Department of Justice

United States Attorney John C. Gurganus
Middle District of Pennsylvania

LEBANON COUNTY MAN PLEADS GUILTY TO FRAUDULENTLY OBTAINING PANDEMIC UNEMPLOYMENT ASSISTANCE

HARRISBURG – The United States Attorney's Office for the Middle District of Pennsylvania announced that on November 30, 2021, Luis Mercado, age 44, of Lebanon, Pennsylvania, pled guilty before U.S. District Court Judge Sylvia H. Rambo, to wire fraud for fraudulently claiming pandemic unemployment assistance funds.

According to United States Attorney John C. Gurganus, Mercado began claiming Pandemic Unemployment Assistance in August 2020 despite being employed with the United States Department of Agriculture as a poultry inspector. Mercado falsely claimed that he was unemployed due to the pandemic or a major disaster, and he received benefits based on this false claim. Mercado reaffirmed his unemployment status on a weekly basis and ultimately received $37,555 in fraudulently obtained unemployment benefits. Mercado pleaded guilty to a single count of wire fraud based on his course of conduct.

"This investigation and prosecution should send a strong zero-tolerance message to those individuals who explicitly apply for aid to exploit taxpayer funded pandemic relief programs," said Bethanne M. Dinkins, Special Agent in Charge, USDA-Office of Inspector General. "We appreciate the partnership with our federal partners in pursuing this type of fraud and holding these bad actors to account in this great time of need."

"Luis Mercado fraudulently applied for and received Pennsylvania Pandemic Unemployment Assistance (PUA) benefits," stated Syreeta Scott, Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General. "Mercado submitted weekly certifications where he falsely certified that he was unemployed due to COVID-19 while he was actively employed as a food inspector by the United States Department of Agriculture. The U.S. Department of Labor Office of Inspector General will continue to work with the Pennsylvania Department of Labor and Industry and our federal law enforcement partners to safeguard the integrity of unemployment compensation benefits programs."

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.

The case was investigated by the U.S. Department of Agriculture Office of Inspector General and the U.S. Department of Labor Office of Inspector General. Assistant U.S. Attorney Paul J. Miovas, Jr. is prosecuting the case.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for this offense is twenty years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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