

Department of Justice
U.S. Attorney's Office
Northern District of New York

FOR IMMEDIATE RELEASE

Wednesday, March 30, 2022

Rensselaer Man Pleads Guilty to Pandemic-Related Fraud Charges

Schemes Netted Over \$140,000 in Unemployment Benefits and Loan Proceeds

ALBANY, NEW YORK – Hector J. Sanchez, age 30, of Rensselaer, New York, pled guilty today to defrauding pandemic-related unemployment insurance programs administered by the New York State Department of Labor (NYSDOL). Sanchez also admitted to fraudulently obtaining a Paycheck Protection Program (PPP) loan.

The announcement was made by United States Attorney Carla B. Freedman; Ketty Larco-Ward, Inspector in Charge of the Boston Division of the United States Postal Inspection Service (USPIS); Jonathan Mellone, Special Agent in Charge, New York Region, U.S. Department of Labor, Office of Inspector General (USDOL-OIG); and Matthew Scarpino, Acting Special Agent in Charge of the Buffalo Field Office of Homeland Security Investigations (HSI).

Sanchez pled guilty to mail fraud and aggravated identity theft with respect to his unemployment insurance fraud scheme. He admitted to soliciting the personal identifying information of other people on social media and using the information to submit false unemployment insurance applications to NYSDOL. He also admitted that he fraudulently obtained a PPP loan by falsely claiming to run a car wash business.

Sanchez agreed to pay restitution in the amount of \$131,560 to the State of New York and \$12,500 to the PPP lender.

The mail fraud convictions carry maximum terms of 20 years in prison, fines of up to \$250,000, and a term of supervised release of up to 3 years. The aggravated identity theft conviction carries a mandatory term of 2 years in prison, to be imposed consecutively to any other term of imprisonment. Sanchez is scheduled to be sentenced on July 25, 2022 by United States District Judge Mae A. D'Agostino. A defendant's sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors.

The case was investigated by USPIS, USDOL-OIG, and HSI, with assistance from the NYSDOL Office of Special Investigations and the Albany Police Department. The case is being prosecuted by Assistant U.S. Attorney John T. Chisholm.

On May 17, 2021, the Attorney General established the COVID-19 Fraud Enforcement Task Force to marshal the resources of the Department of Justice in partnership with agencies across government to enhance efforts to combat and prevent pandemic-related fraud. The Task Force bolsters efforts to investigate and prosecute the most culpable domestic and international criminal actors and assists agencies tasked with administering relief programs to prevent fraud by, among other methods, augmenting and incorporating existing coordination mechanisms, identifying resources and techniques to uncover fraudulent actors and their schemes, and sharing and harnessing information and insights gained from prior enforcement efforts. 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>.

Topic(s):

Coronavirus
Financial Fraud

Component(s):

[USAO - New York, Northern](#)