

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

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Two Sentenced for Conspiring with State Contractor in Multi-million Dollar Unemployment Fraud Scheme

DETROIT - A couple from Detroit was sentenced today for their 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 United States Attorney Dawn N. Ison.

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 Marengo, US Secret Service, Acting Special Agent in Charge Felicia George, US Postal Inspection Service, Special Agent in Charge James A. Tarasca, Federal Bureau of Investigation, Special Agent in Charge Sarah Kull, Internal Revenue Service-Criminal Investigation and Juila Dale, Director of the Michigan Unemployment Insurance Agency.

Johnny Richardson, 27, was sentenced to 97 months in federal prison and Micahia Taylor, 28, was sentenced to 30 months in federal prison. In sentencing the defendants, United States District Judge Bernard A. Friedman also ordered Richardson and Taylor to pay restitution in the amount of \$683,555.

According to court records, Richardson and Taylor conspired with Brandi Hawkins—a former contract employee for the State of Michigan Unemployment Insurance Agency, to fraudulently release government funds that were intended to support individuals who lost their jobs during the COVID-19 pandemic. Richardson and Taylor both pleaded guilty conspiracy to commit wire fraud and conspiracy to commit money laundering in 2021.

Richardson and Taylor, either themselves or through others, filed dozens of fraudulent unemployment claims in Michigan and across at least four other states. Some of the claims filed by Richardson and Taylor used their own personal identifying information. Other claims were filed using stolen identities. Richardson and Taylor then provided Hawkins information on these claims, and Hawkins subsequently used her insider access to fraudulently release payment. The conspiracy resulted in the fraudulent disbursement of at least \$683,555.

Hawkins was sentenced in October 2021 to 58 months in federal prison and was ordered to pay restitution in the amount of \$3,793, 186 which represented the amount of fraudulently disbursed funds for which Hawkins received as a result of her actions.

“The defendants in this case used the COVID-19 pandemic to line their pockets with government funds earmarked to help those in need,” stated U.S. Attorney Ison. “My office is committed to rooting out and holding responsible those who exploited this crisis for their own personal gain.”

“At a time when thousands of people across Michigan were out of work because of the pandemic, these defendants were stealing benefits that should have gone to those trying to sustain their families,” said James A. Tarasca, Special Agent in Charge of the FBI’s Detroit Division. “We thank our state and federal partners for their efforts to investigate unemployment insurance fraud.”

“Today’s sentencings demonstrate the collaborate efforts of many federal and state agencies,” stated USSS Special Agent in Charge Marengo. “The USSS and our law enforcement partners will continue to protect our nation’s financial infrastructure against criminals who try to enrich themselves from COVID Relief disaster funds.”

“UIA investigators use the many tools at their disposal to identify the web of deceit that bad actors use to steal money that is intended for hard-working residents of Michigan who face difficult times through no fault of their own,” said Julia Dale, Director of the Michigan Unemployment Insurance Agency. “We won’t rest in our pursuit of criminals. We leverage our partnerships with local law enforcement, financial institutions, internet service providers, businesses and others to make sure bad actors face full justice for their breach of the public trust.”

This 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

Topic(s):
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