

Department of Justice

U.S. Attorney's Office

District of Rhode Island

FOR IMMEDIATE RELEASE

Friday, February 24, 2023

West Warwick Man Sentenced in Unemployment Fraud Scheme

PROVIDENCE, R.I. – A West Warwick man who admitted to a federal judge that he participated in a conspiracy to use the stolen identities of others to gain COVID related unemployment insurance benefits was sentenced today to three years in federal prison, announced United States Attorney Zachary A. Cunha and Rhode Island Attorney General Peter F. Neronha.

Richard Allen, 57, previously admitted to the court that he and other members of the conspiracy used stolen personal identifying information of other individuals, to file for COVID-related unemployment benefits in multiple states, including Ohio, Massachusetts, Arizona, and Texas. In the fraudulent applications, co-conspirators listed addresses associated with Allen to which benefit payments by check or debit card were mailed.

According to information presented to the court, Allen communicated with co-conspirators to activate fraudulently obtained benefit debit cards; withdrew funds from the debit cards; and sent a portion of the funds to co-conspirators, including via Bitcoin transactions.

Additionally, Allen admitted that he failed to report a change of income to the Social Security Administration (SSA), and specifically stated on SSA documents that “I do not receive any other type of income,” thus fraudulently continuing to collect Supplemental Security Income payments from the SSA he began receiving in June 2018.

Allen, detained in federal custody, pleaded guilty on June 29, 2022, to conspiracy to commit mail fraud, five counts of aggravated identity theft, and two counts of theft of government money. He was sentenced today by U.S. District Court Judge William E. Smith to 36 months of incarceration to be followed by 3 years of federal supervised release, and pay restitution in the amount of \$152,054.

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.

United States Attorney Cunha and Attorney General Neronha thank the Social Security Administration, Office of Inspector General for their assistance in the investigation of this matter.

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 or the FBI Providence office at (401) 272-8310.

On May 17, 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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