

**Department of Justice**  
U.S. Attorney's Office  
Eastern District of Michigan

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## **State Contractor Sentenced in \$3 million Unemployment Fraud Scheme**

A Detroit woman was sentenced today to 58 months in federal prison after having pleaded guilty for her role in a multi-million dollar unemployment insurance fraud scheme aimed at defrauding the State of Michigan and the U.S. Government of funds earmarked for unemployment assistance during the COVID19 pandemic, announced Acting United States Attorney Saima Mohsin.

Joining in the announcement were Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General, Special Agent in Charge John R. Marengo, US Secret Service, Rodney Hopkins, Postal Inspector in Charge of the Detroit Division, Special Agent in Charge Timothy Waters, Federal Bureau of Investigation, Acting Special Agent in Charge Brian Thomas, Internal Revenue Service-Criminal Investigation and Liza Estlund Olson, former acting director of the Unemployment Insurance Agency.

Brandi Hawkins, 40, was sentenced before United States District Judge Paul D. Borman. As part of her sentence, Judge Borman ordered Hawkins to pay restitution to the State of Michigan in the amount of \$3,793,186.

According to court records, Brandi Hawkins was a contract employee for the State of Michigan Unemployment Insurance Agency. Her duties included reviewing, processing and verifying the legitimacy of unemployment insurance claims. Between April and June of 2020, HAWKINS worked with outside actors, known and unknown to law enforcement. Daily, those actors entered numerous false claims into the State of Michigan's Unemployment Insurance Agency system, many of which were filed using stolen identities. These actors communicated with HAWKINS by cellular telephone calls and texts. HAWKINS accepted bribes in return for releasing many of these claims. HAWKINS used her insider access to fraudulently release payment on over seven-hundred claims, more than ten of which involved claims filed using stolen identities. HAWKINS's actions resulted in the fraudulent disbursement of approximately \$3.8 million of federal and state funds intended for unemployment assistance during the pandemic. Had every fraudulent claim released by HAWKINS been disbursed in full, the resulting loss of federal and state funds would have been over \$12 million.

During the execution of a search warrant at Hawkins' residence, over \$200,000 in cash was seized. Hawkins used proceeds from her crimes to purchase high-end handbags and other luxury goods.

"Hawkins exploited the pandemic to defraud the State of Michigan and United States for her own personal gain," said Acting US Attorney Mohsin. "This sentence should send a message to those who seek to divert funds intended for those in need during what has been a very difficult period of unemployment – you will be prosecuted"

"Hawkins used her position with the state of Michigan to steal millions from Michigan taxpayers and today's sentencing should serve as a warning to anyone thinking of committing a similar crime." stated Acting Special Agent in Charge Brian Thomas, IRS-Criminal Investigation, Detroit Field Office. "IRS-Criminal Investigation is steadfast in protecting Covid-19 Pandemic related programs geared toward assisting people and businesses in need."

“Brandi Hawkins while employed as a contractor used her position to take advantage of the public and defraud the State of Michigan. She was able to manipulated the Michigan Unemployment Insurance Agency system for her and others’ personal gain. We will continue to work with our law enforcement partners throughout Michigan to bring criminals like Hawkins to justice,” said John R. Marengo, Special Agent in Charge, U.S. Secret Service, Detroit Field Office.

"Brandi Hawkins used her insider access as a State of Michigan contract employee to fraudulently disburse millions of dollars in Pandemic Unemployment Assistance benefits. Today's sentencing affirms the U.S. Department of Labor Office of Inspector General's commitment to vigorously pursue those who steal funds intended for individuals who lost their jobs during the COVID-19 pandemic. We will continue to work with our federal and state partners to protect the integrity of unemployment insurance benefit programs," stated Irene Lindow, Special Agent-in-Charge, Chicago Region, U.S. Department of Labor Office of Inspector General.

"Brandi Hawkins used her position as a contractor with the state of Michigan to manipulate the unemployment insurance system to benefit herself and her co-conspirators," said Timothy Waters, Special Agent in Charge of the FBI's Detroit Division. "The FBI is proud to work with our law enforcement partners to hold wrongdoers accountable and to protect the integrity of vital federal assistance programs."

“Ms. Hawkins betrayed the trust given to her by her employer when she used her access to privileged information in a scheme to steal from the government and the people of Michigan. Today’s sentencing represents the commitment of law enforcement to bring those to justice who disrespect the rule of law, hurting the American public,” said Inspector in Charge Rodney M. Hopkins.

“People who willfully commit unemployment insurance fraud should know that the State of Michigan and the Unemployment Insurance Agency are serious about identifying and holding them accountable for their actions,” said Liza Estlund Olson, former acting director of the Unemployment Insurance Agency. “Through the great work of our federal and state partners along with UIA investigators, we’re are working to root out fraudulent schemes like this one and protect unemployment benefits for those who are legitimately entitled to them.”

The case was prosecuted by Assistant United States Attorney Timothy Wyse. The investigation was conducted jointly by the Department of Labor, Office of Inspector General, United States Secret Service, Internal Revenue Service - Criminal Investigation, Federal Bureau of Investigation, the U.S. Postal Inspection Service and the Unemployment Insurance Agency, Michigan Department of Labor and Economic Opportunity

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