PRESS RELEASE

Illinois Tax Preparer Sentenced for Stealing More than $11M from Taxpayers in COVID-19 Assistance Fraud Scheme

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An Illinois woman was sentenced on Friday 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.

“Hiam Hmaidan exploited a pandemic relief program designed to help workers and families in need, causing more than $11 million in fraudulent benefits to be paid,” said Assistant Attorney General Colin M. McDonald of the Justice Department’s National Fraud Enforcement Division. “This sentence reflects the seriousness of her crimes and sends a clear message that those who abuse federal benefits programs for personal gain will be held accountable. The Fraud Division will continue to pursue individuals who steal public funds and undermine programs meant to protect the American people.”

According to court documents and evidence presented at trial, Hiam Hmaidan, 54, of Orland Park, Illinois, operated an unemployment insurance fraud scheme in which she agreed with others to defraud the Pandemic Unemployment Assistance Program, which Congress established in 2020 as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). From May 2020 and continuing 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.

Hmaidan, together with her co-conspirators, submitted claims containing false information regarding the claimants’ employment status and the impact of the pandemic on their ability to earn a living. Hmaidan abused her position as a tax preparer by submitting many of the fraudulent claims using her clients’ names and personal information. Based on those fraudulent claims, unemployment insurance benefits were

loaded onto debit cards and mailed directly to Hmaidan or to addresses accessible to Hmaidan and her co-conspirators. Once Hmaidan and her co-conspirators obtained the debit cards, they used the fraudulent proceeds on the cards to withdraw approximately $2.8 million in cash from ATMs near where they lived.

Hmaidan was convicted of one count of conspiracy to commit mail fraud and five counts of mail fraud.

The U.S. Department of Labor Office of Inspector General and IRS-Criminal Investigation investigated the case.

Trial Attorneys Meredith B. Healy, of the Criminal Division's White Collar and Corporate Enforcement Section, and Kashan Pathan and Christopher Berridge of the National Fraud Enforcement Division's Public Trust and Financial Integrity Section are prosecuting the case.

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