U.S. DEPARTMENT OF LABOR
OFFICE OF INSPECTOR GENERAL

# PRESS RELEASE

## From Identity Theft to Luxury Spending—DOL OIG Delivers Prison Sentences and Accountability

This week, three individuals were sentenced for schemes that collectively stole more than $13 million in taxpayer-funded benefits and union dues. In partnership with Vice President Vance's Task Force to Eliminate Fraud, the U.S. Department of Labor, Office of Inspector General remains committed to protecting American taxpayers from rampant theft and defending the integrity of the benefit programs they depend on.

An Illinois woman, Hiam Hmaidan, was sentenced to 36 months, two years of supervised release, and ordered to pay $11,130,490 in restitution and a forfeiture money judgment of $1,965,712, for running a multi-million-dollar pandemic assistance and unemployment benefits scheme. Hmaidan operated an unemployment insurance fraud scheme in which she agreed with others to defraud the Pandemic Unemployment Assistance Program. From May 2020 through December 2022, Hmaidan and her co-conspirators submitted nearly 700 fraudulent unemployment insurance claims that caused more than $11 million in fraudulent unemployment benefits to be dispersed.

"Hiam Hmaidan nefariously used the identities of her tax clients and others without their knowledge or consent to steal over $11 million in unemployment insurance benefits meant to support struggling Americans," **said Anthony P. D'Esposito, Inspector General, U.S. Department of Labor.** "Her sentence sends a clear message: my office, alongside Vice President Vance's Task Force to Eliminate Fraud, will relentlessly pursue those who commit fraud and hold them accountable. Protecting the integrity of these critical programs isn't optional — it's our highest priority. Fraud is a tax you never voted for, and we're coming after the people collecting it."

Tarek Mohamad Kassem, of Colorado, was sentenced to 18 months in federal prison, three years of supervised release, restitution totaling $2,041,649.51, and a forfeiture money judgment of $1,776,792.00 after pleading guilty to one count of wire fraud and one count of money laundering. Kassem prepared and submitted fraudulent Economic Injury Disaster Loans and Paycheck Protection Program applications to the Small Business Administration on behalf of business entities that he purportedly operated. After receiving more than $1.7 million in fraudulent loans, Kassem used the funds primarily for his own personal benefit, including purchasing vehicles and a house. "This 18-month sentence, combined with nearly $3.8 million in restitution and forfeiture, sends a clear message: those who exploit pandemic relief programs for personal enrichment will face serious consequences**," said Inspector General D'Esposito.** "Kassem's fraudulent scheme represents an egregious betrayal of the emergency assistance meant to aid Americans in need. We remain committed to combating fraud alongside the DOJ National Fraud Enforcement Division and are grateful to our federal partners for their continued collaboration."

A California woman, Sofia Vanessa Herrera, was sentenced to 18 months in federal prison for her using union issued credit card for personal purchases and paying the credit card bills with union funds. Herrera, the former secretary treasurer of the American Federation of State, County and Municipal Employees (AFSCME) Local 2620, held a credit card designated for organization expenses. She used the credit card for personal and non-organization expenses, then directed Local 2620 to pay the bills from its operating funds. As a result of the conviction, Herrera is barred for 13 years from serving as an officer, director, employee, or representative of a labor organization; as a labor relations consultant or employer association agent; or in any role with direct collective bargaining responsibilities. "Herrera didn't just misuse a credit card. She turned the hard-earned dues of 5,000 public servants into a personal luxury shopping spree at Gucci, Louis Vuitton, and Tiffany's. That's not leadership, that's theft and betrayal. Steal from American workers, and we will put you in handcuffs," **said Inspector General D'Esposito.**

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