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Nigerian Man Sentenced to 70 months in Prison for \$10 Million Pandemic Unemployment Assistance Fraud Scheme

On Oct 10, 2025, Yomi Jones Olayeye was sentenced to 70 months in prison in connection with a conspiracy to fraudulently obtain at least \$10 million in pandemic unemployment insurance (UI) benefits. He was also ordered to pay more than \$1.6 million in restitution to 15 state workforce agencies (SWA), a \$75,000 fine, and approximately \$415,000 in forfeiture.

Between March 2020 and July 2020, Olayeye and his co-conspirators used personal identifiable information (PII) that they purchased over criminal internet forums to apply for UI benefits. They falsely represented themselves to be eligible residents of states affected by the COVID-19 pandemic. He and his co-conspirators also used the stolen PII to open U.S. bank accounts and UI debit cards to receive the UI payments. They also recruited bank account holders in the United States to receive and transfer the fraud proceeds, which Olayeye and others then converted to Bitcoin. Through his scheme, they attempted to receive approximately \$10 million in UI benefits and were successful in receiving more than \$1.5 million.

This is a joint investigation with United States Secret Service (USSS) and the Federal Bureau of Investigations (FBI). *United States v. Kazeem et al* (D. Massachusetts)

Florida Residents Sentenced in \$4.8 Million Pandemic Unemployment Insurance Fraud Scheme

In November 2025, three defendants were sentenced for their roles in a pandemic-related UI fraud scheme that defrauded the California Employment Development Department (CA EDD) of more than \$4.8 million in COVID-19 UI benefits through the submission of fraudulent claims.

During this period, the following actions occurred:

- Michael Amparo Suarez was sentenced on November 10, 2025, to 69 months in prison and ordered to pay restitution of more than \$1.3 million to CA EDD.
- Bryan Seda Morales was sentenced on November 12, 2025, to 78 months in prison and ordered to restitution of approximately \$1.7 million to CA EDD.
- Abel Bonilla was sentenced on November 13, 2025, to 46 months in prison and ordered to pay restitution of more than \$4.8 million to CA EDD.

The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a quarterly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

From August 2020 through August 2022, Bonilla, Morales, Suarez, and co-conspirators submitted at least 357 fraudulent UI applications to CA EDD by utilizing PII from dozens of victims without their authorization. They would then facilitate the submission of CA EDD UI applications via ID.me by creating counterfeit drivers' licenses with the identity theft victims' PII and the co-conspirators' faces. They used multiple vehicles to travel and withdraw UI funds from ATMs throughout the states of Florida and Maryland. The scheme resulted in the subsequent theft of at least \$4.8 million from CA EDD.

This was a joint investigation with the Homeland Security Investigations (HSI) as part of the Southern District of Florida Miami COVID-19 Strike Force. *United States v. Perla Bonilla et al* (S.D. Florida)

Three Arkansas Men Convicted and Sentenced in an Unemployment Insurance Fraud Scheme

Between November 2025 and December 2025, two defendants were sentenced and one other pled guilty for their roles in an UI scheme that defrauded the federal government, CA EDD, and a financial institution of funds that were earmarked for COVID-19 pandemic relief.

During this period, the following actions occurred:

- On November 7, 2025, Khi Simms was sentenced to 102 months in prison and ordered to pay, jointly and severally, restitution of approximately \$2.7 million.
- On November 19, 2025, Quentin Watson was sentenced to 6 months also in prison and ordered to pay, jointly and severally, restitution of approximately \$1 million.
- On December 2, 2025, Racie Phillips pled guilty to conspiracy to commit bank fraud.

From approximately January 2021 to August 2021, Simms and others were involved in a conspiracy whereby they obtained and made withdrawals from UI debit cards containing fraudulent UI benefits made available by a co-conspirator. The co-conspirator, who was hired by a financial institution as a contract employee, then accessed bank systems without authorization to reissue UI debit cards, remove fraud blocks, and add provisional credits to UI debit cards from which Simms and others later withdrew. Simms also often recruited others via Facebook to participate in the conspiracy. Simms also sent messages to co-conspirators to advise on how to call the financial institution and pretend to be various customers to have UI debit cards sent to their addresses.

