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Former Federal Employee Pleads Guilty to $2M Unemployment Benefits Fraud Scheme

RICHMOND, Va. – A Pleasant Hill, California, woman pleaded guilty today to participating in a conspiracy to defraud multiple state workforce agencies of COVID-19 pandemic-related benefits intended for unemployed workers.

According to court documents, from April 2020 through at least March 2021, Heather Huffman, 52, worked with co-conspirators to defraud the Virginia Employment Commission, the Washington State Employment Security Department, and the California Employment Development Department of unemployment insurance ("UI") benefits by submitting materially false and misleading applications in the names of identity theft victims, witting co-conspirators, and inmates of various correctional facilities. Huffman and her co-conspirators included materially false information on the applications, including false employment and wage history and false contact information, such as physical and mailing addresses, email addresses, and phone numbers, that did not, in fact, belong to the purported applicants.

The conspirators took several actions in furtherance of the conspiracy. For instance, they obtained and shared among themselves the personal identifying information of identity theft victims and inmates, created and maintained email accounts purportedly belonging to the ostensible applicants, and falsified and forged various documents – including state and federal wage and tax forms – to substantiate the false information in the UI applications they submitted. Once their fraudulent UI applications were approved, the conspirators would, on a weekly basis, file false certifications of unemployment status, resulting in the dispersal of additional UI benefits by state workforce agencies.

During the course of the conspiracy, Huffman was employed as a registered nurse at the Veteran Affairs Hunter Holmes McGuire Medical Center in Richmond. Huffman used VA assets to further the conspirators' scheme and artifice to defraud by utilizing her work computer to submit false and misleading UI applications to state workforce agencies, among other things. In total, Huffman and her co-conspirators obtained over $2,000,000 in UI benefits intended for unemployed workers. Huffman is the fourth and final member of the conspiracy to plead guilty.

Huffman is scheduled to be sentenced on November 29. She faces a maximum sentence of 32 years and a mandatory minimum sentence of 2 years in prison. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors.

Co-conspirators Sheldon L. Huffman, Anthowan Daniels, and Dorothea Rosado have pleaded guilty to their roles in the scheme and will be sentenced in November 2022.

Jessica D. Aber, U.S. Attorney for the Eastern District of Virginia; Troy Springer, Acting Special Agent in Charge of the Washington, DC Regional Office, U.S. Department of Labor, Office of Inspector

General; and Michael J. Missal, Inspector General, U.S. Department of Veterans Affairs, made the announcement after Senior U.S. District Judge John A. Gibney, Jr. accepted the plea.

Assistant U.S. Attorneys Kaitlin Cooke, Kashan Pathan and Michael Moore are prosecuting the case.

A copy of this press release is located on the website of the U.S. Attorney's Office for the Eastern District of Virginia. Related court documents and information are located on the website of the District Court for the Eastern District of Virginia or on PACER by searching for Case No. 3:22-cr-8.

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Coronavirus
Financial Fraud

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