

PRESS RELEASE

Former Department Of Labor Agent Sentenced To 33 Months' Imprisonment For Fraud Scheme

Thursday, August 24, 2023

For Immediate Release

U.S. Attorney's Office, Middle District of Pennsylvania

SCRANTON - The United States Attorney's Office for the Middle District of Pennsylvania announced today that a former Special Agent with the Department of Labor, Thomas Hartley, age 49, of East Stroudsburg, Pennsylvania, was sentenced on August 23, 2023, by U.S. District Court Judge Robert D. Mariani, to 33 months' imprisonment on the charge of mail fraud in connection with multiple schemes to commit fraud.

According to United States Attorney Gerard M. Karam, Hartley previously pleaded guilty and admitted that he obtained a total of \$197,366 through multiple fraud schemes. Between April 2020 and September 2021, Hartley applied for and collected Pennsylvania unemployment compensation benefits by claiming that he was unemployed, when in fact Hartley was employed on full time active duty with the New Jersey National Guard. Further, in applying for unemployment benefits, the defendant failed to disclose that he was on military leave from his full-time federal civilian employment with the United States Department of Labor. Hartley thereby utilized the mail to collect approximately \$60,284 in unemployment compensation funds to which he was not entitled.

Hartley also fraudulently obtained \$23,582 in Basic Allowance for Housing (BAH) funds paid by the Department of the Army, \$50,000 in "lost wage" benefits paid by USAA insurance, and \$63,500 from his Thrift Savings Plan.

In August 2022, a grand jury issued a second superseding indictment charging Hartley with multiple fraud schemes. In addition to the scheme to fraudulently obtaining Pennsylvania unemployment compensation funds, the second superseding indictment also charged that Hartley, while on leave from his position with the Department of Labor and serving with the New Jersey National Guard, submitted false documents to the

Department of the Army and thereby obtained approximately \$23,580 in housing allowance funds to which he was not entitled.

The second superseding indictment also charged Hartley with fraud in connection with the filing of a lost wage claim with USAA Insurance following an automobile accident. Hartley falsely claimed that he had lost wages, resulting from an automobile accident, when in fact Hartley was suspended without pay from his employment with the Department of Labor as a result of an ongoing criminal investigation. Hartley thereby collected approximately \$50,000 in lost wage benefits to which he was not entitled.

Finally, the second superseding indictment charged Hartley with fraudulently obtaining funds from his Thrift Savings Plan (TSP) by falsely claiming that he was not married, when in fact he was at all times married. Hartley thereby transferred the funds to himself personally, or to a bank account solely in his name, without the knowledge or consent of his wife.

The charges against the defendant resulted from an investigation conducted by the Department of Labor, Office of Inspector General, Office of Special Investigations; the United States Army, Criminal Investigation Division; and the USAA Insurance Special Investigations Unit. Assistant United States Attorney Robert J. O'Hara prosecuted the case.

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Topic

FINANCIAL FRAUD

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