



# Department of Justice

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## **Woman Sentenced for Virginia Employment Commission Fraud**

NORFOLK, Va. – Paula Lane (a.k.a. Paula Hipps), 47, formerly of Corapeake, North Carolina, now residing in Danville, was sentenced today to 57 months in prison for her role in an insurance fraud scheme that caused a loss over \$150,000 to the Virginia Employment Commission (VEC) and similar agencies in Indiana and Pennsylvania.

Lane pleaded guilty to mail fraud and aggravated identity theft on Sept. 15, 2016. According to court documents, Lane devised and executed a complex unemployment insurance fraud scheme that resulted in payments of more than \$150,000 in one year. Lane, at the time operating out of her home in Corapeake, North Carolina, created fake companies and reported to the VEC that the companies had employees who earned wages. The employees were real people whose identities Lane stole for the purpose of this scheme. Between August 2013 and August 2014, Lane filed unemployment claims under the names of 28 different identities stating that they had been laid off. Lane was then able to receive unemployment insurance money that was deposited directly into her bank account or onto debit cards that she controlled. Lane also filed false claims in Indiana and Pennsylvania.

In addition to the prison sentence, Lane was also ordered to pay \$152,449 in restitution to the Virginia Employment Commission.

Dana J. Boente, U.S. Attorney for the Eastern District of Virginia; Robin Blake, Special Agent-in-Charge of the Washington, DC Regional Office, U.S. Department of Labor, Office of Inspector General; Clark E. Settles, Special Agent in Charge of U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) Washington; and Joseph Cronin, Inspector in Charge of the Washington Division of the U.S. Postal Inspection Service, made the announcement after sentencing by Chief U.S. District Judge Rebecca Beach Smith. Assistant U.S. Attorney Randy Stoker prosecuted the case.

The case was investigated by the Department of Labor Office of the Inspector General along with Homeland Security Investigations, the United States Postal Inspection Service, the Virginia Employment Commission, and the North Carolina State Bureau of Investigation.

A copy of this press release may be found on the website of the U.S. Attorney's Office for the Eastern District of Virginia. Related court documents and information may be found on the website of the District Court for the Eastern District of Virginia or on PACER by searching for Case No. 2:16-cr-089.

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