

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

FOR IMMEDIATE RELEASE

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Virginia Woman Pleads Guilty to Fraudulently Obtaining COVID-Related Unemployment Benefits for Prison Inmates

RICHMOND, Va. – A Glen Allen woman pleaded guilty today to mail fraud for her role in a conspiracy to fraudulently obtain pandemic-related unemployment benefits for 22 prison inmates, which she shared with the inmate beneficiaries.

“These critical unemployment funds were intended for deserving members of our communities to help alleviate their economic hardship during the pandemic,” said Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia. “This prosecution and the defendant’s guilty plea send a clear message that EDVA will bring to justice those who unlawfully exploit taxpayer-funded assistance for personal gain.”

According to court documents, Virginia Smith, 37, conspired with an inmate at Baskerville Correctional Center to collect the personally identifiable information of inmates to fraudulently apply for Virginia unemployment benefits from around June 2020 to January 2021, during the COVID-19 pandemic. Smith, with the assistance of the inmate co-conspirator, submitted successful applications for Virginia unemployment benefits for at least 22 inmates at Baskerville Correctional Center, resulting in the dispersal of at least \$223,984.72 in fraudulent benefits.

“Smith and her co-conspirators used the identities of prisoners housed at the Baskerville Correctional Center to file fraudulent unemployment claims and unlawfully collect more than \$223,000 in resulting benefit payments,” said Derek Pickle, Special Agent-in-Charge, Washington Region, U.S. Department of Labor Office of Inspector General. “As the primary law enforcement agency responsible for investigating unemployment insurance fraud, the Department of Labor Office of Inspector General is committed to supporting the prosecution of individuals who take advantage of unemployment insurance programs. We are grateful to the U.S. Attorney’s Office, the Virginia Employment Commission, and our law enforcement partners for their invaluable support of our mission.”

“Intentional abuse of COVID-19 unemployment benefits for personal gain is appalling,” said Joseph V. Cuffari, Inspector General for the Department of Homeland Security. “Today’s sentencing illustrates that DHS OIG and our law enforcement partners will work tirelessly to dismantle these greed-driven schemes.”

As part of their scheme, Smith’s co-conspirator would provide her with the names, dates of birth, and Social Security numbers of inmates serving a sentence at Baskerville Correctional Center. Smith would then file unemployment claims with the Virginia Employment Commission using that information. Once the applications were approved, Smith would share the proceeds of the crime with the inmates whose personal information she used to file the fraudulent claims, keeping a portion of the proceeds for herself. The applications contained several false statements such as a false physical address, rather than the address of the correctional facility at which the inmates were actually living; a false last employer; and a false certification that the inmates were ready, willing, and able to work in the event employment became available.

Smith is scheduled to be sentenced on September 9. She faces a maximum penalty of 30 years in prison. Actual sentences for federal crimes are typically less than the maximum penalties. A federal

district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

Raj Parekh, Acting U.S. Attorney for the Eastern District of Virginia; Derek Pickle, Special Agent-in-Charge of the Washington, DC Regional Office, U.S. Department of Labor, Office of Inspector General; Joseph V. Cuffari, Inspector General for the Department of Homeland Security; Jerald W. Page, Special Agent in Charge of the U.S. Secret Service's Richmond Field Office; and Eric D. English, Chief Henrico County Police Division, made the announcement after U.S. District Judge John A. Gibney, Jr. accepted the plea.

This investigation was conducted under the auspices of "Operation Checkmate," the Virginia Department of Corrections Inmate Unemployment Insurance Fraud Task Force. The task force is led by the U.S. Attorney's Office for the Eastern District of Virginia, DOL-OIG, DHS-OIG, and the Virginia Department of Corrections. This investigation included significant assistance from the Virginia Employment Commission.

Assistant U.S. Attorney Kashan Pathan is prosecuting the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 3:21-cr-60.

Topic(s):

Coronavirus
Disaster Fraud
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Component(s):

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