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Washington Woman Sentenced to 5 Years in Prison for CARES Act Fraud

On March 5, 2024, Paradise Williams was sentenced to 5 years in prison and ordered to pay more than \$2 million in restitution for orchestrating a wide-ranging fraud scheme which involved the theft of more than \$3.3 million from federally funded pandemic assistance programs.

From June 2020 to February 2022, Williams personally submitted more than 125 fraudulent applications for Coronavirus Aid, Relief, and Economic Security (CARES) Act unemployment benefits, U.S. Department of the Treasury Emergency Rental Assistance Program (ERAP) funds, U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loans, and SBA Economic Injury Disaster Loans (EIDL). She enlisted more than 50 associates, including her five co-defendants, to obtain more than \$3.3 million by posing as fake tenants, landlords, and small business owners in need of assistance. In submitting these applications to federally funded pandemic assistance programs, Williams, among other actions, created falsified bank statements, tenant ledgers, and landlord attestations.

Upon receipt of the fraudulently obtained funds, Williams and her associates methodically laundered the funds through cash withdrawals, wire transfers, and expensive luxury purchases. She personally received more than \$2 million in fraudulent proceeds and spent the money on luxury cars, lavish trips, cosmetic surgery, jewelry, and designer goods. In addition to fraudulently obtaining more than \$700,000 directly from her submission of ERAP applications, Williams also received more than \$1.2 million in kickback payments that she demanded from her associates for facilitating the various fraudulent schemes.

Overall, the fraud ring sought to steal more than \$6.8 million in pandemic benefits from nearly every major pandemic assistance program.

This is a joint investigation with the FBI and the SBA-OIG. *United States v. Williams et al.* (W.D. Washington)

The Office of Inspector General (OIG) for the U.S. Department of Labor (DOL) is pleased to present the *OIG Investigations Newsletter*, containing a bimonthly summary of selected investigative accomplishments.

The OIG conducts criminal, civil, and administrative investigations into alleged violations of federal laws relating to DOL programs, operations, and personnel. In addition, the OIG conducts criminal investigations to combat the influence of labor racketeering and organized crime in the nation's labor unions in three areas: employee benefit plans, labor-management relations, and internal union affairs.

California Man Sentenced 17.5 Years in Prison for Unemployment Insurance Fraud

On February 9, 2024, Eduard Gasparyan was sentenced to 210 months in prison and ordered to pay more than \$2.2 million in restitution for using stolen identities to fraudulently obtain more than \$1.5 million in pandemic-related unemployment insurance (UI) benefits and for stealing titles to dozens of cars by presenting forged documents to the California Department of Motor Vehicles (DMV).

From at least 2020 to September 2022, Gasparyan and his then-fiancée, Angela Karchyan, stole the identities of victims without their knowledge or consent and used those identities to apply for UI benefits from the California Employment Development Department (EDD). They then used UI debit cards, which contained the fraudulently obtained UI benefits, to withdraw cash at ATMs. As a result of this fraud scheme, the California EDD paid more than \$851,000 in fraudulently obtained UI benefits.

In a separate scheme, Gasparyan and Karchyan purchased vehicles using their own names, as well as the names of identity theft victims. They then provided the sellers with worthless checks or bank account numbers to purportedly pay for the vehicles. In addition, they used stolen identities to rent vehicles and caused the DMV to remove the actual owners (rental car companies) from the registration for those vehicles by using forged documents.

This is a joint investigation with the California EDD and the Internal Revenue Service–Criminal Investigation (IRS-CI). *United States v. Gasparyan et al.* (C.D. California)

New Hampshire Man Pled Guilty to Multiple Fraud Schemes Totaling More Than \$2 Million and Will Forfeit More Than \$800,000 to the U.S. Government

On February 15, 2024, Anthony Silva pled guilty to three counts of wire fraud, one count of mail fraud, and one count of aggravated identity theft for his role in various fraud schemes involving more than \$2 million in intended losses. Silva agreed to forfeit more than \$825,000 in assets to the U.S. Government.

Silva orchestrated four separate fraud schemes using stolen identities from victims without their knowledge or consent. Specifically, he used stolen names, dates of birth, Social Security numbers, and other identifiers to fraudulently obtain credit cards, UI benefits from Vermont and Massachusetts, and CARES Act funds from the SBA in the names of identity theft victims. The fraudulently obtained UI benefits and CARES Act funds were deposited by either check or direct deposit into dozens of accounts Silva controlled at multiple banks. Many of these accounts were in the names of individual victims or fictional organizations with Silva listed as the trustee.

