

Department of Justice

U.S. Attorney's Office

Northern District of Iowa

FOR IMMEDIATE RELEASE

Friday, May 21, 2021

Schaller Man Sentenced to Five Years in Federal Prison for COVID-19 Unemployment Benefits Fraud

Received Over \$35,000 in Benefits to Which He Was Not Entitled from Three States

A man who received and transferred over \$35,000 in fraudulently obtained CARES Act unemployment funds from multiple states was sentenced on May 20, 2021, to five years in federal prison. Alvin Lavon Rex, age 61, from Schaller, Iowa, received the prison term after a December 18, 2020, guilty plea to one count of mail fraud.

In a plea agreement, and at his plea and sentencing hearings, Rex admitted he opened multiple bank accounts in the Storm Lake, Iowa, area in May and June 2020. Rex received over \$35,000 in unemployment benefits in the names of other individuals from Arizona, Ohio, and Massachusetts. He then withdrew the benefits in cash and mailed the cash through the United States Postal Service. Rex also admitted that, in the months preceding the pandemic, he had received a false and fraudulent tax refund in the name of another person and cashed counterfeit checks at local banks. As a part of his plea agreement, Rex agreed to make full restitution to those banks.

Rex was sentenced in Sioux City by United States District Court Chief Judge Leonard T. Strand. Rex was sentenced to 60 months' imprisonment. He was ordered to make \$63,070.03 in restitution. He must also serve a five-year term of supervised release after the prison term. There is no parole in the federal system.

"Alvin Rex took advantage of unemployment benefits intended for those who lost their jobs because of the COVID-19 pandemic," said Acting United States Attorney Sean R. Berry. "We will vigorously investigate and prosecute those who seek to profit from fraud involving COVID-19 benefits. Rex's sentence reflects the seriousness of his offense and demonstrates that there will be consequences for committing fraud, including prison."

This prosecution is an example of the Department of Justice's strong commitment to combating fraud and criminal activity related to COVID-19. 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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The case was prosecuted by Assistant United States Attorney Tim Vavricek and was investigated by the Federal Bureau of Investigation, the United States Department of Labor, Office of Inspector General, the United States Postal Inspection Service, and the Storm Lake Police Department. The Sac County Sheriff's Office, the State of Arizona's UI Benefit Fraud Investigation Unit, Office of Inspector General, the State of Massachusetts' Program Integrity Unit, Department of Unemployment Assistance, and the State of Ohio's Benefit Payment Fraud Control Unit, Department of Job and Family Services provided assistance to the investigation.

Court file information at <https://ecf.iand.uscourts.gov/cgi-bin/login.pl>.

The case file number is 20-CR-4062.

Follow us on Twitter @USAO_NDIA.

Topic(s):
Coronavirus
Financial Fraud

Component(s):
USAO - Iowa, Northern