

PRESS RELEASE

# Former Arizona Man Pleads Guilty to Stealing Mainers' Identities As Part of Unemployment Fraud Scheme

Tuesday, August 29, 2023

## For Immediate Release

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

## Scheme Took Advantage of Increased UI Funds during COVID-19 Pandemic

**PORTLAND, Maine:** A former Arizona man pleaded guilty in U.S. District Court in Portland today to six counts of wire fraud and six counts of aggravated identity theft.

According to court records, from January to November 2020, **James McAuliffe**, 55, filed false claims for unemployment insurance (UI) benefits. McAuliffe filed fraudulent applications for UI payments with the Maine Department of Labor, Bureau of Unemployment Compensation using others' personal identifying information without their knowledge and consent. As a part of the scheme, he caused fraudulent applications for replacement drivers licenses to be filed with the Maine Bureau of Motor Vehicles and changed the drivers' mailing addresses, using the falsified licenses as proof of identification in support of the fraudulent UI claims. McAuliffe had the UI benefits loaded onto debit cards and wired into an account he opened in another person's name and withdrew the funds at ATMs in Arizona. At the time of his arrest, McAuliffe was living in Kansas.

McAuliffe faces up to 20 years in prison and a fine of up to a \$250,000, followed by up to three of supervised release on each count of wire fraud. He faces a mandatory minimum sentence of two years in prison on the aggravated identity theft counts, which must be served consecutively to the sentence imposed on the wire fraud counts. He will be sentenced after the completion of a presentence investigation report by the U.S.

Probation Office. A federal district judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

The U.S. Department of Labor, Office of Inspector General and the U.S. Postal Inspection Service investigated the case.

“The prosecution of Mr. McAuliffe is one of numerous cases brought by the Department of Justice nationwide to bring to justice those who sought to exploit COVID-19 relief fund programs,” said **U.S. Attorney Darcie N. McElwee**. “The important work of identifying and prosecuting anyone who stole taxpayer funds set aside for pandemic aid remains a priority for my office and Maine’s federal law enforcement agencies.”

“James McAuliffe engaged in a scheme to fraudulently obtain unemployment insurance funds by using the stolen identities of Maine residents and others. McAuliffe stole benefits set aside by the federal government to assist American workers struggling during the COVID-19 pandemic. We will continue to work with our law enforcement partners to safeguard Department of Labor programs from those who seek to exploit them,” said **Jonathan Mellone, Special Agent-in-Charge, Northeast Region, U.S. Department of Labor, Office of Inspector General**.

**Coordinated, nationwide enforcement action to combat COVID-19 fraud:** On August 23, 2023 [the Justice Department announced](#) the results of a coordinated, nationwide enforcement action to combat COVID-19 fraud, which included 718 enforcement actions – including federal criminal charges against 371 defendants – for offenses related to over \$836 million in alleged COVID-19 fraud. The Justice Department has now seized over \$1.4 billion in COVID-19 relief funds that criminals had stolen and charged over 3,000 defendants with crimes in federal districts across the country. Many of the cases in the enforcement action involve charges related to pandemic unemployment insurance benefit fraud and fraud against the two largest pandemic Small Business Administration programs: the Paycheck Protection Program and Economic Injury Disaster Loans. Additional matters involved pandemic healthcare billing fraud, fraud against the Emergency Rental Assistance program, and fraud committed against the IRS Employee Retention Credit program (ERC), a refundable tax credit for businesses and tax-exempt organizations that had employees and were affected during the COVID-19 pandemic.

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