

Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

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**18 Pennsylvania Prison Inmates and Accomplices Charged
with Fraudulently Obtaining Pandemic Unemployment
Assistance Funds**

PHILADELPHIA – First Assistant United States Attorney Jennifer Arbittier Williams announced that twelve Chester County Prison inmates and their accomplices were charged federally with fraudulently applying for and obtaining emergency unemployment benefits related to COVID-19. The defendants are charged with submitting false applications claiming that the prison inmates lost jobs as a result of the pandemic and are available to work full-time. All the defendants were arrested and taken into custody this morning or were already in custody.

In addition, Pennsylvania Attorney General Josh Shapiro announced last week that his office brought state charges against six state prison inmates in the Eastern District of Pennsylvania, who fraudulently applied for and obtained the same type of emergency unemployment benefits.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act created the Pandemic Unemployment Assistance (PUA) program, which provides unemployment benefits to individuals not eligible for regular unemployment compensation or extended unemployment benefits, including individuals, families, and businesses affected by the COVID-19 pandemic. Eligibility to receive weekly PUA benefits is predicated on an applicant's unemployment for reasons related to the pandemic, and it requires that the applicant was able to work each day and, if offered a job, would have been able to accept it. Once an applicant is approved to receive benefits, the applicant is required to submit weekly certifications indicating that he or she: was ready, willing and able to work each day; was seeking full time employment; did not refuse any job offers or referrals; and had reported any employment during the week and the gross pay or other payments received. In all of the cases, the inmates falsely reported themselves eligible to receive PUA benefits when in fact they did not meet the eligibility requirements -- namely, they were not able to report to a job each day because of their incarceration.

These cases are being prosecuted and investigated by the United States Attorney's Office and the Pennsylvania Office of Attorney General with assistance from the Chester County District Attorney's Office and agencies of the Coronavirus Working Group led by the United States Attorney's Office, including the Internal Revenue Service – Criminal Investigations, the Federal Bureau of Investigation, the United States Postal Inspection Service, and the United States Department of Labor – Office of Inspector General.

“These fraudsters – many of whom were already incarcerated for breaking the law - treated a national public health crisis as an opportunity to cash in,” said First Assistant U.S. Attorney Williams. “This callous attitude rips off honest taxpayers who fund relief programs and also makes it much more difficult to provide funds to those who deserve and need them. My Office will do everything in its power to ensure that coronavirus fraud scams are stopped and punished.”

“After announcing our first round of arrests in these COVID unemployment scams, I promised that there were more to come,” said Attorney General Josh Shapiro. “Last week, my office charged 20

more individuals with illegally taking benefits away from hard-working Pennsylvanians who are struggling during this crisis, including six inmates from SCI Phoenix in Montgomery County. These arrests are not the end of our investigation, and I'll continue working with my colleagues at the federal level to track down those heading these schemes, along with those who are willfully participating and breaking the law."

"It is despicable that incarcerated people lined their pockets by taking advantage of the COVID-19 financial lifeline given to millions of honest, hardworking Pennsylvanians. Thank you to the U.S. Attorney's Office of the Eastern District of Pennsylvania for your continuing efforts in fighting for justice," said Chester County District Attorney Deb Ryan.

"Millions of Americans struggling financially due to job loss from COVID-19 depend on every single dollar of assistance available to them," said Michael J. Driscoll, Special Agent in Charge of the FBI's Philadelphia Division. "When fraudulent applications wrongly drain those funds, it's a blow to the folks who truly need help and a blatant theft of taxpayer dollars. Meantime, a word of advice to anyone thinking that scamming the government means easy money — the federal charges announced today can mean hard time, if convicted."

"During tough economic times like this, it is despicable that people would seek to fraudulently obtain emergency unemployment benefits that were specifically meant for those who lost their jobs and are unable to be gainfully employed amid this pandemic," said IRS Criminal Investigation Special Agent in Charge Thomas Fattorusso. "We will continue to be relentless in our mission to dismantle these types of illicit scams and bring the criminals who run them to justice."

