

**PRESS RELEASE**

# **Baltimore Man Sentenced for Obtaining and Using Vulnerable Victims' Personal Information in Unemployment Insurance Claims Fraud Scheme**

Thursday, January 8, 2026

**For Immediate Release**

U.S. Attorney's Office, District of Maryland

**Baltimore, Maryland** – U.S. District Judge Julie R. Rubin sentenced Duane Watts, 46, of Baltimore, Maryland, to 54 months in prison, followed by three years of supervised release. The sentence is in connection with Watts' participation in an unemployment insurance (UI) fraud scheme involving the use of the personal identifying information of multiple victims, including vulnerable victims, to cause financial losses of more than \$167,000. The victims were vulnerable because of their mental status or cognitive impairment.

Kelly O. Hayes, U.S. Attorney for the District of Maryland, announced the sentence with Special Agent in Charge Troy W. Springer, National Capital Region, U.S. Department of Labor's Office of Inspector General (DOL-OIG), and Special Agent in Charge Jimmy Paul, Federal Bureau of Investigation (FBI) – Baltimore Field Office.

According to the defendant's guilty plea, beginning in May 2020, and continuing through at least May 2021, Watts engaged in a conspiracy to defraud and obtain money through materially false and fraudulent pretenses, representations, and promises in connection with the UI scheme. Watts also engaged in aggravated identity theft, obtaining the personal identifiable information of real persons and using the information to cause the submission of false and fraudulent unemployment insurance claims to the Maryland Department of Labor (MD-DOL).

Watts and his co-conspirators used UI benefits, which were designated to assist unemployed or underemployed people due to the COVID-19 national emergency, for their personal use. Watts engaged in multiple ATM transactions, using debit cards loaded with UI funds intended for others, including the vulnerable victims. One of the

vulnerable victims whose identity was used subsequently lost her employment and was unable to obtain needed MD-DOL UI benefits due to the fraud conspiracy.

Judge Rubin previously sentenced co-defendants Tiia Woods and Devante Smith to 74 and 57 months in prison, respectively, for their roles in the conspiracy.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act — a federal law enacted in March 2020 — provided emergency financial assistance to Americans suffering from the economic effects of the COVID-19 pandemic. It authorized increased unemployment insurance UI benefits which have historically been a state and federal program that provided monetary benefits to eligible workers. The CARES Act expanded states' ability to provide UI benefits for many workers impacted by COVID-19, including self-employed workers or independent contractors, who would not normally be eligible for UI benefits.

The District of Maryland Strike Force is one of five strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud, including fraud relating to the CARES Act. The CARES Act was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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>.

U.S. Attorney Hayes commended the DOL-OIG and FBI for their work in the investigation. Ms. Hayes also thanked Assistant U.S. Attorneys John M. D'Amico and Harry M. Gruber who prosecuted the federal case.

For more information about the Maryland U.S. Attorney's Office, its priorities, and resources available to report fraud, visit [www.justice.gov/usao-md](http://www.justice.gov/usao-md) and <https://www.justice.gov/usao-md/community-outreach>.

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