

PRESS RELEASE

Canadian resident sentenced to 3+ years in prison for more than \$1 million fraud on COVID relief programs

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For Immediate Release

U.S. Attorney's Office, Western District of Washington

One of two Nigerians charged in fraud scheme– was arrested while traveling home to Canada from Nigeria

Tacoma – A 45-year-old Nigerian citizen who defrauded U.S. COVID relief programs from his home in Canada, was sentenced today in U.S. District Court in Tacoma to 42 months in prison for wire fraud and aggravated identity theft announced U.S. Attorney Tessa M. Gorman. Sakiru Olanrewaju Ambali, was arrested in February 2023, in Frankfurt, Germany, as he traveled back to Canada from Nigeria. Ambali was detained in Germany and was extradited to the U.S. last August. At today's sentencing hearing U.S. District Judge Robert J. Bryan said, "It is clear that this involved a long series of serious fraudulent conduct."

"Mr. Ambali used the stolen identities of more than 630 American workers to fraudulently claim more than \$1 million in pandemic unemployment benefits," said U.S. Attorney Gorman. "The fraud created hardship for those who legitimately needed benefits and found someone had already filed a claim. This conduct, in the early days of COVID relief efforts, caused further disruption for thousands of people as Washington State stopped paying any claims for a time, while it tried to screen-out the fraud."

According to records filed in the case, Ambali and codefendant Fatiu Ismaila Lawal, 45, used the stolen identities of thousands of workers to submit over 1,700 claims for pandemic unemployment benefits to over 25 different states, including Washington State. In total, the claims sought approximately \$25 million, but the conspirators

obtained approximately \$2.4 million, primarily from pandemic unemployment benefits. As part of his plea agreement Ambali agreed to make restitution of \$1,035,107.

The co-conspirators allegedly submitted claims for pandemic unemployment benefits to New York, Maryland, Michigan, Nevada, California, Washington and some 19 other states. Using 13 Google accounts, they filed some 900 claims. The co-conspirators also allegedly established four internet domain names that they then used for fraud – creating some 800 different email addresses that were used for fraud.

Additionally, between 2018 and 2021, Ambali used stolen personal information of eight U.S. citizens to try to claim tax refunds totaling more than \$40,000. The IRS detected the fraud and did not pay the refunds.

Ambali also attempted to use the stolen American identities for Economic Injury Disaster Loans (EIDL) to defraud the Small Business Administration (SBA). The SBA caught most of the fraud and paid only \$2,500.

Ambali and his co-conspirators had the proceeds of their fraud sent to cash cards or to “money mules” who transferred the funds according to instructions given by the co-conspirators. They also allegedly used stolen identities to open bank accounts and have the money deposited directly into those accounts for their use.

In her memo asking for a five-year sentence, Assistant United States Attorney Cindy Chang noted that Ambali’s web search history indicates he continued his fraudulent scheme for nearly three years. “Amabli first searched for (the Employment Security) website on or about May 5, 2020, two days before his first fraudulent submission to ESD, and he most recently visited the page on February 20, 2023, the day before he was arrested and last had access to his devices. In other words, it is possible that Ambali—who had never even stepped foot in the United States much less worked in Washington State—was defrauding ESD until the day before his arrest last year.”

Judge Bryan imposed five years of supervised release to follow prison. One condition is that he not enter the U.S. without permission from the Department of Homeland Security.

Co-defendant Fatiu Ismaila Lawal was arrested in Canada in February 2023 and is pending extradition.

The National Unemployment Fraud Task Force provided a lead on this case to the investigative team in Western Washington. The case was investigated by the FBI with assistance from U.S. Postal Inspection Service (USPIS) and the Department of Labor

Office of Inspector General (DOL-OIG). Also contributing to the investigation were Washington State Employment Security Division (ESD), the Internal Revenue Service Criminal Investigation (IRS-CI), and the Small Business Administration (SBA).

The case is being prosecuted by Assistant United States Attorney Cindy Chang of the Western District of Washington. DOJ's Office of International Affairs is assisting.

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 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 via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Contact

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