"Today's charges demonstrate the Office of Inspector General's commitment to combating fraud against the Unemployment Insurance program, which has become increasingly prevalent amid the pandemic. We will continue to work with our law enforcement and state workforce agency partners to pursue individuals who seek to undermine the integrity of the Unemployment Insurance program," said Derek Pickle, Acting Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

Descriptions of the cases are below:

Vincent Hazzard, 49, of Coatesville, PA, was charged by Indictment with mail fraud, fraud in connection with emergency benefits, theft of money of the United States, and aiding and abetting. According to the Indictment, in July 2020, the defendant caused multiple individuals to assist him in filing a fraudulent application for PUA funds. The application falsely stated that Hazzard was available for immediate employment, and that he was currently unemployed due to the pandemic, when in fact he was not available for employment due to the fact that he was incarcerated at the Chester County Prison, was not scheduled for release until late September 2020, and was not unemployed due to the pandemic. Hazzard had \$1,590 credited to him by means of a prepaid bank card in late July 2020, and he caused others to spend or withdraw almost all of the funds by the end of August in order to avoid having funds left in his account in the event his fraud was discovered. If convicted of all charges, the defendant faces a maximum sentence of 60 years in prison, three years of supervised release, and a \$750,000 fine.

Jacob Fulton, 32, and Emily Baier, 26, both of Coatesville, PA, were charged by Indictment with conspiracy to commit mail fraud, mail fraud and fraud in connection with major disaster or emergency benefits, and aiding and abetting. According to the Indictment, between July 12 and August 26, 2020, Fulton and Baier conspired to file claims for PUA benefits on behalf of inmates of Chester County Prison and agreed to keep a portion of the PUA benefits for themselves. Fulton allegedly told Baier that with this scheme, they "can be f***** rich." The Indictment also alleges that on or about May 11, 2020, Fulton and Baier filed PUA claims for themselves, fraudulently claiming that they are entitled to PUA benefits. If convicted of all charges, Fulton faces a maximum

sentence of 90 years in prison, five years of supervised release, and a fine of \$2,250,000, and Baier faces a maximum sentence of 120 years in prison, five years of supervised release, and a fine of \$2,500,000.

Christopher Hersh, 36, of Avondale, PA, was charged by Indictment with conspiracy to defraud the United States and fraud in connection with major disaster or emergency benefits. According to the Indictment, in July 2020, the defendant caused one of his close relatives to assist him in filing a fraudulent application for PUA funds. The application falsely stated that Hersh was available for immediate employment, that he was currently unemployed due to the pandemic, and that his last day of work had been in November 2019 because he was laid off due to a business closure caused by the pandemic, when in fact he was not available for employment due to the fact that he was incarcerated at the Chester County Prison, had been incarcerated since December 2016, and was not unemployed due to the pandemic. If convicted of all charges, Hersh faces a maximum sentence of 35 years in prison, three years of supervised release, and a \$500,000 fine.

Kenneth Huggins, 24, of Coatesville, PA, and Patrice Hawthorne, 46, of Middletown, DE, were charged by Criminal Complaint with conspiracy to commit mail fraud. According to the Complaint, Huggins, an inmate at Chester County Prison, and his mother, Hawthorne, conspired over a series of recorded prison telephone calls to submit a fraudulent application for PUA benefit payments on Huggins's behalf. The application falsely stated that Huggins was available for immediate employment and that he was currently unemployed due to the COVID-19 pandemic, when in fact he had been incarcerated since January 2020 at Chester County Prison and was not unemployed due to the pandemic. Huggins ultimately received more than \$12,000 in unemployment benefits on a prepaid bank card; Hawthorne took custody of that card and withdrew funds for her own benefit. If convicted of all charges, both Huggins and Hawthorne face a statutory maximum sentence of 20 years in prison, three years of supervised release, and a \$250,000 fine.

Bianca Kranzley, 31, of Coatesville, PA was charged by Complaint with fraud in connection with major disaster or emergency benefits. According to the Complaint, in July 2020, the defendant submitted a fraudulent application for benefits on behalf of an individual who, at the time, was incarcerated at the Chester County Prison. The application falsely stated that the applicant was unemployed due to the COVID-19 pandemic but was otherwise available to work, if offered a job. In fact, the applicant had been incarcerated since early 2019. The defendant received a prepaid debit card loaded with more than \$13,000 in PUA benefits. She has used or withdrawn more than half of those funds. If convicted of all charges, Kranzley faces a maximum sentence of 30 years in prison, five years of supervised release, and a fine of \$250,000.