This is a joint investigation with the FBI. *United States v. Clark et al* (E.D. Arkansas)

Michigan Man Sentenced in Pandemic Unemployment Insurance Fraud Scheme

On October 23, 2025, Terrance Calhoun Jr. was sentenced to 52 months in prison and ordered to pay restitution in excess of \$1.6 million for his involvement in a large-scale, multi-state UI fraud scheme.

The investigation revealed that Calhoun and his co-conspirators used stolen PII to file hundreds of fraudulent UI claims with multiple state workforce agencies (SWA), including Michigan, Maryland, and Arizona. As part of the scheme, Calhoun and a co-conspirator created email accounts to link with UI claims, submitted and re-certified fraudulent UI claims, collected mail for the fraudulent claims, including UI debit cards, and shared information in furtherance of the scheme. As a result, Calhoun and his accomplices received UI debit cards in the names of other individuals loaded with over \$4 million in Pandemic Unemployment Assistance (PUA) funds.

This is a joint investigation with the Internal Revenue Service Criminal Investigations (IRS CI), United States Secret Service (USSS), FBI, HSI, and Michigan Unemployment Insurance Agency (MUIA). *United States v. Terrance Calhoun Jr.* (E.D. Michigan)

Nevada Man Sentenced to Prison and Ordered to Pay More Than \$1 Million for Unemployment Insurance Fraud Scheme

On October 8, 2025, Corey Marcus Valrey was sentenced to 12 months and 1 day in federal prison and ordered to pay more than \$1 million in restitution for his involvement in a fraudulent UI fraud scheme.

Beginning in early 2020 and continuing through about January 2021, Valrey and co-conspirators devised a scheme to fraudulently obtain UI benefits from the Nevada Department of Employment, Training, and Rehabilitation. As part of the scheme, his co-conspirators filed fraudulent applications for UI benefits by using the PII of individuals without their authorization, knowledge, and consent. As a result, UI debit cards, which were loaded with UI funds, were issued in the names of individuals whose PII had been wrongfully used. The UI debit cards were mailed to addresses controlled by Valrey and co-conspirators, including two private mailboxes that Valrey rented for this purpose.

Through the course of the scheme, Valrey and co-conspirators received at least 140 fraudulent UI debit cards and caused losses of at least \$1 million in disbursed UI benefits.

This was a joint investigation with USSS. *United States v. Corey Marcus Valrey* (D. Nevada)

Two Defendants Sentenced for Fraud Scheme Involving Data Stolen from Hospital Patients

On December 1, 2025, and December 4, 2025, respectively, Wilkins Estrella and Charlene Marte were sentenced for a scheme involving the use of Social Security numbers (SSN) and personal PII belonging to hundreds of victims in an attempt to fraudulently obtain pandemic relief funds, including UI funds. Estrella was sentenced to 24 months in prison. Marte was sentenced to 24 months of supervised release, the first 12 of which must be served under home confinement. Additionally, they were jointly ordered to pay more than \$951,000 in restitution.

From at least 2020 to 2022, Estrella and Marte misused the PII to fraudulently obtain almost \$1 million in COVID-19 stimulus checks and tax refunds from the IRS and UI benefits from the New York State Department of Labor. They obtained the PII from multiple sources, including a Bronx hospital where Estrella worked for almost a decade. Estrella was terminated after an audit revealed he had improperly accessed the protected health data of more than 4,000 hospital patients.

This case was jointly investigated with the FBI and IRS. *United States v. Wilkins Estrella and Charlene Marte* (S.D. New York)

Nigerian Citizen Sentenced to Prison in Maryland for Pandemic Relief Fraud Scheme

On November 20, 2025, Temitope Bashua was sentenced to 30 months in prison for his role in a conspiracy to fraudulently obtain pandemic UI benefits and Economic Injury Disaster Loan (EIDL) proceeds. He was also ordered to pay more than \$948,000 in restitution.

From May 2020 through September 2022, Bashua and his co-conspirators submitted fraudulent UI claims to the Maryland Department of Labor (MD DOL) and the CA EDD using the PII of identity theft victims, including names, dates of birth, and SSNs. He and his co-conspirators caused UI debit cards to be mailed to addresses listed in the fraudulent claims, including his Maryland residence. In furtherance of the scheme, Bashua personally called the financial institution that issued the UI debit cards to activate multiple fraudulent cards. He traveled to various ATMs to withdraw the UI funds, kept a portion of the fraudulent proceeds for himself, and distributed the remaining amount to his co-conspirators.

