

PRESS RELEASE

Superseding Indictment Charges Maryland Man with Wire Fraud, Identity Theft, and Drug-Related Counts, in Addition to Original Charges for COVID-19 Cares Act Unemployment Benefits Fraud and Illegal Possession of a Firearm

Thursday, May 18, 2023

For Immediate Release

U.S. Attorney's Office, District of Maryland

Baltimore, Maryland – A federal grand jury returned a superseding indictment yesterday against Ryan E. Dales, age 34, of Baltimore, Maryland, that adds possession with intent to distribute fentanyl, possession of a firearm in furtherance of a drug trafficking activity, a fraud scheme and aggravated identity theft to the original charges of illegal possession of a firearm by a previously convicted felon and with wire fraud, relating to the submission of fraudulent applications for unemployment insurance (“UI”) benefits under the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act.

The superseding indictment was announced by United States Attorney for the District of Maryland Erik L. Barron and Special Agent in Charge Thomas J. Sobocinski of the Federal Bureau of Investigation, Baltimore Field Office; and Acting Special Agent in Charge Troy W. Springer, of the National Capital Region, U.S. Department of Labor, Office of Inspector General (DOL-OIG).

The CARES Act, enacted in March 2020 to provide emergency financial assistance to Americans suffering from the economic effects caused by the COVID-19 pandemic, created the Pandemic Unemployment Assistance (PUA) program, which expanded

states' ability to provide UI for workers impacted by the COVID-19 pandemic, including workers who otherwise wouldn't be eligible for UI benefits.

The eight-count superseding indictment alleges that beginning in December 2020 and continuing through about September 2021, Dales submitted applications for UI benefits that contained false statements, misrepresentations, and omissions related to his employment, his eligibility to receive UI benefits, and his purported businesses, including their existence, operation, and profits. Dales allegedly submitted a fictitious tax form in support of his applications.

According to the superseding indictment, Dales illegally possessed a firearm on January 20, 2023. Also on January 20, 2023, Dales allegedly possessed with intent to distribute 40 grams or more of fentanyl, and the superseding indictment alleges that Dales possessed a second firearm—a Polymer 80 9mm firearm without a serial number, commonly known as a "ghost gun"—in furtherance of his drug trafficking.

Finally, the superseding indictment alleges that from August 2022 until September 2022, Dales defrauded business and financial institutions, using the personal identifying information of identity theft victims, to obtain merchandise for his personal benefit and for the benefit of his associates. Specifically, as detailed in the superseding indictment, Dales obtained forged and counterfeit South Carolina driver's licenses, each bearing Dales' photograph, but the name and identifying information of three identity theft victims. Dales, and others working with Dales, submitted fraudulent applications for lines of credit using the names and personal information of the identity theft victims. Once the lines of credit were approved, Dales allegedly purchased a high-end lawn mower from each of three victim businesses, in the names of the three identity-theft victims, for a total of \$44,137.70. For each purchase, Dales presented the victim business with the counterfeit South Carolina driver's license in the same name as the victim on the line of credit used to make the purchase, but which had Dales's photo on it. Dales allegedly made no payments in connection with the line of credit accounts established in the names of the three victims and each account still has an outstanding balance.

More information on the allegations against Dales may be found [here](#).

If convicted, Dales faces a maximum sentence of 20 years in federal prison for being a felon in possession of a firearm; a mandatory minimum of five years and up to 40 years in federal prison for possession with intent to distribute 40 grams or more of fentanyl; a mandatory minimum sentence of five years, consecutive to any other sentence imposed, and up to life in federal prison for possession of a firearm in furtherance of drug trafficking; a maximum of 20 years in federal prison for each of four counts of wire fraud;

and a mandatory two years in federal prison, consecutive to any other sentence imposed, for aggravated identity theft. Actual sentences for federal crimes are typically less than the maximum penalties. A federal district court judge will determine any sentence after taking into account the U.S. Sentencing Guidelines and other statutory factors. No initial appearance is currently scheduled. Dales remains detained.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The District of Maryland COVID-19 Fraud Strike Force is one of three strike forces established by U.S. Attorney General Merrick B. Garland and the U.S. Department of Justice to investigate and prosecute COVID-19 fraud, including fraud relating to the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. The CARES Act was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. The strike forces focus on large-scale, multi-state pandemic relief fraud perpetrated by criminal organizations and transnational actors. The strike forces are interagency law enforcement efforts, using prosecutor-led and data analyst-driven teams designed to identify and bring to justice those who stole pandemic relief funds.

For more information on the Department’s response to the pandemic, please visit <https://www.justice.gov/coronavirus>. Anyone with information about allegations of attempted fraud involving COVID-19 can report it by calling the Department of Justice’s National Center for Disaster Fraud (NCDF) Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

United States Attorney Erek L. Barron commended the FBI and DOL-OIG for their work in the investigation. United States Attorney Barron and Assistant U.S. Attorney Paul A. Riley are prosecuting the case. Mr. Barron also recognized the assistance of the Maryland COVID-19 Strike Force Paralegal Specialist Joanna B.N. Huber.

For more information on the Maryland U.S. Attorney’s Office, its priorities, and resources available to help the community, please visit www.justice.gov/usao/md.

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Updated May 18, 2023

