

Department of Justice

U.S. Attorney's Office

Western District of Virginia

FOR IMMEDIATE RELEASE

Tuesday, September 7, 2021

Big Stone Gap Man Pleads Guilty to Unemployment Fraud, Mail Fraud

ABINGDON, Va.— A Big Stone Gap, Virginia man pleaded guilty last week to participating in a conspiracy that defrauded the government of more than \$790,000 in pandemic-related unemployment funds and conspiring to commit mail fraud.

According to court documents, Johnny Hobbs, 37, joined convicted co-defendant Farren Ricketts, and others, in a scheme to file fraudulent claims for pandemic unemployment benefits via the Virginia Employment Commission [VEC] website. Conspirators submitted claims for various individuals who were known to be ineligible to receive pandemic unemployment benefits by making materially false representations.

Hobbs joined the scheme in May 2020, while incarcerated, initially seeking to receive unemployment benefits for himself. After he was released from jail, Hobbs approached Ricketts, and the other co-conspirators and accepted a limited role with their criminal enterprise submitting claims to the VEC and recertifying weekly claims for other co-conspirators.

Hobbs pleaded guilty last week to one count of conspiracy to defraud the government of the United States and one count of conspiracy to commit mail fraud. He is scheduled to be sentenced on December 10, 2021 and faces a maximum penalty of 30 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

Acting U.S. Attorney Daniel P. Bubar of the Western District of Virginia, Darrell J. Waldon, Acting Special Agent in Charge of the IRS-CI Washington DC Field Office, and Syreeta Scott, Special Agent-in-Charge of the Philadelphia Region, U.S. Department of Labor Office of Inspector General announced the guilty plea.

The Department of Labor Office of the Inspector General and the Internal Revenue Service – Criminal Investigation are investigating the case.

Assistant U.S. Attorney Daniel J. Murphy is prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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>.

Topic(s):

Coronavirus

Component(s):

[USAO - Virginia, Western](#)

Updated September 7, 2021