In October 2020, as a further part of the conspiracy, Bashua and his co-conspirators submitted two fraudulent EIDL applications to the U.S. Small Business Administration (SBA) for fictitious businesses using the PII of identity theft victims. In addition to his role in the UI and EIDL fraud schemes, Bashua also admitted to his involvement in other criminal schemes, including cyber intrusion, romance fraud, and business email compromise fraud.

This was a joint investigation with the U.S. Department of Homeland Security (DHS) OIG and HSI as part of the Maryland COVID-19 Fraud Enforcement Strike Force. *United States v. Temitope Bashua* (D. Maryland)

Illinois Woman Sentenced for Involvement in Fraudulent Unemployment Insurance Fraud and Pandemic Benefits Schemes

On October 6, 2025, Yoshimi Henry was sentenced to 18 months in prison and ordered to pay restitution of more than \$860,000 for her involvement in UI and pandemic benefits fraud schemes. She was the last individual sentenced in the multi-defendant fraud schemes.

From 2013 to 2015, the investigation revealed that Henry and her co-defendants filed and caused to be filed over 890 fraudulent UI claims in the names of other individuals. This resulted in an attempted loss of about \$8.8 million in benefits and an actual loss of approximately \$1.5 million in benefits.

In June 2020 and February 2021, while under indictment for UI fraud, Henry submitted fraudulent applications in her name to the SBA for EIDL and Paycheck Protection Program (PPP) loans. The loan applications falsely stated that she was the owner of a limited liability company for an entertainment business and a sole proprietor of a printing and graphic design business. Henry, in exchange for fees, knowingly submitted, and caused to be submitted, approximately 37 fraudulent PPP loan applications and supporting documents for approximately 25 individuals. The applications contained materially false statements and misrepresentations regarding the applicant's purported business, business income, gross revenue, and expenses. Henry was paid between \$1,000 and \$5,000 per loan that she submitted for these individuals.

While still under indictment, Henry also fraudulently filed claims for pandemic-related UI benefits. In her UI certifications, she falsely certified that she was unemployed and entitled to UI benefits.

In total, Henry caused approximately \$864,000 in pandemic-related benefit losses, including more than \$722,000 in fraudulently obtained PPP funds disbursed to her customers, almost \$20,000 in PPP funds she received, more than \$42,000 in UI benefits she received, and more than \$79,900 in UI benefits from the 2013 to 2015 fraud scheme.

This is a joint investigation with the FBI and the United States Postal Inspection Service (USPIS). *U.S. v. Pitts et al* (N.D. Illinois)

State of Arizona Employee Sentenced for Receiving Bribes to Approve Jobless Benefits

On November 24, 2025, Jacqueline Espino was sentenced to 2 years of home confinement and ordered to pay more than \$740,000 in criminal restitution.

Espino was employed by the Arizona Department of Economic Security (DES) as an adjudicator who evaluated claims and determined eligibility for the UI and PUA programs. Between 2020 and 2022, she accepted bribes in exchange for approving UI and PUA claims for individuals who were not entitled to receive such benefits. Espino processed approximately nine different UI and PUA claims, resulting in DES paying more than \$140,000 in claims that were not properly adjudicated.

During the same period, in addition to accepting bribes to process claims, Espino embezzled and misapplied DES funds for the benefit of herself and for others. In total, Espino embezzled or misapplied more than \$600,000 in DES UI and PUA claims.

This is a joint investigation with the U.S. Department of Homeland Security (DHS OIG) and the Arizona DES. *United States v. Jacqueline Espino* (D. Arizona)

Virginia Woman Sentenced to More Than 6 Years in Prison for Pandemic Unemployment Insurance Fraud Conspiracy

On October 9, 2025, Lynette Morse was sentenced to 78 months in prison and ordered to pay more than \$495,000 in restitution to the Virginia Employment Commission (VEC) for her role in a scheme to fraudulently obtain pandemic-related UI benefits, including through the use of PII belonging to Virginia Department of Corrections (VA DOC) inmates.

