

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

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Man Sentenced for Using Identities of Prison Inmates to File Fraudulent Unemployment Claims

DETROIT - A man from Novi was sentenced for orchestrating an unemployment insurance fraud scheme aimed at defrauding the State of Michigan and the U.S. Government of funds earmarked for unemployment assistance during the COVID19 pandemic, announced United States Attorney Dawn N. Ison.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge James A. Tarasca, Federal Bureau of Investigation, and Juila Dale, Director of the Michigan Unemployment Insurance Agency.

Terrell Dwayne Mason, 40, was sentenced to 57 months in prison. In sentencing the defendant, United States District Judge Denise Page Hood also ordered Mason to pay restitution to the state of Michigan in the amount of \$423,435.

According to court records, between April of 2020 and continuing into February of 2021, Mason filed fraudulent unemployment claims using the identities of federal and state inmates, knowing that the inmates were not eligible to receive such benefits. Mason obtained the inmates' personal identifying information (PII) from websites on the dark web or from the inmates themselves based on false representations that he would help them improve their credit ratings. Mason pleaded to both wire fraud and aggravated identity theft.

"Unemployment insurance is designed to help those in need," said U.S. Attorney Ison. "This case is another example of my office's commitment to ensuring that people who abuse the system pay the consequences."

"Terrell Mason fraudulently applied for benefits intended to assist workers forced to sit idle during the worst pandemic in a century," said James A. Tarasca, Special Agent in Charge of the FBI's Detroit Field Office. "This investigation reflects our collective determination to root out and punish criminals who used a national emergency to steal from American taxpayers."

"This sentencing is another example of justice being served," said Michigan UIA Director Julia Dale. "UIA investigators work closely with our partners throughout law enforcement to prosecute those who steal or conspire to steal taxpayer money that is meant for deserving workers who have lost a job through no fault of their own. Let this be a warning to any bad actors who exploit the public's trust: We will come after you."

"The significant sentence in this case underscores the seriousness of the offence. Terrell Mason was on parole when he filed dozens of fraudulent pandemic unemployment claims in the names of prisoners who were ineligible for benefits. We will continue to work with our law enforcement and state partners to investigate those who exploit the unemployment insurance system," stated Special Agent-in-Charge Irene Lindow, Chicago Region, U.S. Department of Labor, Office of Inspector General.

This case was prosecuted by Assistant United States Attorneys Timothy Wyse and Mark Chasteen. The investigation was conducted jointly by the Department of Labor, Office of Inspector General,

Federal Bureau of Investigation, and the Unemployment Insurance Agency, Michigan Department of Labor and Economic Opportunity.

Topic(s):

Financial Fraud

Component(s):

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