

PRESS RELEASE

Detroit Man Sentenced To Over Four Years in Federal Prison For Participating In Multi-State Pandemic Unemployment Insurance Fraud Scheme

Wednesday, February 19, 2025

For Immediate Release

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

DETROIT - A man from Detroit, Michigan was sentenced today for his role in a multi-state, million-dollar unemployment insurance fraud scheme aimed at defrauding the U.S. government and the states of Michigan, Pennsylvania, and Maryland, of funds earmarked for unemployment assistance during the COVID-19 pandemic, announced Acting United States Attorney Julie A. Beck.

Joining in the announcement were Special Agent in Charge Cheyvoryea Gibson, Federal Bureau of Investigation, Special Agent in Charge Charles Miller, Internal Revenue Service-Criminal Investigation, and Megan Howell, Acting Special Agent in Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

Tracey Dotson, 49, was sentenced to 51 months in prison and ordered to pay more than \$900,000 in restitution in the sentence handed down by United States District Judge Matthew F. Leitman.

According to court records, Dotson and a co-defendant conspired to, and did, defraud the federal government and the states of Michigan, Pennsylvania, and Maryland of roughly \$1 million in funds intended to support individuals who had lost their jobs during the COVID-19 pandemic. The pair committed their crimes through the use of interstate wires and the unauthorized possession and use of social security numbers and other means of identification belonging to other individuals.

Dotson pleaded guilty to wire fraud and conspiracy to commit wire fraud in April 2024. Dotson and his co-defendant, using stolen personal identification, filed hundreds of false unemployment claims with state unemployment insurance agencies in Michigan,

Pennsylvania, and Maryland in the names of other individuals without their knowledge or consent. The defendants then received hundreds of Bank of America prepaid debit cards in the names of those individuals loaded with roughly \$1 million in Pandemic Unemployment Assistance funds at addresses in Michigan and Pennsylvania. Dotson, his co-defendant, and their accomplices then successfully unloaded more than \$930,000 from the cards via cash withdrawals and purchases that included high-end jewelry, designer fashion accessories by Gucci and Louis Vuitton, drugs, at least one vehicle, and at least one firearm.

"Taxpayer unemployment assistance funds diverted to the pockets of criminals during the pandemic resulted in fewer resources that were available for those genuinely in need at that challenging time," said Acting U.S. Attorney Julie Beck. "Our office is steadfast in its commitment to bringing those to justice who used a global health crisis as a means to illegally line their own pockets at the expense of taxpayers. "

"This sentence underscores the FBI's commitment to investigating complex financial crimes," said Cheyvoryea Gibson, Special Agent in Charge of the FBI in Michigan. "We will not tolerate the greed and selfish conduct demonstrated by those who chose to defraud the unemployment insurance system, especially when we faced an unprecedented global pandemic. The FBI and our federal partners remain steadfast in holding criminals accountable and protecting government assistance programs. The pandemic may be in our rearview mirrors, but our investigations continue to move forward in the name of justice."

"Individuals who commit such blatant unemployment insurance fraud and identity theft of this magnitude deserve to be punished to the fullest extent of the law," said Charles Miller, Special Agent in Charge, Detroit Field Office, IRS Criminal Investigation. "Tracey Dotson and his co-conspirator took advantage of a program intended to help those in need get through a devastating global pandemic, exposed personal identity information of many, and caused immeasurable hardship to innocent victims. IRS Criminal Investigation remains committed to the pursuit of pandemic fraud and identity theft, together with our partners at the U.S. Attorney's Office, we will hold those who engage in similar conduct accountable."

"Tracey Dotson and his co-conspirator defrauded multiple state workforce agencies by using stolen identities to obtain unemployment insurance (UI) benefits. As a result, he stole vital taxpayer resources intended for unemployed American workers in dire need of UI benefits. Today's sentencing affirms the Office of Inspector General's commitment to work with our law enforcement partners to investigate and bring to justice those who exploit this critical benefit program," said Megan Howell, Acting Special Agent-in-Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

This case was prosecuted by Assistant United States Attorneys Carl D. Gilmer-Hill and Jessica A. Nathan. The investigation was conducted jointly by the Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation, and Department of Labor, Office of Inspector General.

Updated February 19, 2025

Topic

CORONAVIRUS

Component

[USAO - Michigan, Eastern](#)