

**Department of Justice**

U.S. Attorney's Office

District of Rhode Island

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FOR IMMEDIATE RELEASE

Tuesday, July 12, 2022

## **North Providence Man Sentenced for Defrauding COVID-Relief Program**

PROVIDENCE – A North Providence man who was receiving COVID-relief unemployment benefits in Rhode Island, and fraudulently applied for and collected more than \$20,000 in unemployment benefits from two other states, has been sentenced to eighteen months in federal prison, announced United States Attorney Zachary A. Cunha and Rhode Island Attorney General Peter F. Neronha.

Derrick Gadson, 35, pleaded guilty in federal court in April to two counts of wire fraud and one count of theft of government money, admitting to a federal judge that, while collecting unemployment benefits in Rhode Island in June 2020, he began filing for benefits in Massachusetts and Arizona, fraudulently claiming that he lived and worked in both states. The fraudulent applications were filed in names other than his own.

Gadson collected a total of \$20,727 in federally funded unemployment insurance benefits that he was not entitled to receive.

At sentencing on Monday, U.S. District Court Judge William E. Smith sentenced Gadson to eighteen months of incarceration in federal prison to be followed by three years of federal supervised release. Gadson was ordered to pay restitution totaling \$20,727.

This case, as well as other instances of criminal activity related to fraudulent applications for pandemic-related unemployment insurance benefits are being investigated jointly by the FBI, the Rhode Island State Police, and the U.S. Department of Labor – Office of Inspector General. Cases are jointly reviewed, charged, and prosecuted by a team of prosecutors that include Assistant U.S. Attorneys Denise M. Barton, Stacey P. Veroni, and G. Michael Seaman, and Rhode Island Assistant Attorney General John M. Moreira, chief of the Rhode Island Attorney General's Public Integrity Unit.

Rhode Islanders who believe their personal identification has been stolen and used to fraudulently obtain unemployment benefits are urged to contact the Rhode Island State Police at [financialcrimes@risp.gov](mailto:financialcrimes@risp.gov) or the FBI Providence office at (401) 272-8310.

In May 2021, the United States 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>.

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**Topic(s):**

Coronavirus  
Financial Fraud

**Component(s):**

[Federal Bureau of Investigation \(FBI\)](#)  
[USAO - Rhode Island](#)

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