

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

FOR IMMEDIATE RELEASE

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Russell Co. Woman Sentenced in \$499,000 Unemployment Fraud Scheme

ABINGDON, Va. – A Russell County woman was sentenced today to 108 months in prison and to pay \$455,930.00 in restitution, for conspiring with others to defraud the government of more than \$499,000 and to commit mail fraud, and committing aggravated identify theft and for distributing drugs into a prison facility.

According to court documents, Leelynn Danielle Chytka, 31, waived her right to be indicted in March 2021 and pleaded guilty to one count of conspiracy to defraud the government, one count of conspiracy to commit mail fraud with respect to benefits authorized and paid in connection with a presidentially declared major disaster or emergency, one count of aggravated identity theft, and one count of distribution of suboxone.

“In the midst of a global pandemic, this defendant conspired with others to defraud the Virginia Employment Commission of nearly \$500,000 intended for Virginians in need,” Acting United States Attorney Bubar said today. “This was money set aside by the federal government to assist those struggling during the COVID-19 crisis—not meant to line the pockets of fraudsters. I am grateful for the work of the Department of Labor and the IRS for the tireless work the put in to uncovering this fraud and bringing these defendants to justice.”

“Chytka and her co-conspirators dishonestly obtained nearly half a million dollars in pandemic unemployment compensation. We will continue to investigate those who exploit programs designed to help those struggling through this global pandemic. There are criminal consequences to personally enriching yourself at the cost of others,” said Darrell J. Waldon, IRS-CI Special Agent in Charge of the Washington DC Field Office.

“LeeLynn Chytka defrauded the United States of at least \$499,000 by leading a scheme involving more than 35 co-conspirators to include inmates in the custody of the Virginia Department of Corrections, in the fraudulent filing for and receipt of Pandemic Unemployment Assistance benefits. This type of fraud causes significant harm to many citizens. The U.S. Department of Labor Office of Inspector General and its partners at the Virginia Employment Commission will continue working with our law enforcement partners to vigorously pursue those who commit fraud against the unemployment insurance program,” said Syreeta Scott, Acting Special Agent-in-Charge, Philadelphia Region, U. S. Department of Labor Office of Inspector General.

Chytka admitted to leading a conspiracy to commit fraud against the United States in connection with a scheme involving the filing of fraudulent claims for pandemic unemployment benefits.

According to court documents, Chytka, and others, conspired to collect personal identification information of more than 35 co-conspirators, including 15 inmates in the custody of the Virginia Department of Corrections, and to file fraudulent claims of pandemic-related unemployment benefits.

Over the course of nine months, Chytka filed fraudulent claims for at least 37 individuals, with a total actual loss to the United States of at least \$499,000.

The Department of Labor Office of the Inspector General and 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.

Component(s):

USAO - Virginia, Western