

Department of Justice
U.S. Attorney's Office
Eastern District of Michigan

FOR IMMEDIATE RELEASE

Thursday, July 21, 2022

Former Claims Manager for Michigan Unemployment Insurance Agency Sentenced In COVID-19 Fraud Scheme

DETROIT - Jermaine Rose, a former lead claims examiner for the Michigan Unemployment Insurance Agency (MUIA), was sentenced to two years in federal prison today arising from his participation in a \$1.5 million pandemic-related unemployment insurance fraud scheme, announced United States Attorney Dawn N. Ison.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General and Special Agent in Charge John Marengo of the United States Secret Service's Detroit Field Office.

Jermaine Rose pleaded guilty on April 22, 2022, to one count of conspiracy to commit wire fraud arising out of his participation in a wide-ranging fraud scheme designed to provide Rose's co-conspirators with pandemic unemployment insurance benefits to which they were not entitled.

United States Attorney Ison stated "Corrupt public servants compromise the ability of the government to function effectively and undermine confidence in all public programs. This prosecution reflects the seriousness with which my office takes corruption and fraud in the public sector as well as our commitment to prosecuting those who used a national crisis as an opportunity to defraud the public.

"Jermaine Rose, while employed as a State of Michigan Unemployment Insurance Agency lead claims examiner, abused his authority to allow the payment of more than \$920,000 in fraudulent Pandemic Unemployment Assistance claims. Rose exploited his position to release payment on the claims in exchange for kickbacks from his co-conspirators. We will continue to work with our law enforcement and state partners to investigate those who exploit the unemployment insurance system," stated Special Agent-in-Charge Irene Lindow, Chicago Region, U.S. Department of Labor, Office of Inspector General.

According to court documents, Rose was working as a lead claims examiner for the MUIA in April 2020, and as such, had electronic access to the MUIA claims database. Rose could use his credentials to access and approve specific UI claims submitted to the agency.

Court documents indicate that beginning in approximately April 2020, Rose entered into an agreement with various individuals to defraud the MUIA by obtaining UI benefits through the submission of false UI claims. Rose's co-conspirators would electronically submit fraudulent claims to MUIA in the names of various individuals, some of whom would be victims of identity theft and some of whom were entirely fictitious people. These co-conspirators made false statements in the applications attesting to the eligibility of these purported claimants, and would upload fictitious documentation to support those fraudulent claims. The co-conspirators would then communicate with Rose, either directly or through intermediaries, and identify the claims that they had submitted. Rose would then use his insider access to the MUIA system to approve the claims and release benefits. Most of the time, benefits would be electronically loaded onto Bank of America debit cards and mailed to addresses controlled by Rose's co-conspirators. Rose was often paid for his services, typically in amounts between \$50 and \$150 per claim he touched.

While some of the individuals who approached Rose had legitimate UI claims and worked with him solely to receive benefits on an accelerated schedule, many of the individuals with whom Rose conspired submitted fraudulent UI claims in bulk. In his plea agreement, Rose acknowledged that he was well aware that many of the claims that he authorized were fraudulent.

Court documents indicate that while it is difficult to provide precise loss figures associated with Rose's criminal scheme, a conservative estimate of the actual loss in this case is approximately \$1,011,000.

The case is being prosecuted by Assistant United States Attorneys John K. Neal and Alyse Wu. The investigation is being conducted jointly by the Department of Labor-Office of Inspector General and the Secret Service, with substantial assistance from the Michigan Unemployment Insurance Agency.

Topic(s):
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