

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

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Serial Fraudster Sentenced to Prison for Lead Role in \$2.2 Million Unemployment Fraud Scheme

DETROIT – A Detroit man was sentenced today to 8 years in federal prison on charges of conspiring to defraud multiple government agencies out of more than \$2.2 million in Covid-19 pandemic assistance funds and also to defraud the United States Postal Service (USPS) of more than \$200,000, United States Attorney Dawn N. Ison announced today.

Ison was joined in the announcement by Irene Lindow, Special Agent in Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, James A. Tarasca, Special Agent in Charge of the Detroit Field Office of the Federal Bureau of Investigation, and Andre Martin, Special Agent in Charge, U.S. Postal Service Office of Inspector General.

Chaz Duane Shields, 35, of Detroit, was sentenced this afternoon by United States District Judge Robert H. Cleland in the United States District Court in Port Huron. Judge Cleland also ordered Shields to pay over \$2 million in restitution to the States of California, Michigan, Nevada, and Louisiana, the Small Business Administration, and the USPS.

According to court records, beginning as early as May 2020 and continuing through at least July 2021, Shields and his co-conspirators agreed to submit more than 240 fraudulent unemployment insurance claims to over 20 states, in order to fraudulently obtain more than \$2.2 million in unemployment insurance benefits. Shields also successfully obtained a fraudulent \$20,833 Paycheck Protection Program (PPP) loan.

Separately, Shields defrauded the U.S. Postal Service of over \$200,000 through a scheme in which he conspired to submit more than 1,000 fraudulent Domestic Indemnity Insurance claims, in the names of more than 40 separate individuals to the USPS. Shields and others used USPS Self-Service Kiosks to mail a number of packages. For each of the packages, the conspirators subsequently filed a fraudulent Domestic Indemnity Insurance claim by attesting that the package contained an item of significant value. In reality, the packages typically contained empty plastic picture frames with little to no value. The USPS mailed a check for each successful claim, which Chaz and his co-conspirators cashed, knowing that they were not entitled to the postal indemnity insurance payments.

Shields has an extensive history of fraud and deceit, having accumulated six separate state fraud convictions – five in Michigan and one in Maryland – since 2016.

“We remain committed to working with our law enforcement partners to investigate and prosecute thefts from a multitude of federal programs, especially those aimed at pandemic relief. Individuals who steal money from the government should know that they will be held accountable. Today’s sentence sends a strong message that financial crime does not pay,” U.S. Attorney Ison said.

“Shields and his co-conspirators submitted fraudulent unemployment insurance claims that siphoned off more than \$2 million intended to assist individuals who lost their jobs during the COVID-19 pandemic,” said James A. Tarasca, Special Agent in Charge of the FBI’s Detroit Field Office. “The FBI remains committed to working with our law enforcement partners to identify fraudsters like this defendant and hold them fully accountable for their crimes.”

"Chaz Shields and his co-conspirators submitted more than 240 fraudulent unemployment insurance claims to multiple state workforce agencies, resulting in the payment of more than \$2.2 million in fraudulent benefits. Their scheme diverted money away from American workers in need of relief from the financial effects of unemployment. We will continue to work with our law enforcement partners to safeguard the unemployment insurance system from those who exploit these benefit programs," said Irene Lindow, Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

Co-conspirators Cortney Shaquan Shields, 31, and Daeshawn Tamar Posey, 27, both of Detroit were previously sentenced to 41 months and 63 months in prison, respectively, in connection with this case. Co-conspirator Brittany Levett Witherspoon, 26, of Warren has also pleaded guilty and will be sentenced on May 1, 2023.

This case was investigated by the U.S. Department of Labor, Office of the Inspector General, the Federal Bureau of Investigation, and the USPS Office of the Inspector General. The case is being prosecuted by Assistant United States Attorneys Ryan A. Particka, and Timothy J. Wyse, and Special Assistant United States Attorney Corinne M. Lambert.

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