

Department of Justice

U.S. Attorney's Office

Northern District of Iowa

FOR IMMEDIATE RELEASE

Tuesday, September 20, 2022

Iowa Woman Sentenced to Federal Prison for COVID-19 Related Benefit Fraud and Money Laundering

Mendenhall received over \$45,000 in fraudulently obtained benefits and laundered most of the funds by purchasing cryptocurrency

A Rockford, Iowa woman who received unemployment benefits in other people's names, and laundered most of those funds through cryptocurrency transactions, was sentenced September 20, 2022, to more than a year in federal prison.

Stephanie Mendenhall, age 53, from Rockford, Iowa, received the prison term after a March 24, 2022, guilty plea to four counts of theft of government funds and one count of money laundering conspiracy. At the plea hearing, Mendenhall admitted to facilitating false claims for unemployment insurance benefits, which were intended for those in need due to the COVID-19 pandemic, in the names of other people and allowing those funds to be deposited into bank accounts she owned or controlled. Mendenhall received fraudulent unemployment benefits paid through the states of Maine, Michigan, Washington, Arizona, Colorado, Texas, Kansas, and Illinois, including benefits related to COVID-19 relief funds, to which she was not entitled. Mendenhall received at least \$35,985 in false unemployment benefits. Mendenhall spent some of the money on herself, but laundered the majority of it by purchasing cryptocurrency and sending it to a co-conspirator. After being indicted in this case, while on pretrial release, Mendenhall attempted to deposit counterfeit checks into other bank accounts she owned.

Mendenhall was sentenced in Sioux City by United States District Court Chief Judge Leonard T. Strand. Mendenhall was sentenced to 15 months' imprisonment. She was also ordered to make \$46,378.31 in restitution to the states of Maine, Michigan, Washington, Arizona, Colorado, Texas, Kansas, and Illinois. She must also serve a 2-year term of supervised release after the prison term. There is no parole in the federal system.

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>.

Mendenhall is to surrender to the Bureau of Prisons on a date yet to be set.

The case was prosecuted by Assistant United States Attorneys Ron Timmons and Tim Vavricek and was investigated by the Federal Bureau of Investigation and the Department of Labor's Office of Inspector General.

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

The case file number is 21-3028.

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Topic(s):

Coronavirus

Financial Fraud

Component(s):

USAO - Iowa, Northern

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