U.S. Department of Justice

United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Marcia A. Murphy
Public Affairs Specialist

36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201

410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Marcia.Murphy@usdoj.gov

August 29, 2016
FOR IMMEDIATE RELEASE
www.justice.gov/usao/md

Contact MARCIA MURPHY
at (410) 209-4885

LEADER SENTENCED TO OVER 7 YEARS IN PRISON FOR FRAUDULENTLY OBTAINING OVER $1.4 MILLION IN UNEMPLOYMENT BENEFITS

Filed False Documentation in the Names of Fictitious Companies and Used the Identities of Others

Baltimore, Maryland – U.S. District Judge Ellen L. Hollander sentenced Diameter Akala, age 43, of Silver Spring, Maryland, Washington, D.C. and New York, today, to 90 months in prison, followed by three years of supervised release, for fraudulently obtaining over $1.4 million in unemployment benefits. Judge Hollander also ordered that Akala pay $1,468,463.80 in restitution, approximately the amount obtained in unemployment benefits.

The sentence was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Robin Blake, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General; and Postal Inspector in Charge Terrence P. McKeown of the U.S. Postal Inspection Service - Washington Division.

“Today's sentencing sends a clear message that there are serious consequences for those who conspire to defraud the U.S. Department of Labor's Unemployment Insurance program. The Office of Inspector General remains committed to working with our law enforcement and state workforce agency partners to aggressively pursue those who exploit the Unemployment Insurance program by fraudulently obtaining funds intended for vulnerable American workers truly in need of unemployment benefits,” stated Robin Blake, Special Agent in Charge, U.S. Department of Labor, Office of Inspector General.

“Government agencies and millions of Americans depend on the security and reliability of the US Postal Service for the processing and distribution of their government benefits. When criminals misuse the US Mail to steal those benefits, Postal Inspectors are there to protect the mail, the programs, and the public from this type of fraud,” stated Terrence P. McKeown, Postal Inspector in Charge of the U.S. Postal Inspection Service - Washington Division.

According to his plea agreement, from 2012 to 2015, Akala and his co-conspirators caused the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Pennsylvania Department of Labor and Industry (DLI), which administered the unemployment insurance benefit programs in their respective states, to issue fraudulent unemployment benefits in the names of individuals by submitting false applications for monetary benefits. Akala enlisted his friends and family members to join him in the scheme.

Members of the conspiracy obtained the personally identifying information (PII) of individuals, including Maryland residents. Akala filed false documentation with DLLR and DLI in the names of fictitious companies, falsely stating that the fictitious companies employed and paid wages to actual individuals. In fact, no unemployment insurance taxes were ever paid to DLLR or DLI in the names of the fictitious companies. Akala, electronically and by phone, filed claims in Maryland and Pennsylvania for unemployment benefits in his own name and the names of other individuals, falsely claiming that they previously worked for those fictitious companies. Akala used the PII of individuals who had given permission to have their information used, as well as many who did not. Akala offered money to co-conspirators in exchange for PII.

Akala and other members of the conspiracy used residential mailing addresses of co-conspirators in Maryland, New York, the District of Columbia, Pennsylvania and Virginia to register and receive correspondence for the fictitious companies, and apply for and receive unemployment benefits in the form of prepaid debit cards. In exchange for the use of their addresses, the co-conspirators received funds obtained through the fraud, typically a fraudulently obtained prepaid debit card.

Co-conspirators Wilfred Mendez, Ferny Alexander Moreno Puente, Wilfredo Torres, his half-brother, Eric Gonzalez, co-conspirators Tawana McClain, Yaw Bempa-Boateng, and Carmen Benitez agreed to have Akala file fraudulent unemployment claims in their names. Mendez, his mother Dulce Oleo, Moreno Puente and Torres also provided the personal identification information and/or addresses of other individuals to file additional false claims in the names of those individuals, and others. The co-conspirators used the fraudulently obtained unemployment benefits prepaid debit cards that were mailed directly to them or provided to them by Akala, at ATMs or stores in order to withdraw and use the funds. Some of the cards were in their names, but some of the cards were in the names of other individuals. Generally, the conspirators kept a portion of the fraudulently obtained funds for themselves and provided the remainder to Akala. The members of the conspiracy regularly contacted DLLR and DLI, falsely representing themselves either to be a representative of one of the fictitious companies or an individual entitled to unemployment benefits. Akala moved between states to retrieve correspondence addressed to fictitious companies and individuals, including prepaid debit cards issued by DLLR and DLI.

Judge Hollander previously sentenced co-conspirators: Wilfred Mendez, age 21, of Bronx, New York; Ferny Alexander Moreno Puente, age 26, of Gaithersburg, Maryland; Yaw Bempa-Boateng, age 35, of Silver Spring, Maryland; Wilfredo Torres, age 36, of Alexandria, Virginia; Carmen Benitez, age 29, of Scranton, Pennsylvania; Dulce Oleo, age 39, of the Bronx, New York; Tawana McClain, age 51, of Washington, D.C.; and Eric Gonzalez, age 34, of Alexandria, Virginia, to between 33 months and a year and a day in prison.

The Maryland Identity Theft Working Group has been working since 2006 to foster cooperation among local, state, federal, and institutional fraud investigators and to promote effective prosecution of identity theft schemes by both state and federal prosecutors. This case, as well as other cases brought by members of the Working Group, demonstrates the commitment of law enforcement agencies to work with financial institutions and businesses to address identity fraud, identify those who compromise personal identity information, and protect citizens from identity theft.

Today's announcement is part of the efforts undertaken in connection with the President's Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys' offices, and state and local partners, it's the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities; addressing discrimination in the lending and financial markets; and conducting outreach to the public, victims, financial institutions and other organizations. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants. For more information on the task force, please visit www.StopFraud.gov.

United States Attorney Rod J. Rosenstein commended the Department of Labor – OIG and U.S. Postal Inspection Service for their work in the investigation, and praised the Maryland Department of Labor, Licensing and Regulation and the Pennsylvania Department of Labor and Industry for their assistance in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorney Sean R. Delaney, who prosecuted the case.