

New Bedford Man Sentenced for Unemployment Fraud Related to COVID-19 Pandemic

A New Bedford man was sentenced today in federal court in Boston on federal wire fraud charges arising from claims for Pandemic Unemployment Assistance (PUA) funds.

Arthur Pacheco, 47, previously of New Bedford, Mass., was sentenced by U.S. District Court Judge Indira Talwani to one year in prison and three years of supervised release. On July 22, 2021, Pacheco pleaded guilty to two counts of wire fraud. He was indicted in January 2021 along with his wife, Tiffany Pacheco, who pleaded guilty on Aug. 30, 2021 and is scheduled to be sentenced on Jan. 12, 2022.

In April 2020, Tiffany Pacheco was hired by the Massachusetts Department of Unemployment Assistance (DUA) shortly after her release from federal prison following a conviction for aggravated identity theft. While employed by DUA, Tiffany Pacheco misused her position to submit fraudulent PUA claim information on behalf of herself and Arthur Pacheco, who was incarcerated in Texas until Sept. 4, 2020, and thus ineligible for PUA funds.

Specifically, in June 2020, PUA claims submitted for Tiffany Pacheco and her husband reflected 2019 income of \$0 and no dependents. In July 2020, via her employment with DUA, Tiffany Pacheco obtained access to the PUA computer system, and later changed claim information for herself and Arthur Pacheco in order to increase the amount of PUA funds they would receive. For example, Tiffany Pacheco increased the amount of 2019 income for her and Arthur Pacheco to more than \$240,000 and increased the number of their dependents to seven. Tiffany Pacheco further used her access to the PUA system to verify

the increased 2019 income on both claims without the required income verification documents.

In November 2020, Arthur Pacheco called DUA and falsely denied that he had been incarcerated during the timeframe leading up to September 2020, and that he was only incarcerated for approximately one month. Tiffany Pacheco also spoke with DUA and misrepresented the period of time in which Arthur Pacheco had been incarcerated.

A search of the New Bedford apartment where Tiffany and Arthur Pacheco resided uncovered various tools of identity fraud, including an ID laminator, 100 blank ID cards, 68 hologram overlays, 150 card lamination sheets and 649 sheets of blank checks. Law enforcement also seized approximately \$17,000 cash and a notebook that appeared to contain the personal identifying information of various individuals. In addition, a driver's license recovered during the search matched the name of a victim Tiffany Pacheco used to submit another fraudulent PUA claim. On Sept. 23, 2020, DUA terminated Tiffany Pacheco's employment.

The investigation was conducted by Homeland Security's Investigation's Document and Benefit Fraud Task Force (DBFTF), a specialized field investigative group comprised of personnel from various local, state, and federal agencies with expertise in detecting, deterring, and disrupting organizations and individuals involved in various types of document, identity, and benefit fraud schemes.

Acting United States Attorney Nathaniel R. Mendell; Matthew B. Millhollin, Special Agent in Charge of Homeland Security Investigations in Boston; and Jonathan Mellone, Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigation made the announcement. The New Bedford Police Department, Massachusetts Parole Board and Massachusetts Department of Unemployment Assistance, Program Integrity Unit provided valuable

assistance with the investigation. Assistant U.S. Attorney William Abely, Chief of Mendell's Criminal Division, and Assistant U.S. Attorney Dustin Chao, Chief of Mendell's Public Corruption and Special Prosecutions Unit, prosecuted 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>.