

PRESS RELEASE

Two Men Sentenced for \$17M COVID-19 Unemployment Fraud

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Two Cordele, Georgia, men were sentenced today for their 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.

Malcolm Jeffrey, 34, was sentenced to 10 years in prison and ordered to pay \$16,958,372 in restitution. Gerard Towns, 34, was sentenced to six years in prison and ordered to pay \$365,066 in restitution.

"The defendants orchestrated an egregious scheme to steal \$17 million of unemployment insurance payouts using stolen identities," said Acting Assistant Attorney General Matthew R. Galeotti of the Justice Department's Criminal Division. "These defendants exploited a government program designed to alleviate economic hardship to line their own pockets. The sentencings today demonstrate that the Criminal Division will hold accountable fraudsters who steal from the public fisc."

"Malcolm Jeffrey, Gerard Towns, and their co-conspirators participated in an unemployment insurance fraud scheme that targeted the Georgia Department of Labor," said Special Agent in Charge Mathew Broadhurst of the U.S. Department of Labor Office of Inspector General (DOL-OIG) Southeast Region. "The conspirators submitted fraudulent UI claims using the stolen identities of identity theft victims to obtain debit cards loaded with UI benefits. We will continue to work closely with our law enforcement partners to hold accountable those who attempt to exploit these vital U.S. Department of Labor programs."

"Exploiting pandemic relief programs meant to help Americans at the height of the COVID-19 pandemic for personal enrichment is unconscionable," said Inspector General Joseph V. Cuffari Ph.D., of The Department of Homeland Security Office of Inspector General (DHS-OIG). "DHS-OIG will continue to prioritize pandemic-related fraud

investigations and work with our law enforcement partners to bring perpetrators to justice.”

“Today’s sentencings emphasize our dedication and 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.”

“IRS Criminal Investigation special agents are continuing finding and holding accountable criminals who defrauded COVID-19 programs,” said Special Agent in Charge Demetrius Hardeman of the IRS Criminal Investigation (IRS-CI) Atlanta Field Office. “With the passage and signing of bills in 2022 establishing 10-year statute of limitations for those who defrauded the COVID-19 programs, I want to put those who stole from the taxpayers on notice that it is only a matter of time before IRS-CI special agents and our law enforcement partners uncover their crimes and bring them to justice.”

Jeffrey and Towns are the last of 12 defendants sentenced in connection with Operation Cordele Partial, one of the largest domestic unemployment insurance (UI) fraud investigations in the history of the DOL. Operation Cordele Partial uncovered multiple massive schemes based in central Georgia that defrauded the GaDOL of over \$45 million and involved over 20 states unemployment insurance programs.

According to court documents and evidence presented in court, from March 2020 through November 2022, Jeffrey, Towns, and their co-conspirators caused more than 2,500 fraudulent UI claims to be filed with the GaDOL, resulting in at least \$17 million in stolen benefits.

To execute these schemes, the defendants and their co-conspirators created fictitious employers and fabricated lists of purported employees using personally identifiable information (PII) from thousands of identity theft victims and filed fraudulent UI claims on the GaDOL website. The co-conspirators obtained PII for use in the scheme from a variety of sources, including by paying an employee of an Atlanta-area health care and hospital network to unlawfully obtain patients’ PII from the hospital’s databases, and by purchasing PII from other sources over the internet. Using victims’ PII, the co-conspirators caused the stolen UI funds to be disbursed via prepaid debit cards mailed to various locations in Georgia.

In June 2025, Towns pleaded guilty to conspiracy to commit mail fraud. In August 2025, Jeffrey was [convicted](#) at trial of conspiracy to commit mail fraud.

DOL-OIG, DHS-OIG, IRS-CI, USPS-OIG, U.S. Postal Inspection Service, U.S. Secret Service and Homeland Security Investigations investigated the case.

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

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 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 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 via the NCDF Web Complaint Form at www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form.

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