

Department of Justice
U.S. Attorney's Office
Northern District of Georgia

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Two arraigned in \$3 million COVID Unemployment Insurance Benefits scheme

ATLANTA - Rowlando Hatter Jr., and Clyde Anthony Parker Jr., have been arraigned on federal charges of conspiracy to commit mail and wire fraud, mail fraud, and aggravated identity theft. They allegedly participated in a scheme to use stolen identities to fraudulently apply for Unemployment Insurance ("UI") Benefits in multiple states during the COVID-19 pandemic.

"The defendants allegedly regarded these benefits as means to steal money at a time when many legitimately relied on Unemployment Insurance Benefits during the COVID-19 pandemic," said U.S. Attorney Kurt R. Erskine. "This type of fraud diverts CARES Act funds away from those it is intended for – those who need the money to make ends meet each month."

"An important mission of the Office of Inspector General is to investigate allegations of fraud related to the unemployment insurance program. We will continue to work with our law enforcement partners to investigate these types of allegations," stated Mathew Broadhurst, Special Agent in Charge, Atlanta Region, U.S. Department of Labor Office of Inspector General.

"This case is another example of criminals trying to take advantage of a bad situation for their benefit. Hatter and Parker's alleged scheme took desperately needed money from people struggling during the COVID pandemic," said Special Agent in Charge Katrina W. Berger, who oversees Homeland Security Investigations (HSI) operations in Georgia and Alabama. "This isn't a victimless crime, every time a fraudster like this steals money, legitimate applicants are unable to get those funds to help themselves and their families."

"The alleged actions of the defendants to defraud a government program designed to provide financial assistance is criminally reprehensible," said Tommy D. Coke, Inspector in Charge of the Atlanta Division. "Postal Inspectors and our law enforcement partners will aggressively go after bad actors who utilized the COVID-19 pandemic as an opportunity to commit fraud for their own financial gain."

According to U.S. Attorney Erskine, the charges, and other information presented in court: The U.S. Department of Labor, Employment and Training Administration oversees the Federal-State Unemployment Insurance Program, which provides unemployment benefits to eligible workers who are unemployed through no fault of their own as determined under state law and who meet other state eligibility requirements. On March 27, 2020, the President signed into law the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The CARES Act was designed to mitigate the economic effects of the COVID-19 pandemic in a variety of ways. One of the provisions provided for temporary benefits for individuals who exhausted their entitlement to regular UI payments, as well as coverage for individuals who were not eligible for regular UI payments and were self-employed or had limited recent work history.

Between about July 1, 2020, and continuing through October 5, 2020, Hatter, 31, of Smyrna, Georgia, and Parker, 31, of Oak Park, Michigan, caused fraudulent applications for UI benefits to be

submitted electronically to workforce agencies in various states, including California, Georgia, and Michigan. The applications fraudulently listed the names, Social Security numbers, and other personal identifying information of individuals without their knowledge and consent.

After claims were approved, the state workforce agencies paid the benefits by depositing the funds onto debit cards issued through the approving state workforce agency. The debit cards were mailed to residential addresses and P.O. Boxes located at addresses in Smyrna, Georgia and in Michigan that were controlled by Hatter and Parker. After receiving the debit cards, both Hatter and Parker withdrew the UI funds, in part, through ATM cash withdrawals.

Members of the public are reminded that the indictment only contains charges. The defendants are presumed innocent of the charges and it will be the government's burden to prove the defendant's guilt beyond a reasonable doubt at trial.

This case is being investigated by the U.S. Department of Labor – Office of Inspector General, U.S. Homeland Security Investigations, and U.S. Postal Inspection Service. Special assistance was provided by the Federal Bureau of Investigation – Sacramento, California.

Assistant U.S. Attorneys Tracia M. King and Thomas J. Krepp are prosecuting the case.

This case was sponsored by the Georgia Unemployment Insurance Task Force. The Task Force is comprised of federal and state agencies throughout Georgia that are dedicated to combat COVID-related Unemployment Insurance Benefits Fraud.

For further information please contact the U.S. Attorney's Public Affairs Office at USAGAN.PressEmails@usdoj.gov or (404) 581-6016. The Internet address for the U.S. Attorney's Office for the Northern District of Georgia is <http://www.justice.gov/usao-ndga>.

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