Jennifer D'Hulster, 37, of Coatesville, Zachary Gathercole, 30, of Sadsburyville, Ashley Harrington, 30, of West Chester, and Anthony Schweitzer, 20, of Coatesville, were charged by Indictment with conspiracy, fraud in connection with emergency benefits and aiding and abetting, and mail fraud. According to the Indictment, in June 2020, D'Hulster fraudulently applied for benefits for Schweitzer, who has been an inmate at Chester County Prison since June 2020, and, in July 2020 applied for benefits for a different inmate who has been incarcerated at State Correctional Institute Phoenixville (SCIP) since March 2020, neither of whom lost a job because of COVID-19. D'Hulster successfully enabled the SCIP inmate to receive unemployment benefits totaling approximately \$11,410 credited to the inmate by means of a prepaid bank card. In May 2020, Harrington fraudulently applied for benefits for Gathercole, who has been an inmate at Chester County Prison since August 2019, did not lose a job because of COVID-19, and has not been able to work. Harrington successfully enabled Gathercole to receive unemployment benefits totaling approximately \$14,140. Additionally, D'Hulster and Gathercole collected personal identification information for other individuals, including inmates at Chester County Prison, to use to submit additional fraudulent applications for PUA benefits. If convicted of all charges, the defendants face the following maximum sentences: D'Hulster faces 90 years in prison, three years of supervised release, and a \$1 million fine; Gathercole faces 140 years in prison, three years of supervised release,

and a \$1.5 million fine; Harrington faces 70 years in prison, three years of supervised release, and a \$750,000 fine; and Schweitzer faces 50 years in prison, three years of supervised release, and a \$500,000 fine.

Arthur Johnson, 44, of Coatesville, PA was charged by Complaint with fraud in connection with major disaster or emergency benefits. According to the Complaint, in July 2020, the defendant submitted a fraudulent application for benefits on behalf of an individual who, at the time, was incarcerated at the Chester County Prison. The application falsely stated that the applicant was unemployed due to the COVID-19 pandemic, but was otherwise available to work, if offered a job. In fact, the applicant had been incarcerated since October 2019. The defendant received a prepaid debit card loaded with approximately \$13,500 in PUA benefits. All of the funds have been withdrawn. If convicted of all charges, Johnson faces a maximum sentence of 30 years in prison, five years of supervised release, and a fine of \$250,000.

In addition to the above, six inmates at State Correctional Institution Phoenix (SCIP), located within the Eastern District of Pennsylvania, were arrested on state charges as part of an ongoing investigation by the Pennsylvania Office of Attorney General in partnership with the U.S. Attorney's Office: Jermaine Plumer received \$18,264 worth of PUA paid out after he provided personal identifying information to non-incarcerated individuals; Rafael Rodriguez received \$22,109 worth of PUA paid out after he provided personal identifying information to non-incarcerated individuals; Dwayne Washington received \$3,510 worth of PUA paid out after he provided personal identifying information to a non-incarcerated individual; Leroy Barnes was never paid, but he did provide his personal identifying information to a non-incarcerated individual to have them complete a PUA application on his behalf; Andrew Simms was never paid, but he did provide his personal identifying information to a non-incarcerated individual to have them complete a PUA application on his behalf; and Dexter Pitts a/k/a Kevin Perry received \$3,150 worth of PUA paid out after he provided his personal identifying information to a non-incarcerated individual.

First Assistant U.S. Attorney Williams, Attorney General Shapiro and District Attorney Ryan thanked law enforcement officials at the Chester County Prison and officials at the Pennsylvania Department of Labor and Industry, the Pennsylvania Department of Treasury and the Pennsylvania Department of Corrections for their important assistance in these cases. The federal cases are being prosecuted by Assistant United States Attorneys Judy Smith, Jeanette Kang, Anthony Wzorek, Jessica Rice, Anita Eve, Chris Mannion, and Melanie Wilmoth.

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 Hotline at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.