This is a joint investigation with the United States Postal Inspection Service (USPIS), the FBI, and the United States Secret Service (USSS). *United States v. Anthony Silva* (D. New Hampshire)

Michigan State Employee Sentenced in Unemployment Insurance Fraud Scheme

On February 6, 2024, Antonia Brown, a former State of Michigan Unemployment Insurance Agency (MUIA) employee, was sentenced to 21 months in prison for her role in an UI fraud scheme. She was also sentenced to 36 months of supervised release following her prison sentence and was ordered to pay more than \$549,000 in restitution for her involvement in a multimillion-dollar scheme to defraud the federal government and the State of Michigan. Brown is the first of three individuals sentenced in this case.

Beginning in May 2020 and continuing through at least September 2021, Brown and her co-conspirators, Angela Johnson and Kiannia Mitchell, collectively conspired to defraud the federal government and State of Michigan through the facilitation of numerous UI claims. Brown took actions on numerous fraudulent claims that were accessed and/or filed by Johnson and Mitchell, which resulted in unauthorized payments of those claims. The investigation found that Brown received financial kickbacks for those actions from Johnson and Mitchell, as well as from some of the claimants themselves. Evidence obtained during the investigation revealed that Brown tried to conceal those payments as jewelry payments to her side business. The investigation also showed that the scheme involved approximately 123 UI claims totaling more than \$3 million dollars in benefits paid, \$1.6 million of which was paid after Brown's unauthorized actions. Per a plea agreement between Brown and the U.S. Attorney's Office, Brown was held accountable for more than \$549,000 in unauthorized and fraudulent UI payments.

This was a joint investigation with the U.S. Department of Homeland Security (DHS)-OIG, the FBI, and the MUIA. *United States v. Antonia Brown et al.* (E.D. Michigan)

Illinois Man Pled Guilty to Wire Fraud as Part of an Unemployment Insurance Scheme

On February 6, 2024, Sirreginald McGuire pled guilty to one count of wire fraud. As part of his plea agreement, McGuire admitted that he and co-conspirator, Robert Carter, engaged in a scheme to defraud multiple state workforce agencies (SWA), which resulted in a loss of at least \$1 million in UI benefits.

From June 2020 through March 2021, McGuire participated in a scheme to submit fraudulent UI claims to multiple SWAs. McGuire's co-conspirator, Carter, used his social media account to solicit other individuals' participation in the UI fraud scheme by requesting personal identifiable information (PII), including Social Security numbers and dates of birth, for either themselves or other individuals not involved in the scheme. They subsequently used the PII to file fraudulent UI claims. In furtherance of the scheme, McGuire provided Carter with access to UI debit cards, which were associated with the fraudulent UI claims and mailed to his residence in exchange for a share of the fraudulent proceeds. Carter then withdrew the fraudulently obtained UI funds from the debit cards at banks and ATMs across Illinois. McGuire and Carter obtained at least \$1 million in fraudulent UI benefits from SWAs in Arizona, California, Illinois, Ohio, Maryland, and Virginia.

This is a joint investigation with the USPIS. *United States v. Robert Carter et al.* (N.D. Illinois)

California Man Convicted of Defrauding Unemployment Insurance Program

On February 26, 2024, Adolph Barley II pled guilty to one count of conspiracy to commit bank fraud and agreed to pay restitution of more than \$974,000 for his role in an UI fraud scheme.

From July 2020 through February 2021, Barley and his co-conspirator submitted approximately 40 fraudulent applications for PUA funds to the California EDD. He and his co-conspirator carried out the scheme by obtaining and using the PII, such as the names, dates of birth, and Social Security numbers, of individuals ineligible for PUA and who did not authorize such applications in their names. Following approval of the fraudulent applications, debit cards, which were loaded with PUA funds, were mailed to mailing addresses to which Barley had access. Both he and his co-conspirator utilized the debit cards to withdraw cash at various ATMs. Through their scheme, Barley and his co-conspirator fraudulently obtained more than \$974,000 in PUA benefits.

This is a joint investigation with the DHS-OIG and the California EDD. *United States v. Brown et al.* (C.D. California)

Pennsylvania Man Pled Guilty to Role in Unemployment Insurance Fraud Scheme

On February 5, 2024, Adrian Fluellen pled guilty to wire fraud and conspiracy to commit wire fraud for his role in an UI fraud scheme targeting the SWA of Michigan, Pennsylvania, and Maryland.

