

Michigan man arrested for fraud, identity theft that allowed him to receive Massachusetts PUA

A Michigan man was arrested yesterday in Michigan in connection with his alleged involvement in a fraudulent scheme to obtain COVID-19-related unemployment assistance.

Devin Smith, 30, was charged with one count of wire fraud and one count of aggravated identity theft. Smith was released on conditions following an initial appearance in federal court in Michigan yesterday afternoon. He will appear in federal court in Boston at a later date.

In March 2020, in response to the global coronavirus pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act provided funding to existing state unemployment insurance programs and created a new temporary federal program called Pandemic Unemployment Assistance (PUA). The PUA program, which in Massachusetts was administered by the Department of Unemployment Assistance, provided unemployment insurance benefits for individuals who are not eligible for other types of unemployment benefits.

According to the charging document, Smith participated in a scheme to obtain proceeds from fraudulent unemployment and PUA claims submitted in nine different states, including Massachusetts, between March and May 2020. Smith allegedly used stolen identities, including the identities of Massachusetts residents, to submit fraudulent unemployment and PUA claims and to purchase various commercial goods. Additionally, it is alleged that Smith filed multiple fraudulent unemployment and PUA claims in his own name in six

different states, including in Massachusetts.

The charge of wire fraud provides for a sentence of up to 20 years in prison, three years of supervised release, a fine of \$250,000 or twice the gross gain or loss, whichever is greater, and forfeiture. The charge of aggravated identity theft provides for a mandatory sentence of two years in prison to be served consecutively to any other sentence imposed. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

United States Attorney Rachael S. Rollins and Jonathan Mellone, Special Agent in Charge of Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigations made the announcement today. Valuable assistance in the investigation was provided by the U.S. Postal Service and the Massachusetts Department of Unemployment Assistance. Assistant U.S. Attorney Christopher J. Markham of Rollins' Securities, Financial & Cyber Fraud Unit is prosecuting the case.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. For more information on the Department's response to the pandemic, please visit <https://www.justice.gov/coronavirus>.

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 (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The details contained in the charging documents are allegations. The defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.