U.S. Department of Justice

United States Attorney
District of Maryland

Rod J. Rosenstein
United States Attorney

Vickie E. LeDuc
Public Information Officer

36 South Charles Street
Fourth Floor
Baltimore, Maryland 21201

410-209-4800
TTY/TDD: 410-962-4462
410-209-4885
FAX 410-962-3091
Vickie.LeDuc@usdoj.gov

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Contact AUSA VICKIE E. LEDUC or MARCIA MURPHY at (410) 209-4885

LEADER ADMITS SCHEME TO FRAUDULENTLY OBTAIN OVER $1.4 MILLION IN UNEMPLOYMENT BENEFITS

Filed False Documentation in the Names of Fictitious Companies and Used the Identities of Others

Baltimore, Maryland – Diameter Akala, age 43, of Silver Spring, Maryland, Washington, D.C. and New York, pleaded guilty today to a scheme to fraudulently obtain over $1.4 million in unemployment benefits.

The guilty plea was announced by United States Attorney for the District of Maryland Rod J. Rosenstein; Special Agent in Charge Robin Blake, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General, Office of Labor Racketeering and Fraud Investigations; and Postal Inspector in Charge Maria L. Kelokates of the U.S. Postal Inspection Service - Washington Division.

According to his plea agreement, from 2012 to 2015, Akala and his co-conspirators caused the Maryland Department of Labor, Licensing and Regulation (DLLR) and the Pennsylvania Department of Labor and Industry (DLI), which administered the unemployment insurance benefit programs in their respective states, to issue fraudulent unemployment benefits in the names of individuals by submitting false applications for monetary benefits. Akala enlisted his friends and family members to join him in the scheme.

Members of the conspiracy obtained the personally identifying information (PII) of individuals, including Maryland residents. Akala filed false documentation with DLLR and DLI in the names of fictitious companies, falsely stating that the fictitious companies employed and paid wages to actual individuals. In fact, no unemployment insurance taxes were ever paid to DLLR or DLI in the names of the fictitious companies. Akala, electronically and by phone, filed claims in Maryland and Pennsylvania for unemployment benefits in his own name and the names of other individuals, falsely claiming that they previously worked for those fictitious companies. Akala used the PII of individuals who had given permission to have their information used, as well as many who did not. Akala offered money to co-conspirators in exchange for PII.

Akala and other members of the conspiracy used residential mailing addresses of co-conspirators in Maryland, New York, the District of Columbia, Pennsylvania and Virginia to register and receive correspondence for the fictitious companies, and apply for and receive unemployment benefits in the form of prepaid debit cards. In exchange for the use of their addresses, the co-conspirators received funds obtained through the fraud, typically in the form of a fraudulently obtained prepaid debit card. Members of the conspiracy regularly contacted DLLR and DLI, falsely representing themselves either to be a representative of one of the fictitious companies or an individual entitled to unemployment benefits. Akala moved between different states in order to retrieve correspondence addressed to fictitious companies and individuals, including prepaid debit cards issued by DLLR and DLI.

Co-conspirators Wilfred Mendez, Tawana McClain, Ferny Alexander Moreno Puente, Wilfredo Torres and his half-brother, Eric Gonzalez, admitted that they agreed to have Akala file fraudulent unemployment claims in their names. Mendez, Moreno Puente and Torres also provided the personal identification information and/or addresses of other individuals to file additional false claims in the names of those individuals, and others. The co-conspirators used the fraudulently obtained unemployment benefits prepaid debit cards that were either mailed to them, or provided to them by Akala, at ATMs or stores in order to withdraw and use the funds. Some of the cards were in their names, but some of the cards were in the names of other individuals. Generally, the conspirators kept a portion of the fraudulently obtained funds for themselves and provided the remainder to Akala. Torres also allowed his business address to be used to file fraudulent unemployment benefit claims and when the unemployment benefits debit cards arrived, he either used them or distributed them to co-conspirators.

During the course of the conspiracy the actual loss was approximately $1,468,463.80 in fraudulently obtained unemployment benefits. As part of his plea agreement, Akala will be required to pay restitution and forfeiture in that amount.

Akala faces a maximum sentence of 20 years in prison for conspiracy to commit wire fraud and a mandatory minimum of two years in prison, consecutive to any other sentence, for aggravated identity theft. U.S. District Judge Ellen L. Hollander has scheduled sentencing for Akala on August 4, 2016, at 10:00 a.m.

Wilfred Mendez, age 21, of Bronx, New York; Eric Gonzalez, age 34, of Alexandria, Virginia; Tawana McClain, age 51, of Washington, D.C.; Ferny Alexander Moreno Puente, age 26, of Gaithersburg, Maryland; and Wilfredo Torres, age 36, of Alexandria, Virginia, previously pleaded guilty to their roles in the scheme. Mendez has agreed to the entry of an order to pay restitution and forfeiture of $195,422; Torres and Gonzalez have each agreed to the entry of an order to pay restitution and forfeiture of $173,185.32; Moreno Puente has agreed to the entry of an order to pay restitution and forfeiture of $268,911; and McClain has agreed to the entry of an order to pay restitution and forfeiture of $205,613. U.S. District Judge Ellen L. Hollander has scheduled sentencing for Mendez on July 18, 2016, for McClain and Gonzalez on July 15, 2016, and for Moreno Puente and Torres on July 14, 2016.

Co-conspirators Dulce Oleo, age 38, of the Bronx, New York; Yaw Bempa-Boateng, age 35, of Silver Spring, Maryland; and Carmen Benitez, age 29, of Scranton, Pennsylvania, previously pleaded guilty to their roles in the scheme and await sentencing.

The Maryland Identity Theft Working Group has been working since 2006 to foster cooperation among local, state, federal, and institutional fraud investigators and to promote effective prosecution of identity theft schemes by both state and federal prosecutors. This case, as well as other cases brought by members of the Working Group, demonstrates the commitment of law enforcement agencies to work with financial institutions and businesses to address identity fraud, identify those who compromise personal identity information, and protect citizens from identity theft.

Today’s announcement is part of the efforts undertaken in connection with the President’s Financial Fraud Enforcement Task Force. The task force was established to wage an aggressive, coordinated and proactive effort to investigate and prosecute financial crimes. With more than 20 federal agencies, 94 U.S. attorneys’ offices, and state and local partners, it’s the broadest coalition of law enforcement, investigatory and regulatory agencies ever assembled to combat fraud. Since its formation, the task force has made great strides in facilitating increased investigation and prosecution of financial crimes; enhancing coordination and cooperation among federal, state and local authorities;

addressing discrimination in the lending and financial markets; and conducting outreach to the public, victims, financial institutions and other organizations. Since fiscal year 2009, the Justice Department has filed over 18,000 financial fraud cases against more than 25,000 defendants. For more information on the task force, please visit www.StopFraud.gov.

United States Attorney Rod J. Rosenstein commended the Department of Labor – OIG and U.S. Postal Inspection Service for their work in the investigation, and praised the Maryland Department of Labor, Licensing and Regulation and the Pennsylvania Department of Labor and Industry for their assistance in the investigation. Mr. Rosenstein thanked Assistant U.S. Attorney Sean R. Delaney, who is prosecuting the case.