



Office of Inspector General for the U.S. Department of Labor

# OIG Investigations Newsletter

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## **Medical Marketer Convicted for His Role in a \$55 Million Compounding Fraud Scheme**

On October 26, 2023, at the conclusion of a two-week trial, a federal jury in the Northern District of Texas convicted Quintan Cockerell of one count of conspiracy to defraud the United States, one count of receiving unlawful kickbacks, and one count of money laundering. Cockerell was a medical marketer who participated in a \$55 million fraud conspiracy involving federal health care programs.

Cockerell worked with others to create and market expensive, custom-tailored, compounded medications for individual patient needs. Instead of customizing the medications based on the needs of the patient, a local pharmacy designed formulations to maximize health care program reimbursements from various federal programs, including the Federal Employees' Compensation Act (FECA), regardless of patient need or medical efficacy. Cockerell received illegal kickback payments from pharmacy owners and others who both recruited area doctors to write prescriptions for the expensive compounded medications and created opportunities for doctors who wrote the prescriptions to the pharmacy to profit from the pharmacy's operations. Cockerell spent the proceeds of the scheme on expensive vacations, trips on private jets, and a yacht charter.

This is a joint investigation with the FBI, Defense Criminal Investigative Service (DCIS), U.S. Department of Health and Human Services (HHS)–OIG, and U.S. Department of Veterans Affairs (VA)–OIG. *United States v. Hall et al.* (N.D. Texas)

## **Former Pharmacy Owner Sentenced to Prison and Ordered to Pay More Than \$6.4 Million in Restitution**

On October 4, 2023, Christopher R. Parks, former owner of compounding pharmacies OK Compounding, LLC and One Stop RX, LLC, in Oklahoma, was sentenced to 18 months in prison and ordered to pay more than \$6.4 million in restitution, with more than \$700,000 payable to the Office of Workers' Compensation Programs (OWCP).

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.

From November 2012 through June 2019, Parks paid physicians kickbacks to refer their patients' compounding prescriptions to his pharmacies. He was aware that federal health care programs, to include the FECA program, paid for some of the compounding prescriptions. In furtherance of the scheme, Parks paid the prescribing physicians through bank accounts he controlled and attempted to disguise the kickback payments by entering into agreements with the physicians for purported medical studies.

This is a joint investigation with the FBI, DCIS, Internal Revenue Service-Criminal Investigation, U.S. Postal Service–OIG, VA–OIG, and HHS–OIG. *United States v. Christopher R. Parks* (N.D. Oklahoma)

### **Former Bureau of Prisons Employee Sentenced for Workers' Compensation Fraud**

On October 30, 2023, Elizabeth Torres, a former Bureau of Prisons Corrections Officer, was sentenced to one year and one day in prison for a scheme to fraudulently obtain federal workers' compensation benefits from the OWCP. She was also ordered to pay more than \$600,000 in restitution to OWCP.

From approximately late 2009 until early 2020, Torres sought and received OWCP compensation under the FECA program. To receive FECA benefits, a claimant must prove that they are disabled by furnishing medical documentation and other evidence to OWCP.

For several years, Torres submitted annual certification forms to OWCP to claim FECA benefits alleging she had a debilitating knee injury. In these claims, Torres lied to OWCP by misrepresenting: the extent of her injury; the number of her dependents in order to receive increased benefits, and her volunteer and paid employment activities for nearly a decade. Among other roles, Torres was employed full-time from approximately 2015 through 2019 at a drug and alcohol addiction treatment center. To conceal her employment at the center, Torres was paid indirectly through a separate entity, and her salary payments were disguised as "rent."

This is a joint investigation with the FBI. *United States v. Elizabeth Torres* (S.D. New York)

### **California Man Sentenced to Nearly Six Years in Prison and Ordered to Pay in Excess of \$2 Million in Unemployment Insurance Fraud Scheme**

On October 16, 2023, Robert Campbell Jr. was sentenced to 68 months in federal prison and ordered to pay more than \$2.1 million in restitution for orchestrating a pandemic-related unemployment insurance (UI) scheme.

From March 2020 to July 2021, Campbell and other co-conspirators used the personal identifiable information (PII) of others (to include names, dates of birth, and Social Security numbers) in an effort to file fraudulent UI applications with the California Employment Development Department (EDD), which receives federal funding and administers the state's UI program.

Many of the fraudulent claims were made on behalf of ineligible out-of-state claimants and on behalf of people ineligible for benefits because they were in prison.

The fraudulent applications falsely stated the claimants had prior annual incomes of \$42,000 and were self-employed individuals whose jobs were adversely impacted when salons and barbershops closed during the COVID-19 pandemic. The applications listed mailing addresses with locations chosen and controlled by Campbell and his co-conspirators. Once the applications were approved, debit cards were mailed to those addresses.

