



**United States Attorney's Office
Eastern District of Michigan**

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PRESS RELEASE

**FOR IMMEDIATE RELEASE
August 25, 2020**

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Two Charged in \$1.8 million Unemployment Insurance Scam

An employee of the State of Michigan's Unemployment Insurance Agency and a Detroit Woman were charged in a criminal complaint for their alleged role in a \$1.8 million unemployment insurance fraud scheme aimed at defrauding the State of Michigan and the U.S. Government of funds earmarked for unemployment assistance during the COVID19 pandemic, announced United States Attorney Matthew Schneider.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge Douglas J. Zloto, US Secret Service and Jeffrey Frost, Special Fraud Advisor, Unemployment Insurance Agency, Michigan Dept. of Labor and Economic Opportunity.

Charged are Jermaine Rose, 41, and Serenity Poynter 36.

According to the complaint, Jermaine Rose was a Lead Claims Examiner for the State of Michigan Unemployment Insurance Agency. His duties included reviewing, processing and verifying the legitimacy of unemployment insurance claims.

Beginning in May, 2020, it is alleged that Rose used his insider access to release payment on hundreds of fraudulent claims. Specifically, Rose is alleged to have used his network credentials to override "fraud stops" on unemployment insurance claims that the State computer system had identified as potentially fraudulent. Rose's actions resulted in the fraudulent disbursement of over \$1.1 million of federal and state funds intended for unemployment assistance during the pandemic. Rose attempted to override another \$761,000 in fraudulent unemployment claims, but the State was able to prevent payment on those additional claims.

Rose is alleged to have worked with outside co-conspirators as part of his fraud scheme. One of those alleged co-conspirators is Detroit resident Serenity Poynter. Poynter, an associate of Rose's, is alleged to have filed at least 25 fraudulent claims seeking over \$350,000 in unearned unemployment insurance benefits. Poynter allegedly used variations of her own name and bogus social security numbers to support these fraudulent claims. The State's automated system identified many of those claims as potentially fraudulent, but Rose is alleged to have overridden many of those fraud-stops, leading to approval of numerous fake unemployment insurance claims.

"At a time when thousands of people in Michigan are out of work because of the pandemic, the defendants are charged with stealing unemployment benefits that should have gone to Michiganders trying to feed their families. Anyone who steals unemployment funds steals from the people of Michigan," stated United States Attorney Matthew Schneider.

"An important mission of the Office of Inspector General is to investigate allegations relating to unemployment insurance fraud. We will continue to work with our law enforcement partners to investigate these types of allegations," stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General."

"The defendants in this case took advantage of the good will and generosity of the American people. Out of greed and blatant disregard for those suffering during this pandemic, the perpetrators manipulated the Michigan Unemployment Insurance Agency system for personal gain. We will continue to work with our law enforcement partners throughout Michigan to bring these criminals to justice," said Douglas J. Zloto, Special Agent in Charge, U.S. Secret Service, Detroit Field Office.

"It's disheartening that a public servant would abuse the trust of Michiganders because of their own greed, especially during a time when workers need this financial assistance the most. We thank the US Attorney's office and our other state and federal law enforcement partners for their efforts to protect workers and the integrity of the unemployment system," stated Jeffrey Frost, Special Fraud Advisor, Unemployment Insurance Agency, Michigan Dept. of Labor and Economic Opportunity,

This is the third unemployment insurance fraud scheme charged by the United States Attorney's Office in just over a month. On July 17, 2020, State of Michigan contract employee Bandi Hawkins was charged with participating in scheme to defraud the State of Michigan out of approximately \$2 million in unemployment insurance funds. Last week, Southfield resident Samuel George Baker was similarly charged with offenses arising out of an unemployment insurance scheme allegedly targeting the States of Michigan and Pennsylvania. Those cases remain pending.

A complaint is only a charge and is not evidence of guilt. Trial cannot be held on felony charges in a complaint. When the investigation is completed a determination will be made whether to seek a felony indictment.

The case is being prosecuted by Assistant United States Attorney John K. Neal. The investigation is being conducted jointly by the Department of Labor, Office of Inspector General, the United States Secret Service, and the Unemployment Insurance Agency, Michigan Department of Labor and Economic Opportunity