

Department of Justice

U.S. Attorney's Office

District of Maryland

FOR IMMEDIATE RELEASE

Thursday, July 14, 2022

Hyattsville Man Pleads Guilty to His Role in a Cares-Act and Unemployment Insurance Fraud Scheme Involving Over 600 Victims and Caused a Loss of at Least \$2.7 Million

Defendant Used His Position as a Caregiver to Unlawfully Access and Use Victims' Personally Identifiable Information to File for Benefits

Baltimore, Maryland – Sylvester Atekwane, age 32, of Hyattsville, Maryland, pleaded guilty yesterday to conspiracy to commit wire fraud in relation to a CARES-Act unemployment insurance fraud scheme. As part of his guilty plea, Atekwane will be required to pay at least \$250,000 in restitution.

The guilty plea was announced by United States Attorney for the District of Maryland Erik L. Barron; Acting Postal Inspector in Charge Tira Hayward of the U.S. Postal Inspection Service - Washington Division; Special Agent in Charge James C. Harris of Homeland Security Investigations (HSI) Baltimore; Acting Special Agent in Charge Troy W. Springer, of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General; Special Agent in Charge Andrea Peacock, U.S. Department of the Treasury - Office of Inspector General.

“Some of the most vulnerable in our community trusted and relied on Atekwane and he abused them as they suffered through the pandemic – he will now be held accountable,” said U.S. Attorney for the District of Maryland, Erik L. Barron.

“Mr. Atekwane abused his position of trust as a caregiver for elderly people during a national health emergency,” said Special Agent in Charge James C. Harris of HSI Baltimore. “HSI is proud to have worked with our law enforcement partners to put an end to Mr. Atekwane’s exploitation of hundreds of victims. We will continue to work tirelessly to protect the residents of Maryland from schemes directed at some of our most vulnerable population.”

“Sylvester Atekwane illegally enriched himself as part of a fraud scheme that diverted vital taxpayer resources away from those in need of unemployment insurance benefits during the pandemic. Atekwane and his coconspirators victimized over 600 individuals,” stated Troy W. Springer, Acting Special Agent in Charge of the Washington Regional Office, U.S. Department of Labor - Office of Inspector General. “Protecting the integrity of the unemployment insurance program remains one of our highest priorities, and we will continue to work closely with the U.S. Attorney’s Office and our other law enforcement partners to safeguard unemployment benefits for those in need of assistance during the unprecedented challenges brought about by the pandemic.”

According to his guilty plea, from February 2020 to February 2021, Atekwane and others agreed to collect the names, dates of birth, and social security numbers of victims to impersonate victims and submit fraudulent unemployment claims in those victims’ names. In at least one instance, Atekwane used his position as a caregiver to unlawfully access victims’ personally identifiable information to obtain unemployment insurance benefits.

As part of the scheme to defraud, conspiracy members received the unemployment benefits by directing the benefits to addresses that conspiracy members could access. Specifically, Atekwane notified co-conspirators once unemployment benefits were received at his address or at nearby apartments. Atekwane and others then collected the unemployment insurance prepaid debit cards, activated the debit cards, and withdrew cash from ATMs using the fraudulently obtained debit cards.

For example, in July 2020, Atekwane used an ATM in Seat Pleasant, Maryland to withdraw \$1,000 in Maryland unemployment insurance benefits issued in the name of Victim 1. Victim 1 is a Washington, D.C. resident who is unable to handle their finances and lives in a group home. Atekwane used his position as a caregiver to unlawfully access and use Victim 1's personally identifiable information to file for unemployment insurance benefits. Additionally, in October 2020, Atekwane sent the personally identifiable information of another victim (Victim 2). The information sent by Atekwane was later used to fraudulently apply for unemployment insurance benefits in Victim 2's name.

Throughout the scheme, at least \$150,000 in fraudulently obtained unemployment insurance benefits from 61 victims were sent directly to Atekwane's address or to nearby apartments. As a result of the scheme, Atekwane personally obtained at least \$6,000 in fraud proceeds. In total, the entire scheme involved at least \$2.7 million and over 600 individual victims.

Atekwane faces a maximum sentence of 20 years in federal prison for conspiracy to commit wire fraud. U.S. District Judge Richard D. Bennett has scheduled sentencing for January 6, 2023 at 2:30 p.m.

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>. An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

United States Attorney Erik L. Barron commended the U.S. Postal Inspection Service, HSI, DOL-OIG, and the U.S. Department of Treasury for their work in the investigation. Mr. Barron thanked Assistant U.S. Attorneys Zachary H. Ray and Sean R. Delaney, who are prosecuting the case.

For more information on the Maryland U.S. Attorney's Office, its priorities, and resources available to help the community, please visit www.justice.gov/usao-md and <https://www.justice.gov/usao-md/community-outreach>. To report fraud, visit <https://www.justice.gov/usao-md/report-fraud>.

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