In total, Campbell and his co-conspirators caused 174 fraudulent applications to be filed with EDD, resulting in 125 fraudulent claims to be paid and total losses of more than \$2.1 million.

This is a joint investigation with Homeland Security Investigations (HSI), the U.S. Secret Service, the U.S. Postal Inspection Service (USPIS), the California Department of Corrections and Rehabilitation–Special Services Unit, and the California EDD. *United States v. Campbell Jr. et al.* (C.D. California)

### **Maryland Man Pled Guilty to Role in Conspiracy to Obtain More Than \$1.5 Million in Pandemic Unemployment Insurance Benefits**

On November 14, 2023, Michael Akame Ngwese Ay Makoge, aka “Hype” and “2Hype,” pled guilty to wire fraud conspiracy and aggravated identity theft for his involvement in a pandemic-related UI fraud scheme that defrauded multiple state workforce agencies (SWA) out of more than \$1.5 million in COVID-19 UI benefits through the submission of fraudulent claims.

From March 2020 to October 2021, Makoge and his co-conspirators impersonated victims to submit fraudulent UI claims to the SWAs in Maryland and California. As part of the scheme, Makoge and his co-conspirators obtained the PII of numerous victims, which they then used to prepare and submit fraudulent applications for UI benefits. These fraudulent applications caused financial institutions to load UI benefits onto debit cards and mail the cards to physical addresses, which were provided and monitored by Makoge and his co-conspirators.

The investigation uncovered numerous text messages between Makoge and his co-conspirators exchanging the PII of victims and discussing the execution of the UI fraud scheme. Further, Makoge made numerous ATM withdrawals using the fraudulently obtained debit cards, personally obtaining at least \$35,000 in the scheme. In all, Makoge and his co-conspirators submitted fraudulent UI claims using the names and PII of at least 12 victims, resulting in more than \$1.5 million in losses in UI benefits.

This is a joint investigation with the USPIS, HSI, the Bureau of Alcohol, Tobacco, Firearms and Explosives, the Maryland State Police, and the Anne Arundel County (Maryland) Police Department. *United States v. Michael Akame Ngwese Ay Makoge et al.* (D. Maryland)

## Two Nigerian Nationals Sentenced for Stealing Unemployment Insurance Benefits

On October 10, 2023, Nigerian nationals Quazeem Owolabi Adeyinka and Ayodeji Jonathan Sangode were sentenced to 26 months and 14 months in prison, respectively, for their roles in a UI fraud conspiracy.

Between June 2020 and July 2021, Adeyinka, Sangode, and others participated in a conspiracy to submit fraudulent UI and Pandemic Unemployment Assistance (PUA) claims to the State of California. More than 200 individual applications were filed with the California EDD indicating that the claimants' address was a Maryland apartment that the co-defendants shared.

During the scheme, the conspirators obtained the PII of persons who were ineligible for UI or PUA benefits or who did not authorize the conspirators to act on their behalf with respect to applying for such benefits. The PII included names, dates of birth, and Social Security numbers. The conspirators used the PII to submit dozens of fraudulent UI and PUA claims to EDD under the claimants' identities without the claimants' authorization.

Adeyinka was personally involved in approximately \$793,000 in attempted losses while Sangode was linked to approximately \$752,000 in attempted losses.

This is a joint investigation with the U.S. Department of Homeland Security (DHS)–OIG, the FBI, and the California EDD. *United States v. Adeyinka et al.* (E.D. California)

## Three Florida Individuals Convicted of Conspiracy to Commit Bank Fraud, Wire Fraud, and Mail Fraud

In October and November 2023, Franklin Brown, Malik Wright, and Samuel Bush III pled guilty for their roles in defrauding the SWAs of California and Massachusetts through a PUA fraud scheme with losses totaling more than \$1.1 million.

As part of the conspiracy, the three defendants submitted false and fraudulent applications to the SWAs causing them to issue UI benefit payments in the form of pre-paid debit cards. The cards were then mailed to a Florida address belonging to Brown. Bush III then made telephone calls to financial institutions pretending to be the real cardholders in order to activate the fraudulently obtained debit cards. Bush III subsequently used the proceeds to purchase goods and services for his own benefit, while Wright and Brown used the fraudulently obtained pre-paid debit cards to make multiple cash withdrawals at ATMs in South Florida.

Over the course of the conspiracy, the SWAs approved at least 92 fraudulent UI claims resulting in the disbursement of more than \$1.1 million.