Between April and December 2020, Fluellen, along with his co-conspirators, electronically filed hundreds of false UI claims in the names of other individuals without their knowledge, consent, or authorization. The fraudulent claims resulted in the mailing of hundreds of UI debit cards. Fluellen and his co-conspirators then successfully unloaded more than \$930,000 from the UI debit cards through purchases and cash withdrawals.

In furtherance of the scheme, Fluellen created email accounts to link to fraudulent UI claims. In addition, he submitted and re-certified fraudulent UI claims using an IP address registered in Michigan. Fluellen also collected mail for UI claims and withdrew fraudulently obtained funds from UI debit cards.

Fluellen agreed to pay restitution of more than \$673,000 to the State of Michigan and more than \$260,000 to the Commonwealth of Pennsylvania jointly and severally with other charged co-conspirators.

This is a joint investigation with the FBI, the IRS, and the MUIA. *United States v. Dotson et al.* (E.D. Michigan)

Texas Man Sentenced for Defrauding Multiple State Workforce Agencies

On February 20, 2024, Luigi Montes was sentenced to 22 months in prison for his role in a scheme to defraud the UI program during the COVID-19 pandemic. Montes, in conjunction with his co-conspirators, was ordered to pay approximately \$700,000 in restitution.

From March 2020 to January 2021, Montes and two co-conspirators devised a scheme to submit fraudulent UI claims to the Nevada Department of Employment, Training, and Rehabilitation (DETR) and the California EDD. As part of the scheme, they used stolen PII, such as victim names, dates of birth, and Social Security numbers, to defraud the Nevada DETR and California EDD. Once the claims were approved, UI debit cards were sent to mailing addresses to which Montes and co-conspirators had access. After receiving the debit cards, Montes withdrew the funds at various ATMs across Texas. During his participation in the conspiracy, Montes and his co-conspirators fraudulently obtained at least \$698,000 in benefits for their personal benefit.

This was a joint investigation with the FBI, the Nevada DETR, and the California EDD. *United States v. Montes et al.* (D. Nevada)

Florida Men Sentenced for Conspiracy to Commit Bank Fraud, Wire Fraud and Mail Fraud

On February 9, 2024, and February 20, 2024, Franklin Brown and Samuel Bush III were sentenced, respectively, for defrauding the California and Massachusetts SWAs in an UI fraud scheme. Pursuant to guilty pleas for conspiracy to commit bank fraud, wire fraud and mail fraud, they were both sentenced to 33 months in prison. The court also ordered Brown and Bush to pay restitution totaling approximately \$643,000 joint and severally. Bush was further ordered to pay an additional \$6,000 in restitution.

As part of the conspiracy, Brown, Bush, and another co-conspirator submitted UI applications to the SWAs using the PII of identity theft victims without the victims' knowledge or consent. Based on the fraudulent applications, the SWAs approved UI benefit payments in the form of pre-paid debit cards issued by financial institutions. Many of these cards were mailed to a Florida address belonging to Brown. Bush made telephone calls to one of the financial institutions pretending to be the real cardholders to activate or make inquiries about the fraudulently obtained debit cards. Brown and another co-conspirator used the fraudulently obtained pre-paid debit cards to make multiple cash withdrawals at ATMs in South Florida.

Over the course of the conspiracy at least 92 UI claims were disbursed due to the fraudulent UI applications resulting in the loss of more than \$1.1 million in UI benefits.

This investigation is being conducted as part of the Miami COVID-19 Strike Force and is a joint investigation with the DHS-OIG, the FBI, and the USPIS. *United States v. Wright et al.* (S.D. Florida)

Nigerian Man Sentenced to Prison for Pandemic-Related Unemployment Insurance Benefits Scam

On February 21, 2024, Valentine O. Odije, a Nigerian citizen residing in Georgia, was sentenced to 21 months in prison for his role in a conspiracy involving the unlawful use of debit cards funded with COVID-19 pandemic-related UI benefits. In addition, he was ordered to pay restitution of more than \$660,000 and to forfeit approximately \$86,000 in cash.