From approximately April 2020 through February 2021, Morse and her co-conspirators used the PII, which included the names, dates of birth, and Social Security numbers belonging to herself and others to file fraudulent UI claims with VEC during the COVID-19 pandemic. She submitted fraudulent UI claims and completed false weekly claim certifications using PII of either VA DOC inmates, other individuals, and herself—all of whom were not entitled to receive UI benefits.

Morse elected for most of UI benefits to be paid through UI debit cards. She directed the UI debit cards to be mailed to addresses within her control, including her residence, her post office box, a relatives' residence, and other residences selected to avoid suspicion due to multiple debit cards being mailed to one address.

The fraudulent UI claims, which Morse filed for 22 inmates, 9 non-inmates, and herself, resulted in the approval of more than \$322,000 in fraudulent benefits. In total, the VEC approved more than \$495,000 in UI benefits on behalf of individuals who were not entitled to receive such benefits.

This was a joint investigation with DHS OIG and USPIA. *United States v. Lynette Ebony Morse* (E.D. Virginia)

Final Defendant Sentenced for Role in Unemployment Insurance Fraud Scheme

On October 1, 2025, Steven van Ware was sentenced to 15 months in prison and ordered pay more than \$300,000 in restitution for his role in an UI fraud scheme.

Between approximately April 2020 and August 2021, Ware and his co-conspirators devised and executed a scheme to defraud the federal government and multiple SWAs of funds earmarked for COVID-19 pandemic relief. They used stolen PII of identity theft victims to file more than 700 fraudulent UI claims across eight states—primarily Michigan, California, and Arizona. Once processed, the UI funds were loaded onto pre-paid UI debit cards that were mailed to addresses controlled by Ware and his co-conspirators. The funds were later withdrawn from Michigan ATMs.

As a result of the scheme, the loss associated with the fraudulent claims exceeds \$6 million.

This is a joint investigation with HSI. *United States v. Howard et al.* (E.D. Michigan)

California Man Pled Guilty for Fraudulently Obtaining Millions in Public Benefits and Laundering Proceeds to China

On November 17, 2025, Brian Cleland pled guilty to one count of conspiracy to launder monetary instruments of more than \$46 million for his role in a scheme to launder UI benefits. As part of his plea agreement, he agreed to forfeitures valuing approximately \$46.4 million, including several bank accounts and real estate located in Hawaii and California that were purchased using funds traceable to the charged offenses.

Between 2021 and 2022, Cleland and his co-conspirators agreed to launder UI funds that they knew had been obtained through fraud. They entered into a series of agreements that made it appear as if they were operating legitimate businesses selling masks and other COVID-19 personal protective equipment. Using different bank accounts, he and others transferred over \$30 million to companies controlled by another co-conspirator. Cleland made these transfers knowing that some funds would go to parties located in China.

This investigation is joint with the FBI. *United States v. Brian Cleland* (M.D. Pennsylvania)

Pennsylvania Man Admits to Stealing More Than \$5 Million in Federal COVID Relief Funds

On November 3, 2025, Adepoju Babatunde Salako pled guilty to conspiracy to commit wire fraud and conspiracy to commit money laundering related to his role in fraudulently obtaining approximately \$893,000 in pandemic UI funds and more than \$4.7 million in the SBA's EIDL and PPP funds.

Salako and his co-conspirators filed fraudulent UI, EIDL and PPP applications in more than 30 states. The group used more than 1,000 stolen or fictitious identities, netting more than \$5.6 million in pandemic relief funds. The co-conspirators communicated on messaging applications and exchanged stolen or false identities and shared bank account details. Salako created and used multiple usernames on an email forwarding service domain to receive email communications on the various fraudulent applications. The stolen funds were laundered through numerous accounts and used to buy items, such as cars, solar panels, or overseas travel. Salako received a fee, ranging from 25-60%, in exchange for money laundering services.

This is a joint DOL OIG led investigation with USPS OIG, IRS CI, and SBA OIG. *United States v. Adepoju Babatunde Salako* (D. Colorado)

Oregon Woman Convicted of Stealing Jobless Benefits

On November 4, 2025, Tamara Fulmer pled guilty to stealing more than \$567,000 in pandemic unemployment benefits from the Oregon Employment Department (OED).

