is disgraceful that unscrupulous individuals used a public health emergency and global pandemic for their own financial gain," said HSI Atlanta Special Agent in Charge Katrina Berger. "HSI and our partners will continue to work diligently to prevent these crimes and hold the criminals accountable."

"The defendant took advantage of a federal program designed to provide relief to those

who were in need of economic assistance,” said Tommy D. Coke, Inspector in Charge of the Atlanta Division of the U.S. Postal Inspection Service. “The sentencing demonstrates our commitment to investigate and bring to justice individuals that choose to defraud others for their own financial gain.”

According to U.S. Attorney Buchanan, the charges and other information presented in court: The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was signed into law on March 27, 2020. The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways. One way was the inclusion of a provision that provided temporary benefits for individuals who had exhausted their entitlement to regular Unemployment Insurance (“UI”) benefits. The Act also aided those who were ineligible for regular UI payments and were self-employed or had limited recent work history. Individuals applied for regular and pandemic-related UI benefits by submitting an online application to their state workforce agency.

Rowlando Hatter obtained the personal identifying information (“PII”) of unwitting victims. He used that information on applications that fraudulently requested COVID-related UI benefits. Hatter electronically submitted those applications to several states, including Georgia, California, Arizona, Maryland, and Michigan.

The state workforce agencies paid approved claims by issuing debit cards that were mailed to addresses in the metro-Atlanta area and in Michigan, and that were controlled by Hatter and co-conspirator Clyde Parker. Some of those addresses included UPS mailboxes opened by Hatter and Parker. Hatter and Parker used the debit cards at various ATMs to withdraw cash. Hatter kept the proceeds after paying Parker a fee.

As a result of the scheme, more than 200 claims were submitted to the various state workforce agencies between May 2020 and October 2020 using the PII of approximately 124 individuals who had no knowledge of the fraud. In total, the state workforce agencies paid approximately \$3,300,000 on the bogus claims submitted in this fraud scheme.

Rowlando Hatter Jr., 32, of Smyrna, Georgia, has been sentenced by U.S. District Judge Steve C. Jones to five years, nine months in prison to be followed by three years of supervised release. Judge Jones also ordered Hatter to pay restitution in the amount of \$2,930,410.50. Hatter was convicted of conspiracy to commit mail and wire fraud, and aggravated identity theft, after pleading guilty to those charges on December 13, 2022.

Clyde Parker, 32, of Troy, Michigan, was sentenced on January 20, 2023, to four years in prison to be followed by three years of supervised release. He was also ordered to pay restitution in the amount of \$596,348.50.

This case was investigated by the U.S. Department of Labor Office of the Inspector General, Homeland Security Investigations, and the U.S. Postal Inspection Service. Special assistance was provided by the Federal Bureau of Investigation – Sacramento, California and the Georgia Department of Labor.

Assistant U.S. Attorneys Tracia M. King and Thomas J. Krepp prosecuted the case.

This case was sponsored by the Georgia Unemployment Insurance Task Force. The Task Force is comprised of federal and state agencies throughout Georgia that are dedicated to combat COVID-related Unemployment Insurance Benefits Fraud.

Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice’s National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

For further information please contact the U.S. Attorney’s Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney’s Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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