

PRESS RELEASE

Former Human Resources Manager Sentenced to Federal Prison for Defrauding Employer

Wednesday, January 18, 2023

For Immediate Release

U.S. Attorney's Office, Northern District of Iowa

Also Defrauded Two States Out of COVID-19 Unemployment Benefits

A former human resources manager who stole over \$95,000 from her employer and two state unemployment agencies was sentenced on January 11, 2023, to four months in federal prison. Holly Marie Jacobi, formerly known as Holly Marie Bemis, of Epworth, Iowa, received the prison term after pleading guilty on July 20, 2022, to one count of wire fraud and two counts of theft of government funds.

In a plea agreement, and at her sentencing hearing, it was established that Jacobi was the human resources manager for a Peosta, Iowa, manufacturing company. Between June 2019 and July 2020, Jacobi falsified payroll expenses and health care reimbursements in the names of ten employees and directed the company's payroll system to wire over \$65,000 in falsified payments to two bank accounts that she controlled. Jacobi also filed a false and fraudulent application for federally funded COVID-19 unemployment insurance benefits with the State of Iowa. Jacobi stated that she was unemployed from the company due to "[l]ayoff . . . lack of work," when in truth she was still employed as the company's human resources manager. As a result, Jacobi received over \$17,000 in fraudulent unemployment benefits from the State of Iowa. The company discovered Jacobi's fraud and terminated her employment.

Jacobi also admitted that she later obtained and lost employment at a cheese company in Wisconsin. After losing that second job, Jacobi applied for federally funded unemployment benefits from the State of Wisconsin. Jacobi then obtained a job from a California-based company. From May 2021 through October 2021, Jacobi falsely certified to the State of Wisconsin on weekly reporting forms that she had received no weekly wages when, in truth, she was receiving weekly wages totaling between \$1,100

and \$6,000 from the California-based company. As a result, Jacobi fraudulently received more than \$12,000 in federally funded unemployment benefits paid through the State of Wisconsin. Jacobi previously pled guilty in 2001 to felony forgery and misdemeanor theft charges in Scott County, Iowa.

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>.

Jacobi was sentenced in Cedar Rapids by United States District Court Judge C.J. Williams. Jacobi was sentenced to four months' imprisonment and four months' home confinement. Jacobi was also ordered to repay \$6,000 in court-appointed attorney fees. She was ordered to make \$95,567.69 in restitution to her former employer and the States of Iowa and Wisconsin. She must also serve a three-year term of supervised release after the prison term. There is no parole in the federal system.

Jacobi was released on the bond previously set and is to surrender to the Bureau of Prisons on a date yet to be set. The case was prosecuted by Assistant United States Attorney Timothy L. Vavricek and investigated by the Peosta Police Department and the United States Department of Labor, Office of Inspector General.

Court file information at <https://ecf.iand.uscourts.gov/cgi-bin/login.pl>.

The case file numbers are 22-CR-1008 and 22-CR-1026.

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