

Department of Justice

U.S. Attorney's Office

Eastern District of Pennsylvania

FOR IMMEDIATE RELEASE

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**Husband and Wife Team, and Their Inmate Accomplice,
Charged with Fraudulently Obtaining Pandemic
Unemployment Assistance Funds and Economic Injury
Disaster Loans**

PHILADELPHIA – Acting United States Attorney Jennifer Arbittier Williams announced that Brandon Segers, 33, and Dionne Segers, 32, both of Philadelphia, PA, and their inmate accomplice, Michael Matthews, 42, of Richmond, VA, and currently incarcerated at FCI Cumberland in Maryland, were charged with fraudulently applying for and obtaining emergency unemployment benefits related to the COVID-19 pandemic. Specifically, the defendants allegedly submitted false applications claiming that prison inmates lost employment as a result of the pandemic, and submitted false weekly certifications that inmates were available to work full-time despite their incarceration.

The defendants are charged by Indictment with one count of conspiracy to commit wire fraud, seven counts of wire fraud, one count of conspiracy to defraud the United States, and four counts of theft of government program funds. All the defendants were either arrested and taken into custody this morning, or were already in custody.

In addition to the unemployment fraud, defendant Dionne Segers is charged with submitting a fraudulent application and obtaining emergency COVID-19 funds under the Small Business Administration's (SBA) Economic Injury Disaster Loan (EIDL) program. The EIDL program was implemented to offer low interest-rate loans to businesses hurt by the COVID-19 pandemic. As alleged in the Indictment, Dionne Segers submitted an application to the SBA for a fictitious business and received an immediate \$10,000 emergency grant. Segers did not spend the money on any business expenses but rather on luxury goods and other personal items.

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.

As part of the conspiracy alleged in the Indictment, applications were filed on behalf of inmates who did not lose their job due to COVID. Matthews allegedly transmitted the necessary inmate information for the filing of PUA applications to Brandon Segers, a former federal inmate who was

previously incarcerated with Matthews, via phone and email. Brandon and Dionne Segers would then file the fraudulent applications in the name of Matthews and other inmates Matthews provided. Brandon and Dionne Segers would also file the weekly certifications that the inmates were available to work full-time when they were not. Brandon and Dionne Segers allegedly compensated Matthews for providing the inmate information by depositing money into his federal prison commissary account.

According to the Indictment, Brandon Segers also filed fraudulent applications and weekly certifications in Pennsylvania and Massachusetts under his name for a time period in which he was incarcerated. Additionally, Dionne Segers is alleged to have filed a fraudulent application and weekly certification in Pennsylvania under her name for a time period during which she was employed and receiving employment income. During this period, Dionne Segers was receiving regular payroll income as well as unemployment benefits.

Outside of the small amount of money the Segers used to compensate Matthews, they spent the proceeds of the offense in part on large cash withdrawals, luxury goods, and vacations. As a result of the conspiracy, the defendants caused a loss of at least \$180,000.

“Pandemic Unemployment Assistance and small business loan funds are intended to help working Americans and small business owners continue to pay their bills and make ends meet, even when revenues have dropped dramatically due to the pandemic,” said Acting U.S. Attorney Williams. “Thieves who attempt to take these funds are taking advantage of others’ misfortune – ripping them off while also ripping off all taxpayers who fund the program. As alleged, the Segers and Matthews fraudulently obtained thousands of dollars in funds that could have helped struggling businesses and individuals.”

“An important part of the mission of the Office of Inspector General is to investigate allegations of fraud related to unemployment insurance programs. We will continue to work with the Pennsylvania Department of Labor and Industry and our law enforcement partners to investigate these types of allegations”, stated Syreeta Scott, Special Agent-in-Charge, Philadelphia Region, U.S. Department of Labor Office of Inspector General.

“Pandemic relief funds are limited and intended to save legitimate struggling businesses from failing and are not meant to be used for paying off personal indulgences,” said Yury Kruty, Acting Special Agent in Charge of IRS-Criminal Investigation. “Further, the purpose of the Pandemic Unemployment Assistance program was to provide benefits to those who actually lost their jobs due to the COVID-19 pandemic. IRS-CI will continue to aggressively investigate those who schemed to defraud this program that was intended to help struggling individuals and businesses.”

This case was investigated by the United States Department of Labor – Office of Inspector General, and the Internal Revenue Service – Criminal Investigations. The case is being prosecuted by Assistant United States Attorney Timothy Lanni.

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>.

Topic(s):

Financial Fraud

Component(s):

[USAO - Pennsylvania, Eastern](#)

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