This investigation was worked jointly as part of the Miami COVID-19 Strike Force with the DHS–OIG, FBI, and the USFIS. *United States v. Samuel Lee Bush III et al.* (S.D. Florida)

## **Illinois Man Sentenced to 64 months in Prison for Fraudulent Unemployment Insurance Scheme**

On October 4, 2023, Robert Carter was sentenced to 64 months in prison and ordered to pay more than \$1 million in restitution for his role in a scheme to defraud multiple SWAs of approximately \$1 million in UI benefits.

From June 2020 through March 2021, Carter participated in a scheme to submit fraudulent UI claims to multiple SWAs, primarily California, Maryland, and Virginia. He used his Instagram account to solicit individuals' participation in the UI fraud scheme by requesting PII, including Social Security numbers and dates of birth, for either themselves or other individuals not involved in the scheme, and subsequently using the information to file fraudulent UI claims.

In furtherance of the scheme, Carter had debit cards, which were associated with the fraudulent UI claims, mailed to residences connected to himself and others involved in the scheme. He later withdrew the funds from the debit cards at financial institutions and ATMs in Illinois.

Carter obtained at least \$1 million in fraudulent UI benefits from the states of Arizona, California, Illinois, Ohio, Maryland, and Virginia. He subsequently used the fraudulent proceeds to purchase luxury items, including jewelry.

This is a joint investigation with the USPIS. *United States v. Robert Carter* (N.D. Illinois)

## **Maryland Man Sentenced to More Than 4 Years in Prison for Conspiracy to Obtain More Than \$1.3 Million in Pandemic-Related Unemployment Insurance Benefits**

On October 12, 2023, Gladstone Njokem was sentenced to 54 months in prison and ordered to pay more than \$1 million in restitution to multiple SWAs for his role in a pandemic-related UI fraud conspiracy.

From February 2020 through February 2021, Njokem and his co-conspirators collected the PII of identity theft victims in order to submit fraudulent claims for UI benefits. He and his co-conspirators used the victims' PII to submit fraudulent UI applications to SWAs in Maryland, Virginia, Arizona, Georgia, Illinois, Michigan, Tennessee, and the District of Columbia. In total, the conspirators used the names and PII of more than 183 victims. The SWAs issued prepaid debit cards in the names of the victims and mailed the cards to the conspirators' own addresses and nearby addresses to which they had access. Njokem and his co-conspirators then used the pre-paid debit cards to withdraw UI benefit payments in cash from various ATMs.

During the execution of a search warrant at his residence in February 2021, investigating agents discovered that Njokem had numerous UI pre-paid debit cards in the names of identity theft victims in his possession, as well as a cellphone containing a photograph of a fraudulently obtained UI debit card in the name of a victim. In addition, the investigation showed that Njokem and his co-conspirators shared the PII of victims via text message in order to perpetrate the fraud.



This is a joint investigation with the USPS, HSI, and the U.S. Department of Treasury–OIG. *United States v. Gladstone Njokem* (D. Maryland)

### **Former State Employee Sentenced to 36 Months in Prison for Unemployment Insurance Fraud Scheme**

On November 9, 2023, former New York State Department of Labor (NYSDOL) employee, Wendell Giles, was sentenced to 36 months in prison and ordered to pay more than \$800,000 in restitution for his role in a scheme to fraudulently obtain UI benefits by abusing his position with the NYSDOL.

Giles and another former NYSDOL employee misused state computer systems to create and approve fraudulent UI applications in 2020 and 2021, including applications for PUA benefits.

Giles recruited relatives, friends, and others to submit fraudulent benefit applications over the phone to his co-conspirator after instructing the applicants to lie in response to UI eligibility questions. Giles and his co-conspirator then took a share of the benefits paid by NYSDOL on the false claims. He used his share to enrich himself, including the purchase of a motorcycle. In text messages, Giles' co-conspirator suggested a vanity license plate for Giles's new vehicle, "TY PUA," to which Giles responded, "Lol."

This is a joint investigation with the FBI. *United States v. Wendell Giles* (N.D. New York)

### **Virginia Woman Sentenced to 10 Years in Prison for Role in Pandemic Unemployment Insurance Fraud Conspiracy**

On November 9, 2023, Jenyce Williams was sentenced to 120 months in prison and ordered to pay more than \$802,000 in restitution to the Virginia Employment Commission (VEC) for her role in fraudulently obtaining pandemic-related UI benefits by using the PII belonging to both Virginia Department of Corrections (VA DOC) inmates and identity theft victims.

From approximately May 2020 through November 2020, Williams and her co-defendants conspired to use the PII (including names, dates of birth, and Social Security numbers) belonging to others to file fraudulent UI claims with VEC during the COVID-19 pandemic. Williams' role in the conspiracy was to submit fraudulent UI applications and complete weekly certifications using PII of either VA DOC inmates or out-of-state individuals who did not authorize the filings and had no knowledge of the fraud scheme. In order for the fraudulent UI claims to be approved, Williams and a co-conspirator entered false information on fraudulent UI applications. On a weekly basis, Williams and a co-conspirator submitted false certifications to ensure UI benefits would continue to be paid. Williams elected for most of the UI benefits to be paid through pre-paid debit cards, which were mailed to her address, a co-conspirator's address, or other residences specifically selected to avoid raising suspicion from having multiple debit cards mailed to any one address.

