

Department of Justice

U.S. Attorney's Office

District of Massachusetts

FOR IMMEDIATE RELEASE

Friday, July 23, 2021

Former New Bedford Man Pleads Guilty to False Pandemic Unemployment Claims

Defendant's wife misused employment at DUA for the submission of fraudulent claims

BOSTON – A former New Bedford man pleaded guilty in federal court in Boston yesterday to federal wire fraud charges arising from claims for Pandemic Unemployment Assistance (PUA) funds.

Arthur Pacheco, 47, previously of New Bedford, Mass., pleaded guilty to two counts of wire fraud. U.S. District Court Judge Indira Talwani scheduled sentencing for Nov. 18, 2021. Arthur Pacheco was arrested and charged in December 2020 with his wife Tiffany Pacheco, who is scheduled to plead guilty on Aug. 30, 2021.

According to court documents, Tiffany was hired by the Massachusetts Department of Unemployment Assistance (DUA) in April 2020, shortly after her release from federal prison following a conviction for aggravated identity theft. While employed by DUA, Tiffany allegedly misused her position to submit fraudulent PUA claim information on behalf of herself and her husband, Arthur, who was incarcerated in Texas until Sept. 4, 2020, and thus ineligible for PUA funds.

After Arthur was released from custody, he placed three calls to DUA regarding an appeal of his claim for PUA benefits. Arthur conveyed false information about the timing of his incarceration, including stating during one call that he had only been incarcerated for about one month. In addition, Arthur referenced an employment letter that he could provide to substantiate his unemployment claim. DUA then received a supposed letter from a Massachusetts retailer, indicating that the retailer withdrew a January 2020 job offer due to COVID-19. In fact, the letter was a forgery, and this retailer did not extend any job offer to Arthur in January 2020, at which time he was incarcerated in Texas.

The charges of wire fraud provide for a sentence of up to 20 years in prison, up to three years of supervised release and a fine of up to \$250,000. Sentences are imposed by a federal district court judge based upon the U.S. Sentencing Guidelines and other statutory factors.

The investigation was conducted by Homeland Security's Investigation's Document and Benefit Fraud Task Force (DBFTF), a specialized field investigative group comprised of personnel from various local, state, and federal agencies with expertise in detecting, deterring, and disrupting organizations and individuals involved in various types of document, identity, and benefit fraud schemes.

Acting United States Attorney Nathaniel R. Mendell; Matthew B. Millhollin, Special Agent in Charge of Homeland Security Investigations in Boston; and Nikitas Splagounias, Acting Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigation made the announcement. The New Bedford Police Department, Massachusetts Parole Board and Massachusetts Department of Unemployment Assistance, Program Integrity Unit

provided valuable assistance with the investigation. Assistant U.S. Attorneys Bill Abely and Dustin Chao of Mendell's Criminal Division are prosecuting 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, among other methods, 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 <https://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 at 866-720-5721 or via the NCDF Web Complaint Form at: <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

The details contained in the charging documents are allegations. The remaining defendant is presumed innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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