

PRESS RELEASE

Former Federal Employee Sentenced for Leading \$3.5 M Unemployment Insurance Fraud Scheme

Wednesday, August 23, 2023

For Immediate Release

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

RICHMOND, Va. – A Concord, California, woman was sentenced today to 18 years in prison for her leading role in a conspiracy to defraud at least five states of more than \$3.5 million in pandemic-related unemployment insurance benefits.

“Huffman organized a massive VEC fraud conspiracy and abused her position as a federal employee to steal funds meant for those struggling with employment security and the economic impacts of the COVID-19 pandemic,” said U.S. Attorney Jessica D. Aber. “To add insult to injury, when her time came to be held accountable at her initial sentencing hearing, she fled from the law. I am grateful today for the efforts of our law enforcement and prosecutorial team in ensuring Huffman and her co-defendants face the consequences of their selfish actions.”

“While employed with the federal government, Heather Ann Huffman led a criminal conspiracy to steal more than \$2 million in pandemic-related unemployment insurance (UI) benefits, betraying the public trust and depriving benefits to those who desperately needed assistance during an unprecedented time of financial hardship,” stated Acting Special Agent in Charge Troy W. Springer of the National Capital Region, U.S. Department of Labor, Office of Inspector General (DOL-OIG). “As the primary law enforcement agency charged with investigating fraud against the UI program, DOL-OIG is committed to working relentlessly to protect the integrity of these vital benefits from those seeking to unlawfully enrich themselves at the expense of American workers affected by the pandemic. We are grateful to the U.S. Attorney’s Office for the Eastern District of Virginia, the U.S. Department of Veterans Affairs – OIG, the U.S. Marshals Service, and the Virginia

Employment Commission, for their strong partnership and collaboration in this investigation.”

According to court documents, from April 2020 through at least March 2021, Heather Huffman, 52, lead and organized several others, including family members and close friends, in a conspiracy to defraud at least five state workforce agencies, including the Virginia Employment Commission, the Washington State Employment Security Department, and the California Employment Development Department, of more than \$3.5 million in unemployment insurance benefits. Huffman’s conspiracy specifically targeted benefits that had been expanded to offset the economic impacts of the COVID-19 pandemic. To obtain these benefits, Huffman and others filed false and misleading applications in the names of identity theft victims, witting co-conspirators, and inmates of state and federal prisons. Among other information, Huffman and her conspirators included in these applications materially false wage and employment histories and false contact information, such as physical and mailing addresses, email addresses, and phone numbers, that did not, in fact, belong to the purported applicants.

To further their conspiracy, Huffman and others obtained and shared among themselves the personal identifying information (PII) of others, created and maintained email accounts purportedly belonging to those individuals, and falsified and forged various documents—including state and federal wage and tax forms—to substantiate the information they had included in the false benefit applications. Conspirators also identified nominee addresses in each of the targeted states at which they falsely claimed the purported applicants lived and worked. Conspirators then directed the targeted states to send benefit payments to prepaid debit cards mailed to various addresses in Virginia, including Huffman’s former residential addresses. As the conspiracy progressed, Huffman also opened a P.O. Box in the name of a fictitious non-profit, “Heather’s Homeless Services,” to which she thereafter directed the targeted states to mail the prepaid debit cards. Huffman, who was then employed as a registered nurse at the Department of Veterans Affairs Hunter Holmes McGuire Medical Center in Richmond, used her work computer to research available benefits, file and access claims, and falsify documents in furtherance of the conspiracy.

In total, Huffman and her conspirators submitted more than 220 applications in the names of more than 120 individuals to at least five different states through which they sought to receive more than \$3.5 million and actually obtained more than \$2 million.

Huffman’s sentencing was originally scheduled for November 29, 2022, but she failed to appear that day without notice or explanation. Prior to her disappearance, Huffman took measures to flee prosecution and conceal her whereabouts, including depleting her bank accounts, selling her vehicle, and turning her phone off. Through means unknown,

Huffman obtained the PII of a real person, assumed that person’s identity, and procured counterfeit government identification and credit cards in the name of her false alias. Following Huffman’s disappearance, the United States Marshals Service (USMS) opened a fugitive investigation. This extensive, months-long investigation uncovered evidence that the defendant, under a false identity, was living and working as a registered nurse in Kansas. On March 4, 2023, approximately 95 days after Huffman’s flight from prosecution, she was apprehended by the USMS in Kansas at an Extended Stay hotel.

Huffman is the last of the defendants to be sentenced in this case. See the table below for additional information on the sentences imposed in this case.

Name	Age	Residence	Convictions	Total Sentence
Heather A. Huffman	54	Concord, California	Conspiracy to Commit Mail & Wire Fraud; Aggravated Identity Theft	216 months
Sheldon L. Huffman	31	Richmond, Virginia	Conspiracy to Commit Mail & Wire Fraud; Aggravated Identity Theft	60 months
Dorothea Rosado	54	Kennesaw, Georgia	Conspiracy to Commit Mail & Wire Fraud; Aggravated Identity Theft	36 months
Anthowan Daniels	35	Richmond, Virginia	Conspiracy to Commit Mail & Wire Fraud; Possession of a Firearm by a Convicted Felon	42 months

Jessica D. Aber, U.S. Attorney for the Eastern District of Virginia; Troy W. Springer, Acting Special Agent in Charge of the National Capital Region, U.S. Department of Labor, Office of Inspector General; and Kim. R. Lampkins, Special Agent in Charge, Mid-Atlantic Field

Office, U.S. Department of Veterans Affairs, Office of Inspector General, made the announcement after Senior U.S. District Judge John A. Gibney, Jr. imposed the sentence.

The U.S. Attorney's Office for the Eastern District of Virginia expresses its appreciation to the USMS for their assistance.

Assistant U.S. Attorneys Kaitlin G. Cooke, Kashan Pathan, and Mike C. Moore prosecuted the case.

A copy of this press release is located on the website of the [U.S. Attorney's Office](#) for the Eastern District of Virginia. Related court documents and information are located on the website of the [District Court](#) for the Eastern District of Virginia or on [PACER](#) by searching for Case No. 3:22-cr-8.

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