

Department of Justice
U.S. Attorney's Office
Western District of Virginia

FOR IMMEDIATE RELEASE

Monday, December 13, 2021

Big Stone Gap Man Sentenced for Unemployment, Mail Fraud

ABINGDON, Va., – A Big Stone Gap, Virginia man was sentenced last week to 60 months in federal prison and ordered to pay \$164,470 in restitution for his part in a much larger conspiracy to defraud the government of more than \$1.5 million in pandemic-related unemployment funds.

Johnny Hobbs, 37, joined co-defendant Farren Ricketts, 31, and others in a scheme to file fraudulent claims for pandemic unemployment benefits via the Virginia Employment Commission [VEC] website. Co-conspirators submitted unemployment claims containing materially false representations for various individuals who were known to be ineligible to receive pandemic unemployment benefits.

While incarcerated, Hobbs joined the scheme in May 2020, 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.

Ricketts, who pleaded guilty to similar charges, will be sentenced later this week.

United States Attorney Christopher R. Kavanaugh announced the sentence today.

The Department of Labor - Office of the Inspector General, the Internal Revenue Service - Criminal Investigation (IRS-CI), the Russell County Sheriff's Office, and the Norton Police Department in Wise County investigated the case.

Assistant United States 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>.

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