

Department of Justice
U.S. Attorney's Office
Western District of Michigan

FOR IMMEDIATE RELEASE

Thursday, October 27, 2022

Six Defendants Charged In \$1 Million Covid Fraud Schemes

Benton Harbor mother, three adult children, and two others accused of fraudulently obtaining pandemic unemployment insurance benefits and small business loans

GRAND RAPIDS, MICHIGAN – U.S. Attorney Mark Totten announced today that six individuals from Benton Harbor, Michigan, have been indicted by a federal grand jury on charges relating to pandemic fraud schemes they used to obtain over \$1 million in COVID-19 relief, including fraudulently obtained unemployment insurance benefits and small business loans. Charged in the indictment are: Roshell Beaty (aka Roshell Clinton, Angel Clinton, and Angel Beaty), age 45, of Benton Harbor; Beaty's son Melvin Clinton, age 21, of Benton Harbor; Beaty's daughter Danielle Branch (aka Danielle Beaty), age 28, of Benton Harbor; Christopher Bates, age 22, of Benton Harbor; Brianna Rimpson, age 24, a resident of the Grand Rapids area who previously lived in Benton Harbor; and Beaty's son Christopher Branch, age 27, a resident of the Atlanta, Georgia area who is from Benton Harbor.

"While many individuals and families were suffering from the financial challenges caused by COVID-19, criminals used it as an opportunity to exploit pandemic relief programs for their own financial gain, knowing they were not entitled to the funds," said **U.S. Attorney Mark Totten**. "My office will continue to collaborate with state and federal partners to rigorously investigate pandemic fraud throughout the district, pursue charges against those who have committed such fraud, and seek to recover ill-gotten gains."

The indictment alleges that, between April 2020 and December 2021, Roshell Beaty and her codefendants conspired to commit wire fraud by submitting falsified and fraudulent claims and certifications for pandemic unemployment insurance benefits, in their own names and in the names of third parties, some of whom were victims of identity theft. According to the indictment, the six codefendants submitted at least 98 false and fraudulent unemployment insurance claims and related certifications in multiple states, in the names of at least 61 different individuals. In response to those claims, the states of Michigan, Indiana, California, Illinois, and Arizona paid out more than \$764,000 in pandemic unemployment insurance benefits.

Each of the six defendants is also charged with respective counts of wire fraud related to pandemic unemployment insurance fraud. Two defendants—Roshell Beaty and her son Christopher Branch—are charged with various counts of aggravated identity theft, for using the means of identification of other people without lawful authority, in connection with the unemployment insurance wire fraud conspiracy. Defendants Roshell Beaty, Melvin Clinton, Danielle Branch, and Christopher Bates are each charged with fraud in connection with emergency benefits.

The Michigan Unemployment Insurance Agency (UIA), which administers the joint state and federal unemployment insurance program in Michigan, partnered in the investigation. "The Michigan UIA has zero tolerance for anyone accused of breaking the public trust by stealing from fellow taxpayers. We are committed to working with our law enforcement partners at the local, state, and federal levels to bring bad actors to justice and prosecute them to the fullest extent of the law," said **Julia Dale, director of the Michigan UIA**. "Our investigators have helped bring charges

against 90 people accused of pandemic unemployment fraud and we're not stopping there. Rooting out fraud is a cornerstone of our ongoing reform of the agency and our commitment to providing exemplary customer service.”

In addition to charges stemming from unemployment insurance fraud schemes, five of the six defendants are charged in the indictment with varying counts of wire fraud and conspiring to commit wire fraud in connection with their alleged fraudulent receipt of loans intended to relieve small businesses of burdens and costs associated with the pandemic. Roshell Beaty and Melvin Clinton face charges for an Economic Injury Disaster Loan in the amount of \$49,900, for a purported hair and nail salon belonging to Clinton, with 10 employees. The Indictment alleges that loan proceeds were used to purchase a 2017 Jaguar F-Pace SUV. Roshell Beaty, Melvin Clinton, Danielle Branch, Christopher Bates, and Brianna Rimpson are charged in connection with Paycheck Protection Program loans, totaling \$258,148, for purported small businesses.

The charges in an indictment are merely accusations, and a defendant is presumed innocent until and unless proven guilty in a court of law. A conviction for conspiracy to commit wire fraud, or wire fraud, in connection with a declared major disaster or national emergency is subject to a prison term of up to 30 years and a fine of up to \$1,000,000, among other penalties. A conviction for aggravated identity theft carries a mandatory prison term of two years, to be served consecutively to any other sentence(s) imposed.

The case was investigated by the Michigan Unemployment Insurance Agency of the Michigan Department of Labor and Economic Opportunity, the Office of Investigations of the Treasury Inspector General for Tax Administration, the Federal Bureau of Investigation, and the U.S. Department of Labor, Office of Inspector General. It is being prosecuted by Assistant U.S. Attorney Kate Zell. The case is proceeding before U.S. District Judge Janet T. Neff.

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