

PRESS RELEASE

# Randa Allison Sentenced To 14 Months In Prison For COVID-19 Unemployment Insurance Fraud Scheme

Wednesday, February 28, 2024

## For Immediate Release

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

CHATTANOOGA, Tenn. - On February 28, 2024, Randa Allison, 29, of Stevenson, Alabama, was sentenced to 14 months' imprisonment after being convicted of mail fraud involving a scheme to defraud COVID-19 unemployment programs in several states. Allison was sentenced by the Honorable Curtis L. Collier, in the United States District Court for the Eastern District of Tennessee at Chattanooga. Following her incarceration, she will be on five years of supervised release. In addition, she was ordered to pay \$120,025 in restitution to the Pennsylvania and Alabama Departments of Labor, and to forfeit to the United States \$100,225 as part of a money judgment.

As part of the filed plea agreement with the court, Allison pled guilty to Conspiracy to Commit Wire Fraud and Mail Fraud, in violation of Title 18, United States Code, Section 1349.

According to court documents, from June 2020 through June 2021, Allison conspired with others to devise a scheme in which she defrauded the United States government and the governments of Tennessee, Alabama, Pennsylvania, and California to obtain money from the states' COVID relief programs in the form of unemployment insurance proceeds funded by the United States government. Specifically, Allison acquired personal information from others and used it to fraudulently make mass online applications for money earmarked by the states to provide unemployment insurance relief for those affected by the national pandemic. She falsely claimed in the applications that the individuals whose personal information was reflected on the applications worked in those states. The states then mailed debit cards to addresses in

the Eastern District of Tennessee, and Allison would receive a percentage of the payout of the fraudulent claim. The defendant was personally responsible for the fraudulent distribution of over \$120,000 of unemployment protection insurance funds. The scheme itself involved the fraudulent distribution of over \$550,000 in unemployment protection insurance funds.

“As if the pandemic were not traumatic enough for our communities, fraudsters like the defendant callously took advantage of the crisis to obtain a financial windfall,” said United States Attorney Francis M. Hamilton, III. “We will continue to work with our partners at every level of law enforcement to pursue and prosecute criminals who used the crisis for fraudulent personal gain.”

“Randa Faye Allison and her co-conspirators filed fraudulent Unemployment Insurance (UI) claims with multiple state workforce agencies, enriching themselves by defrauding a program intended to assist struggling American workers during an unprecedented global pandemic,” said Mathew Broadhurst, Special Agent-in-Charge, Southeast Region, U.S. Department of Labor, Office of Inspector General. “We will continue to work with our law enforcement partners to protect the integrity of the UI system from those who exploit these benefit programs.”

“The FBI takes very seriously our responsibility to investigate and pursue those who commit fraud for personal gain. Along with our federal, state, and local law enforcement partners, we will continue to aggressively investigate those who lined their pockets with money intended to help struggling businesses and workers as a result of the COVID pandemic,” said Special Agent in Charge Joseph E. Carrico, of the Federal Bureau of Investigation (FBI).

Assistant United States Attorney Steven Neff represents the United States.

The investigation was conducted by the Department of Labor Office of Inspector General and the FBI as part of the Smoky Mountains Financial Crimes Task Force.

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 the 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 via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

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### **Topic**

**CORONAVIRUS**

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