Between May 2020 and October 2021, Fulmer used the PII of approximately 27 individuals to fraudulently apply for pandemic UI benefits. Based on Fulmer's misrepresentations, OED paid more than \$567,000 in UI benefits. Fulmer deposited at least 236 UI checks totaling more than \$68,000 into her personal account and cashed many UI checks at an Oregon gas station without the applicants' knowledge or permission.

Additionally, OED paid Fulmer more than \$13,000 after she submitted her fraudulent UI application that falsely claimed she had not applied for or received disability benefits despite receiving disability payments since 2004.

This is a joint investigation with DHS OIG and OED. *United States v. Tamara Fulmer* (D. Oregon)

Defendant Pled Guilty to Federal Racketeering and Related Charges

On October 21, 2025, Rakeim Savage pled guilty to participating in a racketeering enterprise, conspiracy to commit counterfeiting, and conspiracy to commit mail and wire fraud for his role in a conspiracy that included fraud against the pandemic UI benefits, assault, and murder.

Between August 2018 and August 2023, Savage conspired with others to conduct and participate in an enterprise, which was known as Omerta, through racketeering activity. This activity involved counterfeiting, mail and wire fraud, fraudulent obtaining of COVID-19 benefits, robbery, firearms offenses, and other violent crimes. Omerta used social media, music, and music videos to enrich its members, promote their identity and image, recruit new members, brag about their violent acts, and insult rival gangs and gang members.

To fund Omerta, conspiracy members committed more than \$1.5 million of counterfeiting by visiting stores throughout the East Coast to illegally exchange counterfeit currency for U.S. currency. During the COVID-19 pandemic, Savage and others filed for fraudulent UI benefits, falsely stating they were unemployed and seeking employment. Through this fraud, Omerta received over \$443,000 in UI benefits to fund their illegal enterprise.

This investigation is joint with the FBI and USSS. *United States v. Rakeim Savage* (E.D. Pennsylvania)

Virginia Firefighter Sentenced to 12 Months of Home Confinement for Fraudulently Obtaining Federal Workers' Compensation Benefits

On October 22, 2025, Richard Hyland was sentenced to 12 months of home confinement and ordered to pay restitution of more than \$479,000 to the federal government. He previously pled guilty to making false statements to obtain federal workers' compensation benefits.

In 2014, while employed as a firefighter by the U.S. Department of Veterans Affairs (VA), Hyland suffered a back injury and began receiving workers' compensation benefits. To continue receiving benefits, Hyland falsely certified annually to DOL that he was not working or serving as a volunteer. However, as early as March 2017, he worked as a tow-truck driver, a long-haul truck driver, and a volunteer firefighter. Between March 2017 and December 2024, Hyland received almost \$480,000 in federal workers' compensation benefits while failing to report his employment.

This was a joint investigation with VA OIG. *United States v. Richard Hyland* (D. New Jersey)

Texas Chiropractor Pleads Guilty in Million-Dollar Health Care Fraud Conspiracy Involving Federal Workers' Compensation

On October 16, 2025, Demitrious Gilmore, a chiropractor licensed in the state of Texas, pled guilty to conspiracy to commit health care fraud for his role in a multi-million dollar scheme to defraud a health care benefit program administered by DOL's Office of Workers' Compensation Programs (OWCP). As part of his plea, he agreed that more than \$1.1 million in seized funds and a Texas property constituted proceeds of the fraud scheme.

From approximately January 2017 until about April 2023, Gilmore and at least two co-conspirators submitted OWCP documents to become enrolled providers that were assigned provider billing numbers. They opened various bank accounts in the names of clinics in which OWCP payments were deposited, and recruited patients to the clinics. Through the clinics, Gilmore and his co-conspirators submitted false and fraudulent claims to OWCP. In several instances, they billed OWCP for expensive knee braces that claimants did not need or receive and for

physical therapy that was never provided. Gilmore and his co-conspirators also submitted claims for intravenous infusions and ultrasonic devices that were medically unnecessary.

As part of the scheme, Gilmore and his co-conspirators each received a percentage of the funds paid by OWCP for the false and fraudulent claims. In total, they billed OWCP more than \$19 million and were paid at least \$17 million.

This is a joint investigation with the United States Postal Service OIG. *United States v. Demitrious Gilmore*. (N.D. Texas)