



Department of Justice

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TWO FEDERAL INMATES CHARGED WITH PANDEMIC UNEMPLOYMENT ASSISTANCE FRAUD

SCRANTON- The United States Attorney's Office for the Middle District of Pennsylvania announced that Christina Covey, age 34, formerly of Drums, Pennsylvania, and Fredy Mendoza, age 33, formerly of Hazleton, Pennsylvania, were charged yesterday by a federal grand jury with fraudulently obtaining pandemic unemployment benefits between July and October 2020.

The Pandemic Unemployment Assistance (PUA) program was created by the March 2020 CARES Act, as part of the United States government's efforts to mitigate the impact of the COVID-19 pandemic on the public's health and economic well-being. The PUA program was designed to provide unemployment benefits to individuals not eligible for regular unemployment compensation or extended unemployment benefits.

According to Acting United States Attorney Bruce D. Brandler, the indictment alleges that Covey and Mendoza conspired to file false PUA applications on behalf of Mendoza and another inmate, seeking unemployment benefits for both of them by claiming that they were laid off because of the COVID-19 pandemic and available to work, despite their incarceration on underlying federal drug trafficking charges. The conspirators subsequently filed false weekly certifications required to continue receiving PUA benefits, ultimately securing tens of thousands of dollars, which were mailed in debit cards to Covey, prior to her own incarceration in the underlying federal drug trafficking case. Covey also is charged with lying to federal agents about filing PUA applications for Mendoza and another inmate.

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

The case was investigated by the Postal Inspection Service and by the Department of Labor, Office of the Inspector General. Assistant U.S. Attorney Phillip J. Caraballo is 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>.

Criminal Indictments are only allegations. All persons charged are presumed to be innocent unless and until found guilty in court.

A sentence following a finding of guilt is imposed by the Judge after consideration of the applicable federal sentencing statutes and the Federal Sentencing Guidelines.

The maximum penalty under federal law for the most serious offenses is 20 years of imprisonment, a term of supervised release following imprisonment, and a fine. Under the Federal Sentencing Guidelines, the Judge is also required to consider and weigh a number of factors, including the nature, circumstances and seriousness of the offense; the history and characteristics of the defendant; and the need to punish the defendant, protect the public and provide for the defendant's educational, vocational and medical needs. For these reasons, the statutory maximum penalty for the offense is not an accurate indicator of the potential sentence for a specific defendant.

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