

Department of Justice

U.S. Attorney's Office

District of Connecticut

FOR IMMEDIATE RELEASE

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Illinois Man Sentenced to 5 Years in Prison for Identity Theft and Unemployment Benefits Fraud Scheme

John H. Durham, United States Attorney for the District of Connecticut, announced that RICHARD M. LACH, 32, of Richton Park, Illinois, was sentenced today by U.S. District Judge Jeffrey A. Meyer in New Haven to 60 months of imprisonment, followed by three years of supervised release, for operating a scheme to defraud state unemployment insurance programs in Connecticut and 37 other states.

According to court documents and statements made in court, Lach fraudulently filed claims with the Connecticut Department of Labor for unemployment benefits in the names of identity theft victims, using their names, dates of birth and social security numbers. Lach directed that the unemployment benefits be directly deposited to Green Dot debit cards that he opened in the names of other identity theft victims. For claims that were approved, the unemployment benefits were deposited to the Green Dot cards, and Lach withdrew the funds or otherwise spent the funds for his own personal use and benefit.

In addition to fraudulently obtaining unemployment benefits from the Connecticut Department of Labor, Lach fraudulently filed or attempted to file for unemployment benefits, in the names of identity theft victims, from unemployment agencies in Alabama, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington DC, Wisconsin, and West Virginia.

In some cases, Lach purchased the personal information of identity theft victims through online websites, including a website that sold the information for \$1, in bitcoins, per identity. Lach shared his account on that website. He also shared his Green Dot cards, and several email accounts he used, with other individuals so that they also could file fraudulent claims for unemployment benefits.

In total, Lach and others purchased identity information for approximately 845 identity theft victims through LACH's account on the website that sold the information. Between February 2017 and January 2018, Lach and others filed approximately 380 fraudulent claims for unemployment benefits in the names of identity theft victims. If the state agencies had approved and paid benefits on all 380 claims, the total loss from this scheme would have exceeded \$3.8 million. However, the state agencies approved and paid benefits on only 42 of the claims, resulting in an actual loss of \$54,006.

Lach also fraudulently purchased cars and obtained car loans in the names of two identity theft victims. In September 2017, he fraudulently purchased a car for approximately \$59,000 from a dealership in Florida and had it shipped to Illinois. Lach provided copies of a fake driver's license and utility bill in the name of an identity theft victim in order to obtain a car loan to purchase the vehicle. Similarly, in January 2018, Lach fraudulently purchased a car for approximately \$83,000 from a dealership in Tennessee. Again, LACH provided copies of a fake driver's license, utility bill,

W-2, and paystub in the name of an identity theft victim. The cars were recovered and returned to the dealerships.

Judge Meyer ordered Lach to pay restitution in the total amount of \$65,866.09 to the victim states and the two car dealerships.

Lach has been detained since his arrest on February 2, 2018. On August 30, 2018, he pleaded guilty to one count of wire fraud and one count of aggravated identity theft.

This matter was investigated by the U.S. Department of Labor – Office of Inspector General, Office of the Chief State’s Attorney, Connecticut Department of Labor, New York State Department of Labor, State of New Jersey Department of Labor and Workforce Development, and Matteson (Illinois) Police Department, with assistance from the state unemployment agencies in the other states.

This case was prosecuted by Assistant U.S. Attorney Neeraj N. Patel.