

PRESS RELEASE

Maryland Man Facing Federal Indictment For Filing More Than \$1 Million Dollars In Fraudulent Unemployment Insurance Claims

Friday, October 4, 2024

For Immediate Release

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

Baltimore, Maryland – A federal grand jury has returned an indictment charging a Maryland man on federal charges related to a scheme to fraudulently obtain more than \$1 million dollars in unemployment benefits. On May 22, 2024, a grand jury returned an indictment of Mervyn Fombe Abiko, a/k/a “Magic,” a 35-year-old Maryland man with conspiracy, wire fraud, and aggravated identity theft. The indictment was unsealed today upon the arrest of the defendant.

The defendant had an initial appearance on October 2, 2024 in U.S. District Court in Baltimore before U.S. Magistrate Judge Erin Aslan.

The indictment was announced by Erek L. Barron, U.S. Attorney for the District of Maryland; Damon E. Wood, Postal Inspector in Charge, U.S. Postal Inspection Service-Washington Division Michael S. McCarthy, Special Agent in Charge, Homeland Security Investigations, - Baltimore, Acting Special Agent in Charge Karl Mastantuno, Office of Investigations, Office of Inspector General, U.S. Department of the Treasury, Troy W. Springer, Special Agent in Charge, U.S. Department of Labor - Office of Inspector General, National Capital Region, John T. Perez, Special Agent in Charge of Headquarters Operations, Federal Reserve Board Office of Inspector General.

As detailed in the indictment, employment insurance (“UI”) was a joint state and federal program that provided monetary benefits to eligible beneficiaries. UI payments were intended to provide temporary financial assistance to lawful workers who were unemployed through no fault of their own. Beginning in or around March 2020, in response to the COVID-19 pandemic, several federal programs expanded UI eligibility and increased UI benefits, including the Pandemic Unemployment Assistance Program

(PUA), Federal Pandemic Unemployment Compensation (FPUC), and the Lost Wages Assistance Program (LWAP).

In Maryland, those seeking UI benefits submitted online applications. Applicants had to answer specific questions to establish eligibility to receive UI benefits, including their name, Social Security Number (SSN), and mailing address, among other things. Applicants also had to self-certify that they met a COVID-19-related reason for being unemployed, partially employed, or unable to work. MD-DOL relied upon the information in the application to determine UI benefits eligibility. Once an application was approved, the MD-DOL typically distributed state and federal UI benefits electronically to a BOA debit card, which claimants could use to withdraw funds and/or make purchases.

According to the indictment, from March 2020 through January 2021, Abiko and others, including Martin Tabe and Gladstone Njokem, conspired to impersonate victim individuals in order to submit fraudulent UI claims. To accomplish this, Abiko and others obtained the personally identifiable information (PII) of victims and used that information to file UI applications, which resulted in debit cards being issued in the names of victims that were loaded with benefits. Abiko and others used those debit cards in point-of-sale transactions and at ATMs. Abiko and others collectively obtained more than \$1 million through this scheme.

If convicted, the defendant faces a maximum sentence of 20 years in federal prison for conspiracy to commit wire fraud and for each of the three counts of wire fraud. The defendant faces a mandatory sentence of two years in federal prison, consecutive to any other sentence imposed, for each of the three counts of 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.

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 Strike Force is one of five strike forces established throughout the United States by 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>.

U.S. Attorney Barron commended the USPIS, the DOL-OIG and HSI for their work in the investigation. Mr. Barron also thanked Assistant U.S. Attorney Sean R. Delaney, who is prosecuting the federal case.

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 and <https://www.justice.gov/usao-md/community-outreach>.

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Updated October 4, 2024

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