

Department of Justice
U.S. Attorney's Office
Western District of Virginia

FOR IMMEDIATE RELEASE

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Five Plead Guilty to Pandemic Unemployment Fraud, Mail Fraud Charges

ABINGDON, Va.— Five Southwest Virginia residents who conspired with more than 30 others to defraud the United States government by filing fraudulent claims for more than \$499,000 in pandemic unemployment benefits, mail fraud and associated offenses pleaded guilty this week and last in U.S. District Court in Abingdon.

According to court documents, Patrick Payne, 43, Randall Johnson, 42, Steven Mullins Jr., 33, Curtis Mullins, 25 and Melinda Davis, 58, conspired with others to file claims for pandemic unemployment benefits through the Virginia Employment Commission (VEC) website. The scheme involved submitting claims for various individuals who were not eligible to receive pandemic unemployment benefits, including for numerous inmates incarcerated in southwest Virginia regional jails. To date, 19 of the co-conspirators have pleaded guilty to their roles in the broader conspiracy.

Conspiracy members lied on the filings as part of the scheme to make filers appear eligible for benefits. Because pandemic unemployment benefits were paid weekly, each of those filings re-verified and re-certified the false statements on numerous occasions throughout the scheme.

In all, the conspiracy filed fraudulent claims for approximately 37 individuals, causing at least \$499,000 in false claims to be have been paid. In addition to those indicted, eight co-conspirators have already entered into plea agreements with the United States.

“These five individuals used a carefully orchestrated series of lies to steal hundreds of thousands of dollars intended for Virginians struggling during a once-in-a-generation global health pandemic,” Acting United States Attorney Daniel P. Bubar said today. “The Department of Justice is grateful to the Internal Revenue Service, Department of Labor and the Virginia Employment Commission for their hard work and commitment to investigating these cases and bringing these individuals to justice.”

“Investigating those who fraudulently take funds from pandemic relief programs will continue to be a focus of IRS-CI. These programs were put into place to assist those struggling through the global crisis, not to be used for personal enrichment,” said Darrell J. Waldon, Acting Special Agent in Charge of the IRS-CI Washington DC Field Office.

“Patrick Payne, Randall Johnson, Steven Mullins Jr., Curtis Mullins and Melinda Davis, conspired with others to defraud the Pandemic Unemployment Assistance Program by filing for and receiving benefits that they and others were not entitled to receive. The United States Department of Labor Office of Inspector General is grateful for our partnerships with the Virginia Employment Commission and our many law enforcement partners. We also want to thank the U.S. Attorney's Office for their continued efforts to prosecute those who violate public benefit programs and commit fraud,” stated Syreeta Scott, Special Agent-in-Charge of the Philadelphia Region, U.S. Department of Labor Office of Inspector General.

Each of the individuals pleaded guilty to conspiracy to defraud the United States and conspiracy to commit mail fraud. Each faces a maximum penalty of 30 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The Department of Labor Office of the Inspector General and the Internal Revenue Service – Criminal Investigation, along with State and local partners including the Norton Police Department and Russell County Sheriff's Office, are investigating the case.

Assistant United States Attorney Daniel J. Murphy prosecuted the case.

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, 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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