

**PRESS RELEASE**

# **Georgia Man Convicted for \$16M COVID-19 Unemployment Fraud**

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**For Immediate Release**

Office of Public Affairs

A federal jury in Albany, Georgia, convicted a Georgia man today for his participation in a scheme to defraud the Georgia Department of Labor (GaDOL) out of millions of dollars in benefits meant to assist unemployed individuals during the COVID-19 pandemic.

"The defendant and his co-conspirators orchestrated a scheme where they used stolen identities to submit fraudulent unemployment claims in order to steal millions of dollars of funds intended for the benefit of unemployed Americans," said Acting Assistant Attorney General Matthew R. Galeotti of the Justice Department's Criminal Division. "Such schemes are all too common, but the Criminal Division is resolved to bring to justice fraudsters who seek to enrich themselves from the public fisc."

"This trial conviction underlines our dedication and steadfast commitment to holding individuals accountable who exploit federal relief programs for personal gain," said Special Agent in Charge Jonathan Ulrich of the U.S. Postal Service Office of Inspector General (USPS-OIG). "As proven in this case, our criminal investigators along with our law enforcement partners will work together and diligently pursue anyone who attempts to exploit programs created to help legitimate people and businesses affected by the global pandemic."

"Malcolm Jeffery and his co-conspirators helped themselves to money earmarked for unemployed Georgia residents already struggling during the pandemic," said Inspector in Charge Rodney M. Hopkins of the U.S. Postal Inspection Service (USPIS) Atlanta Division. "Not only is he responsible for the depletion of that program's funds, but he used stolen personal information to commit the fraud. Postal Inspectors want criminals to know, we are committed to investigating these cases and working with our partners to make sure they feel the full weight of the law. These crimes will not go unanswered."

"Malcolm Jeffrey engaged in a scheme with his co-defendants to defraud the Georgia Department of Labor by filing numerous fraudulent unemployment insurance claims in the names of identity theft victims and other individuals who were not entitled to such benefits," said Special Agent in Charge Mathew Broadhurst of the U.S. Department of Labor Office of Inspector General (DOL-OIG) Southeast Region. "The claims were filed through a fictitious employer account that Jeffrey created in the name of his business, resulting in substantial losses to the program. We will continue to work with our law enforcement partners to protect the integrity of the U.S. Department of Labor's Unemployment Insurance program."

According to court documents and evidence presented at trial, Malcolm Jeffrey, 34, of Cordele, Georgia, and his co-conspirators, caused more than approximately 7,000 fraudulent unemployment insurance (UI) claims to be filed with the GaDOL, resulting in more than \$16 million in stolen benefits.

To execute the scheme, Jeffrey and his co-conspirators fabricated lists of purported employees using personally identifiable information from hundreds of identity theft victims and filed fraudulent UI claims on the GaDOL website under his defunct business, Down N Dirty Transportation LLC (Down N Dirty). After Jeffrey opened an account to file UI claims through GaDOL's website for Down N Dirty's purported employees, thousands of claims were submitted through his employer account, which caused more than \$16 million in fraudulent UI benefits to be disbursed. The stolen UI funds were then distributed to Jeffrey and his co-conspirators via prepaid debit cards mailed to various locations in the vicinity of Cordele.

The jury convicted Jeffrey of conspiracy to commit mail fraud. He faces a maximum penalty of 20 years in prison. Sentencing will be scheduled at a later date. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

DOL-OIG, IRS-CI, USPS-OIG, USPIS, USSS, HSI, and DHS-OIG investigated the case.

Trial Attorneys Lyndie Freeman, Siji Moore, and Kyle Crawford of the Criminal Division's Fraud Section prosecuted the case.

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 [www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form](http://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form).

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