

Department of Justice

U.S. Attorney's Office

Western District of Virginia

FOR IMMEDIATE RELEASE

Thursday, March 18, 2021

Russell Co. Woman Pleads Guilty to \$499,000 Unemployment Fraud Scheme

ABINGDON, Va. – Leelynn Danielle Chytka pleaded guilty today in U.S. District Court in Abingdon, Va., to charges that she conspired with others to defraud the government of more than \$499,000, commit mail fraud, and commit aggravated identify theft, Acting United States Attorney Daniel P. Bubar and Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General announced today.

Chytka, 28, of Russell County, Virginia, waived her right to be indicted and pleaded guilty today to a four-count Information charging her with one count of conspiracy to defraud the government, one count of conspiracy to commit mail fraud with respect to benefits authorized and paid in connection with a presidentially declared major disaster or emergency, one count of aggravated identity theft, and one count of distribution of suboxone.

“Over the past year, Virginians have endured one of the worst pandemics our country has ever seen. During this time, jobless claims in the Commonwealth dramatically increased, as unemployment spiked. While some struggled to make ends meet, this defendant and her co-conspirators worked to defraud an unemployment system which exists as a safety net for those in need,” Acting United States Attorney Daniel P. Bubar said today. “They filed multiple fraudulent unemployment claims in an effort to collect almost \$500,000 in benefits they were not entitled to—benefits that could have gone to Virginians that needed it. I am grateful to the Department of Labor and the Internal Revenue Service – Criminal Investigation, the Norton Police Department, and the Russell County Sheriff's Office for their diligence in bringing this conspiracy to justice.”

“Pandemic unemployment insurance benefits are a lifeline for those individuals who are qualified and in need. The Defendant along with her co-conspirators, engaged in a scheme to defraud the Virginia Employment Commission by filing for unemployment insurance using the identities of individuals, many of whom were incarcerated and not entitled to receive benefits. The Office of Inspector General will continue to work diligently with the U.S. Attorney's Office, the Virginia Employment Commission, and our law enforcement partners to protect the integrity of the unemployment insurance system from those who choose to exploit the program,” said Jonathan Mellone, Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

Chytka admitted today to leading a conspiracy to commit fraud against the United States in connection with a scheme involving the filing of fraudulent claims for pandemic unemployment benefits.

According to court documents, Chytka, and others, conspired to collect personal identification information of more than 35 co-conspirators, including 15 inmates in the custody of the Virginia Department of Corrections, and to file fraudulent claims of pandemic-related unemployment.

Over the course of nine months, Chytka filed fraudulent claims for at least 37 individuals, with a total actual loss to the United States of at least \$499,000.

The investigation of the case was conducted by the Department of Labor-Office of the Inspector General and the Internal Revenue Service – Criminal Investigation, the Norton Police Department, and the Russell County Sheriff's Office. Assistant United States Attorney Daniel J. Murphy is prosecuting the case for the United States.