

PRESS RELEASE

Defendant Sentenced To Over Eight Years For Scheme To Fraudulently Obtain More Than \$1.8 Million In Covid-19 Cares Act Unemployment Insurance Benefits

Tuesday, October 1, 2024

For Immediate Release

U.S. Attorney's Office, District of Maryland

Defendant Perpetrated the Fraud While Incarcerated

Greenbelt, Maryland – Today, federal inmate Jonathan Henry, age 32, was sentenced to 97 months imprisonment followed by 3 years of supervised release and restitution in the amount of \$1,894,971 for conspiracy to commit wire fraud and mail fraud and aggravated identity theft, relating to the submission of fraudulent CARES Act unemployment insurance benefits. Henry's co-defendant, Kenneth Dodd, was previously sentenced to 42 months imprisonment for his role in the offense, which he will serve consecutively to previous sentences he is currently serving as a result of prior federal felony convictions. A third defendant, Jason Haddox, is scheduled to be sentenced on January 24, 2025.

The sentences are announced by Erik L. Barron, United States Attorney for the District of Maryland; Special Agent in Charge Troy W. Springer of the National Capital Region U.S. Department of Labor - Office of Inspector General ("DOL-OIG"); and, Postal Inspector in Charge Damon E. Wood of the U.S. Postal Inspection Service ("USPIS") - Washington Division.

The Coronavirus Aid, Relief, and Economic Security ("CARES") Act was a federal law enacted in March 2020 to provide emergency financial assistance to Americans suffering from the economic effects caused by the COVID-19 pandemic. Financial assistance offered through the CARES Act included expanded eligibility for Unemployment Insurance ("UI") benefits and increased UI benefits through the Pandemic Unemployment Assistance Program ("PUA"), Federal Pandemic Unemployment Compensation ("FPUC"), and the Lost Wages Assistance Program ("LWAP").

According to their plea agreements, during the time of the conspiracy, from March 22, 2020 through at least June 2021, Henry, Dodd and Haddox were inmates at the Federal Correctional Institution, Fort Dix ("FCI Fort Dix"). Henry, Dodd Haddox and their co-conspirators (both inmates and outside individuals) submitted fraudulent online applications for UI benefits in Maryland and other states. Henry and other conspirators used the personal identifying information ("PII") of identity theft victims in many of the applications. Based on the information in the fraudulent applications, the Maryland Department of Labor, which is responsible for processing applications for UI benefits in Maryland, issued prepaid debit cards in the names of the applicants and mailed them to addresses included on the applications, which were accessible to the conspirators. The defendants and their co-conspirators used the prepaid debit cards to withdraw money from ATMs and to make retail purchases.

Henry admitted that he used the PII of identity theft victims to submit approximately 191 fraudulent claims, the majority in Maryland but also in Washington, D.C., Virginia and North Carolina. Of the fraudulent claims submitted, 152 claims were paid, with an actual loss of approximately \$1,894,971.

The District of Maryland Strike Force is one of five strike forces established throughout the United States by the U.S. Department of Justice to investigate and prosecute COVID-19 fraud, including fraud relating to the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The CARES Act was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

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>.

United States Attorney Barron commended the DOL-OIG and the USPS for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorney Kelly O. Hayes, who is prosecuting the case.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to help the community, please visit www.justice.gov/usao/md.

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