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Former Federal Employee Sentenced to 18 Years in Prison for Leading \$3.5 Million Pandemic Unemployment Insurance Fraud Scheme

On August 23, 2023, Heather Ann Huffman, a former registered nurse employed with the U.S. Department of Veterans Affairs (VA), was sentenced in the Commonwealth of Virginia to 18 years in prison for her role in a conspiracy to defraud at least five state workforce agencies (SWA) of more than \$3.5 million in pandemic-related unemployment insurance (UI) benefits. She was also ordered to pay more than \$2 million in restitution to multiple SWAs jointly with her co-conspirators.

From April 2020 through at least March 2021, Huffman led and organized several others, including family members and close friends, in a conspiracy that specifically targeted UI benefits expanded to offset the economic impacts of the COVID-19 pandemic. To obtain the benefits, she and others filed false and misleading UI applications in the names of identity theft victims, co-conspirators, and inmates of state and federal prisons.

To further their conspiracy, Huffman and others identified addresses in each of the targeted states in which they falsely claimed the applicants lived and worked. She also opened a post office box in the Commonwealth of Virginia in the name of a fictitious non-profit organization, to which she directed the targeted SWAs to mail prepaid debit cards. Huffman, who was then employed at a VA Medical Center in Richmond, Virginia, used her work computer to research available UI benefits, file and access fraudulent UI claims, and falsify documents.

In total, Huffman and her conspirators submitted more than 220 fraudulent UI claims in the names of more than 120 individuals to at least five different SWAs through which they sought to receive more than \$3.5 million and actually obtained more than \$2 million.

Huffman's sentencing was originally scheduled for November 2022, but she failed to appear that day without notice or explanation. Prior to her disappearance, she took measures to flee prosecution, conceal her whereabouts, and obtain the personal identifiable information (PII) of

The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

another individual. Huffman assumed the individual's identity and procured counterfeit government identification and credit cards in the name of her false alias. An extensive joint investigation with the VA-OIG and the U.S. Marshals Service (USMS) uncovered evidence that the defendant was living and working under a false identity as a registered nurse in the state of Kansas. Representatives from the USMS Fugitive Task Force arrested Huffman on March 4, 2023, in Lenexa, Kansas.

This is a joint investigation with the VA-OIG. *United States v. Huffman et al.* (E.D. Virginia)

Several Michigan Residents Sentenced in Pandemic Unemployment Assistance Fraud Scheme

In August and September 2023, several defendants were sentenced, and one defendant pled guilty for their roles in a years-long, multi-state scheme to defraud the UI program of nearly \$1.4 million. During this period, the following actions occurred:

- James Mayfield pled guilty on August 10, 2023, to conspiracy to commit wire fraud for his involvement in the fraud scheme.
- Sharrell Harrison and Sha-Ron Harrison were sentenced on August 10, 2023, to 42 months and 46 months, respectively.
- Sharonda Griffin was sentenced on August 22, 2023, to 26 months in prison.
- Co-conspirators, Sharodney Harrison and Edward Taylor, were sentenced on September 12, 2023, to 60 months and 54 months in prison, respectively.
- Seandrea Crawford was sentenced on September 13, 2023, to 30 months in prison, and ordered to pay more than \$1.4 million in restitution, jointly and severally with her co-conspirators.
- Brandi Randall was sentenced on September 19, 2023, to time served and ordered to pay restitution of more than \$70,000.

Beginning in February 2020, and continuing through at least January 2021, Crawford and her co-conspirators were involved in a conspiracy, which was devised by Sharodney Harrison, to defraud the UI program in several states by filing fraudulent UI claims using the PII of identity theft victims without their knowledge or consent. In total, approximately 450 fraudulent UI claims filed in 19 different states have been tied to the conspiracy, with an actual loss of more than \$1.4 million and a maximum intended loss of almost \$5 million.

This is a joint investigation with the FBI and the State of Michigan Unemployment Insurance Agency (MUIA). *United States v. Harrison et al.* (E.D. Michigan)

California Man Sentenced to Prison for \$1.6 Million Unemployment Scam

On August 18, 2023, Idowu Hashim Shittu, was sentenced to 30 months in prison for fraudulently obtaining more than \$1.6 million in pandemic-related UI benefits from numerous SWAs.

In July 2020, law enforcement officers executed a search warrant at Shittu's residence and discovered more than \$500,000 in cash. Officers also found more than 400 reloadable bank cards, which were issued in the names of others and were loaded with more than \$1.6 million in UI benefits from various SWAs.

The investigation revealed that Shittu obtained the reloadable debit cards between April and July 2020 and used them for his personal gain. He did not know the victims to whom the UI benefits were issued, nor did he obtain their consent before using the cards. Shittu used the cards to make cash withdrawals and pay for services on his luxury automobile.

