

Department of Justice
U.S. Attorney's Office
Western District of Virginia

FOR IMMEDIATE RELEASE

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Four Sentenced this Week for Roles in Pandemic Unemployment Fraud, Mail Fraud Scheme

Randall Johnson, Steven Mullins, Ajay Johnson, Patrick Payne All to Serve Jail Time

ABINGDON, Va. – Four more Southwest Virginia residents who conspired with over 30 other people to defraud the United States government by filing claims for more than \$499,000 in pandemic unemployment benefits and committing mail fraud and other offenses were sentenced this week to federal prison time.

Randall Johnson, 42, of Castlewood, Virginia, was sentenced yesterday to 24 months in prison. Today, Steven Mullins, 34, of Big Stone Gap, Virginia, was sentenced to 27 months, Ajay Johnson, 26, of Fruitland Park, Florida, received a sentence of 30 months, and Patrick Payne, 43, of Big Stone Gap, was sentenced to 24 months in prison.

“The nearly \$500,000 in funds stolen by this conspiracy could have gone to Virginians in critical need of support during a pandemic, but instead went into the hands of those undeserving,” United States Attorney Christopher R. Kavanaugh said today. “The sentences handed out this week prove that this Department of Justice will not stand by as individuals take advantage of programs designed to help our nation recovery from this once in a generation health crisis.”

“These conspirators thought they could game the system and defraud the government during a time of national crisis,” said IRS-CI Washington DC Field Office Special Agent in Charge Darrell Waldon. “We will continue to root out Covid-19 related fraud and bring these bad actors to justice.”

“Randall Johnson, Steven Mullins, Ajay Johnson, and Patrick Payne, all sought to financially enrich themselves by engaging in a conspiracy to submit false claims for pandemic unemployment assistance (PUA) for ineligible claimants, to include prisoners. The U.S. Department of Labor Office of Inspector General and its partners, such as the Virginia Employment Commission and U.S. Attorney's Office, will continue to work together to preserve the integrity of the PUA program by vigorously pursuing those who commit this type of fraud,” stated Special Agent-In-Charge Syreeta Scott, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

According to court documents, R. Johnson, Mullins, Payne, and A. Johnson conspired with others to file claims for pandemic unemployment benefits through the Virginia Employment Commission (VEC) website. The scheme involved submitting claims for various individuals who were not eligible to receive pandemic unemployment benefits, including numerous inmates incarcerated in Southwest Virginia regional jails. To date, 23 of the co-conspirators have pleaded guilty to their roles in the broader conspiracy.

Conspiracy members lied on the VEC filings as part of the scheme to make filers appear eligible for benefits. Because pandemic unemployment benefits were paid weekly, each of those filings re-verified and re-certified the false statements on numerous occasions throughout the scheme.

In all, the conspiracy participants filed fraudulent claims for approximately 37 individuals, causing at least \$499,000 in false claims to be have been paid. In addition to those indicted, eight co-conspirators have already entered into plea agreements with the United States.

The Department of Labor – Office of Inspector General, the Internal Revenue Service – Criminal Investigation, the Norton Police Department, and the Russell County Sheriff’s Office investigated the case.

Assistant United States Attorney Daniel J. Murphy prosecuted the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. 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 by accessing the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form> .

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