

Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Tuesday, July 6, 2021

Melrose Man Pleads Guilty to Unemployment Insurance Scam

BOSTON – A Melrose man pleaded guilty on Thursday, July 1, 2021 in connection with his role in an unemployment insurance fraud scheme.

Alan Neal Scott, 68, pleaded guilty to four counts of mail fraud, one count of wire fraud and five counts of aggravated identity theft. U.S. District Court Judge Leo T. Sorokin scheduled sentencing for Oct. 12, 2021. Scott was indicted in August 2020.

Over the course of six years, Scott submitted numerous fraudulent unemployment insurance claims with the Massachusetts Department of Unemployment Assistance (DUA). Scott submitted these claims using his own identity as well as the identities of various individuals, including some who were not eligible for unemployment benefits as they were incarcerated at the time and could not have been employed as reported. Moreover, the fraudulent claims all reported prior employment at a non-operational Massachusetts-based business also associated with Scott. As a result of these fraudulent claims, the DUA sent unemployment benefits funds to several addresses connected to Scott and deposited funds into accounts he controlled. Scott also submitted fraudulent pandemic unemployment insurance claims in the names of others.

The charges of mail and wire fraud provide for a sentence of up to 20 years in prison, three years of supervised release and a fine of \$250,000 or twice the gross gain or loss, whichever is greater. The aggravated identity theft charges provide for a mandatory sentence of two years in prison to be served consecutive to any other sentence imposed, up to one year of supervised release and a fine of \$250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

Acting United States Attorney Nathaniel R. Mendell; Nikitas Splagounias, Acting Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigation; William S. Walker, Acting Special Agent in Charge of Homeland Security Investigations in Boston; Joshua McCallister, Acting Inspector in Charge of the U.S. Postal Inspection Service; and Tonya Perkins, Acting Special Agent in Charge of the Social Security Administration, Office of the Inspector General, Office of Investigations, Boston Field Division made the announcement. The Commonwealth of Massachusetts, Department of Unemployment Assistance, Program Integrity Unit also provided assistance with the investigation. Assistant U.S. Attorney Sara Miron Bloom of Mendell's Securities, Financial & Cyber Fraud Unit is prosecuting the case.

Topic(s):
Financial Fraud

Component(s):
USAO - Massachusetts