This was a joint investigation with the FBI. *United States v. Idowu Hashim Shittu* (N.D. California)

Orlando Man Sentenced to More Than 9 Years for COVID-19 Fraud and Illegal Possession of a Firearm

On August 18, 2023, Brian Blake was sentenced to 108 months in prison for access device fraud, aggravated identity theft, and possession of a firearm by a convicted felon. As part of the sentence, he was also ordered to pay restitution of more than \$575,000 to victims of the offenses. The court further ordered Blake to forfeit proceeds and instrumentalities of the offenses, including approximately \$80,000 in cash located in his residence, a firearm, and computers and cellphones used to perpetrate the fraud.

In July 2020, the Orlando Police Department executed a search warrant at Blake's residence and found an assault-style firearm, equipment for creating credit and debit cards, and debit cards embossed with the names of identity theft victims. As a previously convicted felon, Blake is prohibited from possessing a firearm or ammunition under federal law.

An investigation into the access device-making equipment and debit cards revealed that Blake fraudulently obtained at least \$490,000 in COVID-19 UI benefits by filing unemployment claims across 25 different states in the names of identity theft victims. In addition, he submitted at least 26 fraudulent applications to the U.S. Small Business Administration (SBA) for COVID-19 Economic Injury Disaster Loans (EIDL) in the names of identity theft victims for which he received more than \$88,000.

This is a joint investigation with the U.S. Postal Inspection Service (USPIS), the Bureau of Alcohol, Tobacco, Firearms and Explosives, and the Orlando Police Department. *United States v. Brian A. Blake* (M.D. Florida)

Former Massachusetts Pizzeria Owner Sentenced to 2 Years in Prison for COVID-19 Fraud

On August 30, 2023, Dana McIntyre was sentenced to 24 months in prison and ordered to pay more than \$675,000 in restitution to the Commonwealth of Massachusetts' Department of Unemployment Assistance and an approved Paycheck Protection Program (PPP) lender. He was also ordered to forfeit: a parcel of land in the state of Vermont; at least eight alpacas; approximately \$110,000 seized from a bank account; and a vintage automobile. Pursuant to his April 2023 guilty plea, McIntyre was sentenced to four counts of wire fraud and three counts of money laundering.

McIntyre is the former owner of Rasta Pasta Pizzeria in Beverly, Massachusetts. In March 2020, he used the names of his adult children to submit two fraudulent applications to the SBA for EIDL for businesses that did not exist. Beginning in April 2020, he submitted an application and weekly certifications in order to receive PUA benefits. In these filings, McIntyre falsely claimed that he was not

working or receiving income because of the pandemic while McIntyre was, in fact, still operating the restaurant and paying himself income from the business. By September 2020, when McIntyre sold the restaurant, he had received more than \$17,000 in PUA and related benefits to which he was not entitled.

In April 2020, McIntyre submitted a fraudulent application for a PPP loan of more than \$660,000 through a SBA-approved lender. After receiving a PPP loan of more than \$660,000, he sold the restaurant and used nearly all the funds to purchase a farm, alpacas, vehicles, and airtime for his cryptocurrency-themed radio show.

This was a joint investigation with the FBI, the Internal Revenue Service–Criminal Investigation (IRS-CI), and the U.S. Department of Housing and Urban Development-OIG. *United States v. Dana L. McIntyre* (D. Massachusetts)

Final Defendant Sentenced in Arizona for COVID-19 Fraud Scheme

On August 31, 2023, Patrick Green was sentenced to 14 months in prison and ordered to pay more than \$226,000 in restitution in connection with his role in a scheme to defraud the Arizona Department of Economic Security (AZ DES). Patrick Green was the last defendant to be sentenced in this case. Co-defendants, Jonathan Blake and Bethany Green, were previously sentenced to 6 months and 37 months in prison, respectively.

In May 2020, Patrick's wife, Bethany Green, devised a scheme to apply for Arizona PUA benefits for ineligible inmates at the Pima County Jail. Bethany Green, Patrick Green, and inmate, Jonathan Blake, conspired with other inmates to apply for PUA benefits they were ineligible to receive. A total of 16 inmates provided their PII to her which she then used to fraudulently apply for and collect PUA benefits. Bethany Green charged the inmates a fee, which was typically \$1,000, to complete the online PUA applications. She then charged the inmates an additional weekly fee of \$100 to file the required weekly certifications to continue the PUA payments.

In total, Bethany Green and her co-conspirators caused \$226,000 in fraudulent PUA payments to be made by AZ DES.

