

Department of Justice

U.S. Attorney's Office

Eastern District of Arkansas

FOR IMMEDIATE RELEASE

Wednesday, October 10, 2018

Twenty White County Defendants Charged with Wire Fraud for Unemployment Benefits Scheme

LITTLE ROCK— Twenty defendants from White County have been charged in a conspiracy to commit wire fraud by allegedly obtaining unemployment insurance benefits to which they were not entitled in Arkansas and 15 other states.

Cody Hiland, United States Attorney for the Eastern District of Arkansas, and Steven Grell, Special Agent-in-Charge, Dallas Region, U.S. Department of Labor Office of Inspector General, announced today the unsealing of an indictment returned by a federal grand jury charging the 20 defendants, including Mark King, aka "Big Head," the alleged ringleader of the conspiracy. On Wednesday, King, 53, of Judsonia, and two other defendants (Alan Gentry and Benjamin Bradley) were arrested. Also, Natalie Floyd was already in federal prison, and Mark Scheffler was in the Arkansas Department of Corrections, both on unrelated charges.

Those arrested today will be seen Thursday by United States Magistrate Judge Beth Deere for plea and arraignment. The remaining defendants will be served with a summons to appear in federal court at a later date.

"Our office is committed to protecting the integrity of important federal programs," U.S. Attorney Hiland said. "We will continue to work with the Office of Inspector General to investigate and prosecute anyone attempting to take advantage of these programs, which ultimately hurts taxpayers and those who truly need assistance."

The charge stems from an investigation by the United States Department of Labor, in collaboration with the United States Attorney's Office for the Eastern District of Arkansas, that began in the spring of 2016. Local law enforcement in the White County area also assisted in the effort.

The indictment alleges that the wire fraud conspiracy took place from June 2012 through August 2017. According to the indictment, King created employer business accounts in 16 states, including Arkansas, using fictitious business names. These fictitious businesses all had addresses in Arkansas. King then falsely reported to the various state unemployment agencies in these 16 states that the fictitious companies had paid wages to him and the other indicted and unindicted co-conspirators for work performed, when, in fact, that was not true. In turn, King and the other co-conspirators and unindicted co-conspirators then made claims for unemployment benefits and, because King did not contest the unemployment benefits on behalf of the fictitious businesses, these conspirators were paid by the Department of Labor.

"An important mission of the Office of Inspector General is to investigate allegations of fraud related to the U.S. Department of Labor's Unemployment Insurance programs," Special Agent-in-Charge Grell said. "We will continue to work with our law enforcement partners to safeguard benefits intended for unemployed American workers,"

The indictment alleges that some of the co-conspirators claimed unemployment benefits while incarcerated, contrary to the eligibility requirement that a claimant must be available for work and actively seeking employment. The conspiracy resulted in a monetary loss exceeding \$ 500,000.

The maximum statutory penalty for the charge is up to 20 years' imprisonment, a fine of not more than \$ 250,000, and supervised release of not more than three years.

The case is being investigated by the Department of Labor, Office of Inspector General, with assistance from the White County Sheriff's Office, the Judsonia Police Department, the Searcy Police Department, and the Bald Knob Police Department. It is being prosecuted by Assistant United States Attorney Angela Jegley.

An indictment contains only allegations. A defendant is presumed innocent unless and until proven guilty.

#