

PRESS RELEASE

Illinois Tax Preparer Convicted at Trial After Stealing More Than \$11 Million from Taxpayers in COVID-19 Assistance Fraud Scheme

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A federal jury in the Northern District of Illinois convicted an Illinois woman yesterday of unemployment insurance fraud for submitting false claims to a COVID-19 assistance program. From May 2020 and continuing through December 2022, Hmaidan and her co-conspirators submitted nearly 700 fraudulent unemployment insurance claims that caused over \$11 million in fraudulent unemployment benefits to be dispersed.

"Hiam Hmaidan stole more than \$10 million from American taxpayers during the COVID-19 pandemic through an unemployment insurance fraud scheme that submitted nearly 700 fraudulent claims," said Assistant Attorney General Colin M. McDonald of the Justice Department's National Fraud Enforcement Division. "The Fraud Division will continue to find and prosecute fraudsters who exploited a national crisis to steal from Federal benefit programs."

"Hiam Hmaidan nefariously used the identities of her tax clients and others without their knowledge or consent to steal over \$10 million in unemployment insurance benefits meant to support struggling Americans," said Inspector General Anthony P. D'Esposito of the U.S. Department of Labor. "Her conviction sends a clear message: my office, alongside Vice President Vance's Task Force to Eliminate Fraud, will relentlessly pursue those who commit fraud and hold them accountable. Protecting the integrity of these critical programs isn't optional — it's our highest priority. Fraud is a tax you never voted for, and we're coming after the people collecting it."

"This guilty verdict is justice for the American people," said Special Agent in Charge Adam Jobes of the IRS Criminal Investigation (IRS-CI) Chicago Field Office. "Hiam Hmaidan took advantage of a program people relied on to get through a very difficult

time. She and her co-conspirators stole millions from taxpayers at a time when families were struggling to keep a roof over their heads and food on their tables. Working closely with our fellow law enforcement partners, IRS-CI followed the money to expose the full scope of this scheme and helped bring it to an end. This verdict sends a clear message that if you try to cash in on a national crisis, you will be brought to justice and held accountable for your crimes.”

According to court documents and evidence presented at trial, Hiam Hmaidan, 54, of Orland Park, Illinois, operated an unemployment insurance fraud scheme in which she agreed with others to defraud the Pandemic Unemployment Assistance Program, which Congress established in 2020 as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

Hmaidan, together with her co-conspirators, submitted claims containing false information regarding the claimants’ employment status and the impact of the pandemic on their ability to earn a living. Hmaidan abused her position as a tax preparer by submitting many of the fraudulent claims using her clients’ names and personal information. Based on those fraudulent claims, unemployment insurance benefits were loaded onto debit cards and mailed directly to Hmaidan or to addresses accessible to Hmaidan and her co-conspirators. Once Hmaidan and her co-conspirators obtained the debit cards, they used the fraudulent proceeds on the cards to withdraw approximately \$2.8 million in cash from ATMs near where they lived.

The jury convicted Hmaidan of one count of conspiracy to commit mail fraud and five counts of mail fraud. She is scheduled to be sentenced on Oct. 2. Hmaidan faces a maximum penalty of 20 years in prison on all counts. A federal district court 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 IRS-CI investigated the case.

Trial Attorneys Shy Jackson and Meredith B. Healy of the Criminal Division’s Fraud Section are prosecuting the case.

On April 7, the Department of Justice announced the creation of the Fraud Division. The Fraud Division is laser-focused on investigating and prosecuting those who commit fraud against the American people. The Department’s work to combat fraud supports President Trump’s Task Force to Eliminate Fraud, a whole-of-government effort chaired by Vice President J.D. Vance to eliminate fraud, waste, and abuse within Federal benefit programs.