This is a joint investigation with Homeland Security Investigations (HSI) and the AZ DES. *United States v. Green et al.* (D. Arizona)

Two Owners and a Manager of Virginia Business Sentenced to Prison for Labor Trafficking and Money Laundering Conspiracy

In August 2023, three defendants, who owned and/or managed a commercial laundry business in Virginia, were sentenced for their respective roles in a labor trafficking and money laundering conspiracy.

Ana Patricia Aragon Landaverde was sentenced to 57 months in prison and forfeiture of more than \$213,000, jointly with co-defendants. Jeffrey Dean Vaughan was sentenced to 51 months in prison and forfeiture of more than \$3.9 million, jointly with co-defendants. George Williams Evans was sentenced to

30 months in prison and forfeiture of more than \$3.9 million, jointly with co-defendants. Restitution to the victims remains pending.

Vaughan and Evans were the owners of Magnolia Cleaning Services (MCS), which is located in Williamsburg, Virginia. Landaverde served as a manager for MCS, which cleaned and delivered linens to various hospitality establishments.

Landaverde, Vaughan, and Evans participated in a conspiracy to defraud and commit offenses against the United States, including human trafficking of individuals from Central America, benefiting from forced labor, money laundering, and harboring undocumented non-citizens. Under their direction, MCS exploited undocumented non-citizens to work long hours in poor working conditions. In some cases, employees were threatened with deportation, physical harm, and harm to their families if they refused to work as directed. Some undocumented employees lived in the laundry facility without access to a kitchen or full bathroom. One employee, who was a minor, was made to work night shifts while attending school during the day.

Between the first quarter of 2018 and the first quarter of 2022, the business's wage records reflected approximately 121 employees with alleged invalid or mismatched Social Security numbers and wage payments of more than \$1.2 million to these employees.

This is a joint investigation with HSI, USPIS, and the U.S. Social Security Administration-OIG. *United States v. Ana Patricia Aragon Landaverde et al.* (E.D. Virginia)

Massachusetts Man Pled Guilty to Multi-Million-Dollar Payroll Scheme

On September 6, 2023, Frank Loconte pled guilty to one count of mail fraud and one count of failing to pay taxes in connection with a payroll scheme involving the underreporting of overtime hours for his union employees and failing to collect and pay payroll taxes.

Loconte was president of NER Construction Management Corporation, a construction company that employed union workers and collectively bargained with multiple unions. From approximately 2014 through May 2022, he engaged in a scheme to defraud union-affiliated benefit funds and the IRS. Loconte accomplished this by paying certain union workers for overtime hours without reporting these hours to union-affiliated benefit funds and without making the required payroll tax withholdings and payments. He also caused the corporation to file false and fraudulent remittance reports with the benefit funds and caused the unions to underreport the overtime hours worked by these employees, thereby depriving the benefit funds and unions of contributions and dues owed on behalf of their members.

Loconte defrauded union workers of more than \$1 million in benefits and dues related to overtime work covered by collective bargaining agreements and defrauded the IRS of more than \$3 million by not making the required payroll tax withholdings and payments. Instead of paying employment taxes, he used NER Construction Management Corporation business accounts to pay for personal expenses, including vehicles, personal property taxes, household improvements, and golf memberships.

This is a joint investigation with the DOL-Employee Benefits Security Administration, the DOL-Office of Labor-Management Standards, the IRS, and the FBI. *United States v. Frank Loconte* (D. Massachusetts)

Three Florida Residents Convicted of Conspiracy to Commit Theft of Government Funds

On August 23, 2023, Maylin Salado-Garcia, Niubis Garcia, and Oscar Pujadas pled guilty to conspiracy to commit theft of government funds, specifically DOL's Workforce Innovation and Opportunity Act (WIOA) funds. In addition, Salado-Garcia pled guilty to stealing the identities of unsuspecting individuals and using them in furtherance of the scheme.

Transition, Inc., which is a non-profit organization located in Miami, Florida, received federal funds comprised of grants administered by both the WIOA Program and the U.S. Department of Education's Improved Reentry Project. The funds were intended to provide job training and placement services in the community.

Salado-Garcia, who was a Transition WIOA workforce supervisor, subsequently became the executive director of Transition. Salado-Garcia conspired with others to divert funds to her personal bank account and the personal and corporate bank accounts of her co-conspirators.

Salado-Garcia created fraudulent participant files and fabricated wage records to make it appear that payments were made to program participants who were employed at specific companies, including companies owned by Garcia and Pujadas. She also used the PII of willing and unwilling individuals in order to create the participants' employment files. Salado-Garcia entered the data, including bank account information of these fictitious program participants, into a web-based program run by Transition's payroll processor. The bank accounts listed for alleged participants often were accounts controlled or owned by Salado-Garcia.

This is an investigation that was worked with the assistance of the Miami-Dade County-OIG. *United States v. Salado-Garcia et al.* (S.D. Florida)