The fraudulent claims, which were filed by Williams for 12 inmates, resulted in the approval of more than \$193,000 in fraudulent UI benefits. In total, as a result of the conspiracy, the VEC approved approximately \$479,000 in UI benefits on behalf of individuals who were not entitled to receive such benefits.

Report allegations of fraud, waste, and abuse concerning DOL programs and operations to the  
OIG hotline via 800-347-3756 or [www.oig.dol.gov](http://www.oig.dol.gov).

This is a joint investigation with the DHS–OIG and the USPIS. *United States v. Jenyce Williams* (E.D. Virginia)

### **Wisconsin Woman Sentenced to 16 Months in Prison for Participation in Unemployment Insurance Scheme**

On October 6, 2023, Olivia Spellman was sentenced to 16 months in prison and ordered to pay more than \$500,000 in restitution for her role in defrauding the SWAs of California, Kansas, Ohio, and New York of UI benefits during the COVID-19 pandemic.

Spellman allowed her Wisconsin residence to be used as the mailing address on numerous false applications for UI benefits under various names. The mailings, which were sent to her residence, included debit cards pre-loaded with UI benefits. In furtherance of the scheme, Spellman activated the cards and used them to withdraw cash, using some of the proceeds for herself and sending some to a co-conspirator via CashApp, Bitcoin, and Green Dot.

This is a joint investigation with the USPIS. *United States v. Olivia Spellman* (E.D. Wisconsin)

### **Convicted Virginia Felon Sentenced for Unemployment Insurance Benefits Fraud Scheme**

On November 8, 2023, Reginald P. Phillips, a documented gang member, was sentenced to 68 months in prison and ordered to pay more than \$210,000 in restitution to the VEC for his role in a pandemic-related UI fraud conspiracy involving the submission of fraudulent claims on behalf of several VA DOC inmates.

From approximately May 2020 through May 2021, Phillips was in prison at the Hampton Roads Regional Jail (HRRJ) for striking and choking a woman in front of her children, in addition to shooting another victim three times because they allegedly owed him \$10.

Phillips spearheaded a scheme with his non-incarcerated co-conspirator to fraudulently obtain UI benefits related to the COVID-19 pandemic. He recruited at least 13 other HRRJ inmates to provide their PII to his co-conspirator, who then filed fraudulent applications for UI benefits on their behalf. Phillips and his co-conspirator discussed the progress of the fraudulent claims on recorded jail calls, and he instructed his co-conspirator as to where to send the UI benefit funds. Phillips received his share of the fraudulently obtained UI benefits through his HRRJ commissary account. Once the commissary account reached its maximum balance, the co-conspirator deposited the funds into the accounts of other inmates, who would then give the funds to Phillips.

*United States v. Reginald Prentice Phillips* (E.D. Virginia)

## Israeli Foreign National Pled Guilty to Role in Immigration Fraud and Money Laundering Scheme

On November 7, 2023, Shai Cohen, an Israeli citizen, pled guilty to conspiracy to launder money and conspiracy to defraud the United States by facilitating the illegal entry, harboring, and transportation of non-citizens in the United States for the purpose of their employment.

From approximately 2011 through December 2013, Cohen and his co-conspirators assisted non-citizens in fraudulently obtaining B-1/B-2 tourist/visitor visas by misrepresenting the true purpose of their travel to the United States, which was to engage in illegal employment. He and his co-conspirators then assisted the non-citizens in traveling to the United States. Upon arrival, the non-citizens were employed at various kiosks owned and operated by Cohen and his co-conspirators in shopping malls in Virginia and Maryland, despite entering the United States on a visa status that did not allow the non-citizens to work.

The non-citizens were primarily compensated for their work by under-the-table cash payments or the transfer of money to stored value payment cards, which are similar to gift cards, rather than through a legitimate payroll system. Cohen also provided housing and transportation for the non-citizens to and from work. He and his co-conspirators also used foreign and domestic bank accounts for financial transactions to pay for leased office space, apartments, airline tickets, vehicles, and other business costs in furtherance of and to promote the criminal scheme.

Cohen was arrested in Israel pursuant to a request by the United States for his extradition related to these charges. In August 2023, he was extradited to the Eastern District of Virginia. Cohen remains in federal custody pending sentencing.

This is a joint investigation with HSI and the U.S. Department of State–Diplomatic Security Service. *United States v. Shai Cohen* (E.D. Virginia)