

PRESS RELEASE

Pontiac Man Pleads Guilty in \$4M Identity Theft and Unemployment Fraud Case

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For Immediate Release

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

DETROIT – A Pontiac man has pleaded guilty to committing aggravated identity theft and wire fraud as part of large-scale, multi-state Unemployment Insurance benefit fraud scheme in which he and co-conspirators fraudulently obtained debit cards loaded with more than \$4 million in Pandemic Unemployment Assistance funds, Acting United States Attorney Julie A. Beck announced today.

Joining in the announcement were Megan Howell, Acting Special Agent-in-Charge, Chicago Region, U.S. Department of Labor, Office of Inspector General, Special Agent-in-Charge Cheyvoryea Gibson, Federal Bureau of Investigation, Detroit Division, Charles Miller, Special Agent-in-Charge, Internal Revenue Service – Criminal Investigations, Douglas Zloto, Special Agent-in-Charge, U.S. Secret Service, Sean McStravick, Acting Inspector-in-Charge, U.S. Postal Service, Office of Inspector General, and Director Jason Palmer, State of Michigan Unemployment Insurance Agency.

Terrance Calhoun, Jr., 36, of Pontiac, Michigan, pleaded guilty to committing aggravated identity theft, wire fraud, conspiracy to commit wire fraud, and to possessing 15 or more unauthorized access devices, all in relation to acts of unemployment insurance fraud.

According to his plea agreement, Calhoun Jr., and others, used stolen personal identification and filed hundreds of false unemployment claims with state unemployment insurance agencies in Michigan, Arizona, and Maryland over a six-month period in the names of other individuals without their knowledge or consent. Those false claims resulted in hundreds of debit cards loaded with over \$4 million in unemployment insurance funds being mailed to addresses controlled by Calhoun Jr. and his co-conspirators. Roughly \$1.6 million dollars in purchases and cash withdrawals were then successfully made from the cards.

As described within a prior complaint, when agents executed search warrants at the principal mailing addresses used for the fraudulent unemployment insurance benefit

claims, including the residence of Calhoun Jr., agents seized numerous documents containing the personal identification information of other individuals, multiple debit cards in the names of numerous other individuals, and firearms.

Calhoun now faces a possible sentence of up to 20-years' imprisonment for each of the wire fraud counts to which he has pleaded guilty, a possible sentence of up to 10-years' imprisonment for possessing 15 or more unauthorized access devices, and a mandatorily consecutive 2-year sentence for the aggravated identity theft charge to which he has pleaded guilty.

Sentencing is set for August 27, 2025 before United States District Court Judge Judith E. Levy.

"Taxpayer money diverted into the pockets of criminals means less money going to Michiganders who actually need help getting through difficult financial times and who follow the rules when seeking assistance," said Acting US Attorney Beck. "These charges reflect our office's ongoing commitment to the community by investigating such schemes and bringing those who commit these crimes to justice."

"Terrance Calhoun Jr and his co-conspirators engaged in a scheme to defraud state workforce agencies in Michigan, Arizona, and Maryland by filing hundreds of fraudulent unemployment insurance (UI) claims. As a result, Calhoun enriched himself by stealing taxpayer resources intended for unemployed American workers. We will continue to work with our law enforcement partners to protect the integrity of the UI program from those who seek to exploit it," said Megan Howell, Acting Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

"Individuals who commit identity theft and unemployment insurance fraud of this magnitude deserve to be punished to the fullest extent of the law," said Charles Miller, Special Agent in Charge, Detroit Field Office, IRS Criminal Investigation (IRS-CI). "Terrance Calhoun, Jr. and Jermaine Arnett demonstrated a blatant disregard of the integrity of the multiple states' unemployment insurance systems and caused immeasurable hardship to innocent victims. IRS-CI remains committed to the pursuit of identity theft and financial fraud, and together with our partners at the U.S. Attorney's Office, we will hold those who engage in similar crimes accountable."

"The FBI in Michigan, alongside our law enforcement partners, remains steadfast in protecting the community and investigating individuals who violate federal law," said Cheyvoryea Gibson, Special Agent in Charge of the FBI Detroit Field Office. "Today's guilty plea by Terrance Calhoun, whose involvement in a multi-state fraud scheme, is a clear reminder that bad actors will be stopped, and we will ensure integrity will prevail."

The case was jointly investigated by agents from the Department of Labor Office of the Inspector General, the Internal Revenue Service – Criminal Investigations Division, the Federal Bureau of Investigation, the Bureau of Immigration and Customs Enforcement, the United States Secret Service, the United States Postal Service Office of the Inspector General, and the State of Michigan -Unemployment Insurance Agency. The case is being prosecuted by Assistant United States Attorneys Carl D. Gilmer-Hill and Jessica A. Nathan.

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