

PRESS RELEASE

Former State Employee Pleads Guilty to Unemployment Insurance Fraud Scheme

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For Immediate Release

U.S. Attorney's Office, Eastern District of Michigan

DETROIT - A Southfield woman pleaded guilty to stealing over \$250,000 as part of an extensive unemployment fraud and identity theft conspiracy while working for the State of Michigan Unemployment Insurance Agency, announced United States Attorney Jerome F. Gorgon Jr.

Joining in the announcement were Joseph Cuffari, Inspector General, Department of Homeland Security—Office of Inspector General; Megan Howell, Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor—Office of Inspector General; Cheyvoryea Gibson, Special Agent in Charge of the Detroit Field Office of the Federal Bureau of Investigation; and Jason Palmer, Director of the State of Michigan Unemployment Insurance Agency

Timeka Johnson, 43, pleaded guilty before United States District Judge Stephen J. Murphy, III.

Johnson was an employee for the State of Michigan Unemployment Insurance Agency (MUIA). Her duties included reviewing, processing, and verifying the legitimacy of unemployment insurance claims.

According to court records, Johnson used her insider access to fraudulently process claims in the names of third parties. As part of the scheme, Johnson personally:

- accessed third-party unemployment insurance assistance claim information without authorization;
- dismissed and improperly closed fraud prevention triggers and information requests relating to third-party unemployment insurance assistance;
- uploaded false and fraudulent documentation to support illegitimate unemployment insurance assistance claims, including false and fraudulent personal identifying information in the names of third parties;

- falsely and fraudulently certified the entitlement of third-party claims as being eligible to receive unemployment insurance assistance funds;
- caused at least one other Michigan Unemployment Insurance Agency employee to fraudulently access and alter third-party unemployment insurance assistance claim information for Johnson's benefit in exchange for financial compensation from Johnson;
- caused unauthorized debit cards to be issued in the names of third-party unemployment insurance assistance claimants;
- caused improper payments to be issued in connection with unemployment insurance assistance claims; and
- conducted unauthorized cash withdrawals of unemployment insurance assistance issued in the name of a third party.

As a result of the conspiracy, over \$250,000 in fraudulent unemployment assistance payments were made by the State of Michigan.

Sentencing is set for August 19, 2025 before Judge Murphy. Johnson faces a mandatory two-year sentence of imprisonment for having engaged in aggravated identity theft. She also faces up to 20 years in prison for having conspired to engage in wire fraud.

"Timeka Johnson abused her position of trust to steal from hard-working American taxpayers. In doing so, she also made it more difficult for legitimate claimants to receive unemployment insurance assistance to which they are entitled. My office is committed to aggressively prosecuting government employees who use their positions to illicitly enrich themselves rather than serve the public," stated U.S. Attorney Gorgon.

"Former Michigan Unemployment Insurance Agency employee Timeka Johnson engaged in an unemployment insurance (UI) fraud scheme by facilitating the approval of UI claims filed in the names of identity theft victims who were not entitled to such benefits. Johnson abused her position by misusing her access to sensitive employment information and state data systems for her own personal financial gain. We will continue to work with our law enforcement partners to investigate those who seek to exploit this critical benefit program, particularly when an insider threat is involved," said Megan Howell, Acting Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

"The guilty plea of Timeka Johnson, a former employee of the State of Michigan's Unemployment Insurance Agency, represents a serious betrayal of public trust," said Cheyvoryea Gibson, Special Agent in Charge of the FBI Detroit Field Office. "By abusing her position, she exploited a critical safety net relied upon by countless residents of Michigan. Let this serve as a warning: those who attempt to defraud public assistance

programs will face a determined and coordinated response from law enforcement. I want to thank the FBI Detroit Area Public Corruption Task Force, our partners at the Department of Homeland Security Office of Inspector General, the Department of Labor Office of Inspector General, and the State of Michigan Unemployment Insurance Agency. The FBI is committed to protecting public resources and holding accountable those who undermine them."

"It is unacceptable when the person stealing taxpayer money is someone within UIA who is entrusted to faithfully safeguard taxpayer money meant for those who find themselves out of a job," said Jason Palmer, Director of the Michigan Unemployment Insurance Agency. "UIA will aggressively pursue every fraudster, including insiders, who saw an opportunity to steal for their own financial gain. We work closely with our legal partners to make sure every fraudster faces the consequences of their shameful schemes."

The case is being prosecuted by Assistant United States Attorney Andrew J. Yahkind. The investigation is being conducted jointly by the Department of Homeland Security—Office of Inspector General, Department of Labor—Office of Inspector General, the Federal Bureau of Investigation, and the Unemployment Insurance Agency, Michigan Department of Labor and Economic Opportunity

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