

U.S. Department of Justice

*United States Attorney
District of Connecticut*

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**ILLINOIS MAN ADMITS TO PERPETRATING IDENTITY THEFT AND
UNEMPLOYMENT BENEFITS FRAUD SCHEME**

John H. Durham, United States Attorney for the District of Connecticut, today announced that RICHARD M. LACH, 32, of Richton Park, Illinois, pleaded guilty yesterday in New Haven federal court to wire fraud and aggravated identity theft in connection with a scheme to defraud state unemployment insurance programs in Connecticut and 37 other states.

According to court documents and statements made in court, LACH fraudulently filed claims with the Connecticut Department of Labor for unemployment benefits in the names of identity theft victims, using their names, dates of birth and social security numbers. LACH directed that the unemployment benefits be directly deposited to Green Dot debit cards that he opened in the names of other identity theft victims. For claims that were approved, the unemployment benefits were deposited to the Green Dot cards, and LACH withdrew the funds or otherwise spent the funds for his own personal use and benefit.

In addition to fraudulently obtaining unemployment benefits from the Connecticut Department of Labor, LACH admitted that he fraudulently filed or attempted to file for unemployment benefits, in the names of identity theft victims, from unemployment agencies in Alabama, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington DC, Wisconsin, and West Virginia.

In pleading guilty, LACH admitted that, in some cases, he purchased the personal information of identity theft victims through online websites, including a website that sold the

information for \$1, in bitcoins, per identity. LACH shared his account on that website. He also shared his Green Dot cards, and several email accounts he used, with other individuals so that they also could file fraudulent claims for unemployment benefits.

In total, LACH and others purchased identity information for approximately 845 identity theft victims through LACH's account on the website that sold the information. Between February 2017 and January 2018, LACH and others filed approximately 380 fraudulent claims for unemployment benefits in the names of identity theft victims. If the state agencies had approved and paid benefits on all 380 claims, the total loss from this scheme would have exceeded \$3.8 million. However, the state agencies approved and paid benefits on only 42 of the claims, resulting in an actual loss of \$54,006.

LACH further admitted that he fraudulently purchased cars and obtained car loans in the names of two identity theft victims. In September 2017, he fraudulently purchased a car for approximately \$59,000 from a dealership in Florida and had it shipped to Illinois. LACH provided copies of a fake driver's license and utility bill in the name of an identity theft victim in order to obtain a car loan to purchase the vehicle. Similarly, in January 2018, LACH fraudulently purchased a car for approximately \$83,000 from a dealership in Tennessee. Again, LACH provided copies of a fake driver's license, utility bill, W-2, and paystub in the name of an identity theft victim.

LACH pleaded guilty to one count of wire fraud, an offense that carries a maximum term of imprisonment of 20 years, and one count of aggravated identity theft, an offense that carries a mandatory, consecutive two-year term of imprisonment. LACH is scheduled to be sentenced by U.S. District Judge Jeffrey A. Meyer on November 27, 2018.

LACH has been detained since his arrest on February 2, 2018.

This matter is being investigated by the U.S. Department of Labor – Office of Inspector General, Office of the Chief State's Attorney, Connecticut Department of Labor, New York State Department of Labor, State of New Jersey Department of Labor and Workforce Development, and Matteson (Illinois) Police Department, with assistance from the unemployment agencies in the other states.

This case is being prosecuted by Assistant U.S. Attorney Neeraj N. Patel.

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