

PRESS RELEASE

Allen Park Man Sentenced to Over 5 Years in Prison for Pandemic Relief Fraud Scheme

Thursday, May 30, 2024

For Immediate Release

U.S. Attorney's Office, Eastern District of Michigan

DETROIT – An Allen Park resident was sentenced today for defrauding the Michigan Unemployment Insurance Agency (MUIA) out of approximately \$512,000 as part of a pandemic unemployment insurance fraud scheme, announced United States Attorney Dawn N. Ison. Niebel was also sentenced to a three-year term of supervised release and ordered to pay \$512,000 in restitution to the MUIA.

Ison was joined in the announcement by Daniel Loza, Acting Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge Charles Miller of the Internal Revenue Service-Criminal Investigations Detroit Field Office and Michigan Unemployment Insurance Agency Director Julia Dale.

Christopher Niebel, 46, was sentenced to 63 months in prison after having pleaded guilty in February 2024 to one count of wire fraud and one count of aggravated identity theft before United States District Judge Stephen J. Murphy III.

According to court documents, at the beginning of the pandemic, Niebel owned and operated a tax preparation service ("Tax Guy Chris") in Allen Park, Michigan. Niebel also worked seasonally as a manager for Party City, a retail chain selling party supplies. Through his employment at Party City, Niebel had access to the files of individuals who had worked or applied to work at the company. These files included the U.S. Citizenship and Immigration Service's I-9 employment verification forms of Party City employees and applicants, in which the applicants documented their eligibility for employment in the United States. In approximately 2019, Niebel stole a number of these I-9 forms from Party City, which contained a substantial volume of personal identifying information of the applicants (including names, social security numbers, and dates of birth). Niebel filed these documents away for his future use.

Once pandemic unemployment assistance funds became available, Niebel used the PII he had appropriated from Party City in a scheme to defraud the Michigan Unemployment Insurance Agency by submitting fictitious claims for those benefits. Specifically, Niebel submitted electronic applications seeking pandemic unemployment benefits using the personal identifying information of applicants for jobs with Party City, without the authorization, approval, or knowledge of those individuals. Niebel intentionally used the names and identifying information of individuals who were not from Michigan in submitting these claims, correctly surmising that such individuals would be unlikely to have submitted their own unemployment insurance claims in Michigan and thus making detection less likely.

Niebel opened numerous bank accounts in Michigan in order to capture the pandemic unemployment assistance funds, which were wired to those accounts. After obtaining the funds from these fraudulent unemployment assistance applications, Niebel spent the money on a variety of personal expenses, including food, lodging, lottery tickets, casino gambling, and transportation. Over the course of the scheme, Niebel obtained approximately \$512,000 in pandemic unemployment assistance funds to which he was not entitled.

"Christopher Niebel stole over half a million dollars in funds intended to help unemployed Michigan citizens during an unprecedented pandemic. His theft of pandemic unemployment assistance followed his theft of the personal identifying information of numerous people from a previous employer," said U.S. Attorney Ison. "My office is committed to holding to account all of those who illegally obtained Covid relief funds for their private gain."

"Christopher Niebel filed fraudulent unemployment insurance (UI) claims in the names of identity theft victims which caused him to receive UI benefits to which he was not entitled. He enriched himself by defrauding a program that was intended to assist struggling American workers during an unprecedented global pandemic," said Daniel Loza, Acting Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor Office of Inspector General. "We and our law enforcement partners are committed to identifying and prosecuting the criminals who took advantage of the COVID-19 pandemic by using stolen identities to fraudulently obtain pandemic-related UI benefits."

"It's astounding the selfish schemes fraudsters cook up to steal money meant for hard-working Michiganders," said Michigan Unemployment Insurance Agency Director Julia Dale. "At the start of the pandemic, so many people needed help and all Chris Niebel thought about was how he could game the system for his personal gain. His actions – and those of more than 160 others who have been charged with unemployment fraud –

erode the public's trust. We are winning back the public's trust with wide-ranging reforms that position the Michigan UIA as a national model for fast, fair, and fraud-free service."

"Today's sentencing of Christopher Niebel sends a clear message to anyone who intends to commit criminal actions against the U.S. government and innocent taxpayers," said Charles Miller, Special Agent in Charge, IRS Criminal Investigation (CI), Detroit Field Office. "Stealing innocent victims' personal information to use in fleeing a government program created to help those in their time of need is reprehensible and CI is dedicated to working with our law enforcement partners to root out these criminals and hold them accountable."

The case was prosecuted by Assistant United States Attorney John K. Neal. The investigation was conducted by the Department of Labor Office of the Inspector General and the Internal Revenue Service-Criminal Investigations Division.

Updated May 30, 2024

Topic

CORONAVIRUS

Component

[USAO - Michigan, Eastern](#)