

**Department of Justice**

U.S. Attorney's Office

District of Rhode Island

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FOR IMMEDIATE RELEASE

Thursday, April 7, 2022

## **North Providence Man Admits to Wire Fraud, Theft of Government Funds**

PROVIDENCE, R.I. – A North Providence man who lives and works in Rhode Island today admitted that he filed COVID-relief unemployment applications in at least two other states, collecting more than \$20,000 in benefits he was not entitled to receive, announced United States Attorney Zachary A. Cunha and Rhode Island Attorney General Peter F. Neronha.

Derrick Gadson, 35, pled guilty in federal court to two counts of wire fraud and one count of theft of government money.

According to information presented to the court, while collecting COVID-relief unemployment benefits in Rhode Island in June 2020, Gadson began filing for unemployment benefits in Massachusetts and Arizona, fraudulently claiming that he worked in both states. Gadson collected a total of \$20,727 in federally funded unemployment insurance benefits that he was not entitled to receive.

Gadson is scheduled to be sentenced by U.S. District Court Judge William E. Smith on July 11, 2022. The defendant's sentence will be determined by a federal district judge after consideration of the U.S. Sentencing Guidelines and other statutory factors.

This case, as well as other instances of criminal activity related to fraudulent applications for pandemic-related unemployment insurance benefits are being investigated jointly by the FBI, the Rhode Island State Police, and the U.S. Department of Labor – Office of Inspector General. Cases are jointly reviewed, charged, and prosecuted by a team of prosecutors that include Assistant U.S. Attorneys Denise M. Barton, Stacey P. Veroni, and G. Michael Seaman, and Rhode Island Assistant Attorney General John M. Moreira, chief of the Rhode Island Attorney General's Public Integrity Unit.

Rhode Islanders who believe their personal identification has been stolen and used to fraudulently obtain unemployment benefits are urged to contact the Rhode Island State Police at [financialcrimes@risp.gov](mailto:financialcrimes@risp.gov) or the FBI Providence office at (401) 272-8310.

On May 17, 2021, the United States 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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**Topic(s):**

Coronavirus

**Component(s):**

[Federal Bureau of Investigation \(FBI\)](#)

[USAO - Rhode Island](#)

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