Odije was recruited into an ongoing scheme by individuals who were filing fraudulent UI claims during the COVID-19 pandemic. The fraudulent claims resulted in UI benefits being loaded onto debit cards in Odije's possession. Odije's role in the scheme was to use the debit cards to withdraw cash and purchase money orders. He knew the debit cards were funded with unlawfully obtained UI benefits. Odije also recruited others to help him access the UI benefits on the cards by selecting the cards for them to use and instructing them on how to withdraw cash from the cards and purchase money orders.

This is a joint investigation with the USSS. *United States v. Valentine Odije et al.* (E.D. Tennessee)

New York Man Sentenced to Prison for \$600,000 COVID-19 Pandemic Benefit Fraud Scheme Using Stolen Identities

On February 7, 2024, Obinna Nwafor was sentenced to 42 months in prison and ordered to pay restitution of more than \$545,000 for his role in defrauding multiple SWAs and the SBA of federal pandemic relief benefits, including UI and SBA EIDL benefits.

From May 2020 through October 2020, Nwafor received approximately \$300,000 in pandemic-related UI benefits to which he was not entitled in the names of at least 18 other individuals who were unaware of the activity. The fraudulently obtained UI benefits were deposited into approximately six different bank accounts Nwafor owned or controlled.

In addition, in September 2020, a victim residing in Virginia received a statement from the SBA at their home address indicating that they owed a payment on a loan they purportedly received under the EIDL program. The investigation determined that loan documents were electronically signed in the victim's name and loan proceeds totaling \$149,900 were disbursed to an account controlled by Nwafor. Further investigation revealed that Nwafor fraudulently obtained several other EIDL loans, the proceeds of which were deposited into an account he controlled. Within days of the disbursement, he moved the funds to other accounts he controlled. This included nearly \$75,000 to an account belonging to a romance fraud victim who had been misled as to the origin of the funds.

This is a joint investigation with the FBI and the USPIS. *United States v. Obinna Nwafor* (E.D. Virginia)

Former Tax Preparer Pled Guilty in an Unemployment Insurance Fraud Scheme

On February 20, 2024, Christopher Niebel pled guilty to wire fraud and aggravated identity theft for his role in a scheme to submit fraudulent claims for UI benefits during the COVID-19 pandemic using stolen identities.

Between April and May of 2020, Niebel, a former tax preparer and seasonal retail store manager, fraudulently filed UI claims using stolen PII of victims without their knowledge or consent. Through his employment at the store, Niebel had access to the employment verification forms of individuals who were both employees and job applicants. He stole several forms and used the PII to file claims for PUA benefits. Niebel intentionally used the PII of individuals who were not from Michigan, surmising it was unlikely these individuals filed UI claims in the state. In furtherance of the scheme, he opened numerous bank accounts in his own name and had the fraudulently obtained UI benefits deposited into those accounts. Niebel spent the fraudulently obtained benefits on personal expenses, including hotels, lottery tickets, and casino gambling. The loss amount associated with his actions totaled more than \$510,000.

This is a joint investigation with the IRS-CI, the USSS, and the MUIA. *United States v. Christopher D. Niebel*. (E.D. Michigan)

Colombo Crime Family Captain Sentenced to 51 Months in Prison

On February 28, 2024, Vincent Ricciardo, aka “Vinny Unions,” was sentenced to 51 months in prison for his participation in the long-running extortion of a senior official of a New York-based labor union and other criminal schemes he carried out as a captain in the Colombo crime family of La Cosa Nostra. He was also ordered to forfeit \$350,000 and pay approximately \$280,000 in restitution. In July 2023, Ricciardo pled guilty to racketeering, and admitted to his participation in the extortion of the labor union official and various conspiracies to commit money laundering, loansharking, and fraud in connection with workplace safety certificates.

Ricciardo and his co-conspirators committed a variety of crimes including extortion, loansharking, fraud, and drug-trafficking to enrich themselves and promote the continued operation of the Colombo crime family. The Colombo crime family, including Ricciardo, agreed to the use of extortionate means, including threats of bodily harm, to force a senior union official to give over a portion of his salary, as well as make decisions that would financially benefit the Colombo crime family’s administration. Ricciardo and his co-conspirators pressured the trustees of the union’s associated healthcare benefit fund to select vendors who were associated with the Colombo crime family. The defendants sought to divert more than \$10,000 per month from the health fund’s assets.

Ricciardo also threatened to kill the senior union official, stating in a consensually recorded phone call that the official would obey him because he knew Ricciardo would “put him in the ground right in front of his wife and kids.”

This is a joint investigation with the FBI. *United States v. Vincent Ricciardo* (E.D. New York)