

PRESS RELEASE

Former Contractor for Michigan Unemployment Insurance Agency Was Sentenced Today In COVID-19 Fraud Scheme

Tuesday, July 18, 2023

For Immediate Release

U.S. Attorney's Office, Eastern District of Michigan

DETROIT - Semaje Reffigee, a former employee of the Michigan Unemployment Insurance Agency (MUIA), was sentenced to 18 months' imprisonment today arising from her participation in a \$313,000 pandemic-related unemployment insurance fraud scheme, announced United States Attorney Dawn N. Ison.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General, Julia Dale, Director of the Michigan Unemployment Insurance Agency, and Charles Miller, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Detroit Field Office.

Reffigee, 26, pleaded guilty on March 8, 2023, to one count of conspiracy to commit wire fraud arising out of her participation in a wide-ranging fraud scheme designed to provide Reffigee and her co-conspirators with pandemic-related unemployment insurance benefits to which they were not entitled.

United States Attorney Ison stated, "Corrupt public servants compromise the ability of the government to function effectively and undermine confidence in all public programs. Semaje Reffigee – an employee of the state – stole money from a program intended to help our most vulnerable citizens during an unprecedented national crisis. This prosecution reflects the seriousness with which my office takes corruption and fraud in the public sector, and we hope that today's sentence deters other government employees from lining their pockets at the expense of the public."

"Former Michigan Unemployment Insurance Agency contract employee Semaje Reffigee violated the public trust afforded to her for personal gain. She abused her position by using her access to sensitive employment information and state data systems to approve fraudulent unemployment insurance (UI) claims submitted by her co-conspirators. Today's sentencing affirms the U.S. Department of Labor, Office of Inspector General's commitment to pursuing UI fraud, particularly when an insider threat is involved," said Irene Lindow, Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

"It's shocking and discouraging when someone hired by the UIA uses the cover of a global economic crisis to scheme with others to steal taxpayer money for their own gratification," said Julia Dale, Director of the Michigan UIA. "Michigan's unemployment program is an important lifeline for workers who lose their jobs and despicable actions by bad actors such as Semaje Reffigee damage the trust workers have in the system. Reffigee is one of nearly 50 criminals so far who have been convicted of unemployment insurance fraud, and she won't be the last. We won't tolerate such shameful behavior and will continue to work with our law enforcement partners to root out fraudsters, both within and outside of the UIA, and strengthen the program's integrity."

"Semaje Reffigee blatantly stole taxpayer money meant to help individuals meet day to day living needs during unprecedented adverse circumstances," said Charles Miller, Special Agent in Charge, Internal Revenue Service, Criminal Investigation, Detroit Field Office. "The outcome today is due to the dedicated efforts of IRS Criminal Investigation special agents and our law enforcement partners."

According to court documents, Reffigee began working as an Unemployment Insurance Examiner (UIE) with the MUIA in October 2020, and as such, had electronic access to the MUIA claims database. Reffigee used her credentials to access and approve specific UI claims submitted to the agency.

Court documents indicate that between October 2020 and June 2021, Reffigee conspired with others to obtain benefits through the submission of false UI claims. Reffigee's co-conspirators electronically submitted fraudulent claims to MUIA. Reffigee then abused her position as a UIE to (1) re-activate claims that had previously been flagged for fraud, and (2) go outside her assigned workflow to approve fraudulent claims in the first instance. In total, Reffigee re-activated or approved over 35 fraudulent claims valued at more than \$300,000. In exchange, Reffigee received kickback payments from her co-conspirators.

The case was prosecuted by Assistant United States Attorneys Ryan Particka and Sarah Youngblood. The investigation was conducted jointly by the Department of Labor-Office

of Inspector General and the IRS, with substantial assistance from the Michigan Unemployment Insurance Agency.

Updated July 18, 2023

Topic

CORONAVIRUS

Component

[USAO - Michigan, Eastern](#)