

PRESS RELEASE

Six Plead Guilty to Pandemic Unemployment Assistance Fraud

Tuesday, July 30, 2024

For Immediate Release

U.S. Attorney's Office, Northern District of Ohio

Nearly \$3,000,000 in Losses to Multiple States

CLEVELAND – Six people have pleaded guilty in a 33-count indictment with illegally obtaining nearly \$3,000,000 in Federal Pandemic Unemployment Assistance (PUA) benefits using other people's personal identifying information. The PUA program is overseen by the U.S. Department of Labor and was created under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 to provide temporary benefits to workers who lost work for COVID-19-related reasons.

According to court documents, from March 2020 to August 2021, the defendants, Clarissa Cheney, 30, of Cleveland Heights; Kevin Gilmore, 38, of Beachwood; Tiara Henderson, 37, of Lakewood; Ladessa Battle, 29, of South Euclid; Lynard Mitchell, 39, of South Euclid; and Marcelys Jones, 29, of Cleveland Heights, submitted fraudulent applications for PUA benefits to the California Employment Development Department (EDD) and other state workforce agencies around the country.

"The pandemic created unprecedented financial challenges for millions of Americans who were unable to work because their employers were forced to cut back business operations or close entirely. PUA was intended to assist those individuals—workers in dire need of financial support while unemployed—yet these defendants stole millions of dollars from that program," said U.S. Attorney Rebecca C. Lutzko for the Northern District of Ohio. "These guilty pleas demonstrate our office's commitment to prosecute and hold criminally responsible those who try to scam federal relief programs, waste our tax dollars, and steal the identities of others. We thank our law enforcement partners for helping us hold these defendants responsible for their crimes."

The defendants falsified application details, such as employment history and residency, to appear eligible for PUA benefits. As a result, California EDD and other agencies

approved nearly \$3,000,000 in unemployment insurance benefits in the defendants' names, and those of other individuals. The benefits were pre-loaded onto bank-issued debit cards and sent through the U.S. mail. After receiving the debit cards, some of the defendants used the cards to make cash withdrawals at various ATMs in the Northern District of Ohio.

"The deliberate and conniving actions to cheat a program designed to assist people who were affected by the Covid-19 pandemic is inexcusable," said FBI Special Agent in Charge, Greg Nelsen. "Their actions, including exploiting the identities of a multitude of individuals, will have a profound and long-lasting impact. The FBI and our partners will continue to identify and investigate those who commit pandemic-related fraud and seek justice for the victims."

The defendants are scheduled to be sentenced in September and October 2024 and face a maximum penalty of 20 years in prison. A federal district court judge will determine any sentence after considering the U.S. Sentencing Guidelines and other statutory factors.

"The defendants engaged in an unemployment insurance (UI) fraud scheme that targeted multiple state workforce agencies. These individuals conspired to file fraudulent UI claims in the names of other individuals, diverting vital taxpayer resources away from unemployed American workers in dire need of UI benefits. These guilty pleas affirm the U.S. Department of Labor, Office of Inspector General's commitment to protecting the integrity of the UI program. We are grateful for our many law enforcement partners, including the U.S. Attorney's Office," said Dana Johnson, Acting Special Agent in Charge, Great Lakes Region, U.S. Department of Labor, Office of Inspector General.

The Department of Labor, Office of Inspector General, and the FBI investigated this case. This case was prosecuted by Assistant U.S. Attorneys Alejandro Abreu and Scott Zarzycki.

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