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Nigerian state official sentenced to 5 years in prison for stealing U.S. disaster aid and taxpayer refunds

Used more than 20,000 stolen American identities for a variety of cyber frauds

Tacoma – A 45-year-old resident of Lekki, Nigeria, was sentenced today in U.S. District Court in Tacoma to 5 years in prison for wire fraud and aggravated identity theft for his attempt to steal nearly \$2.4 million from the United States government, including approximately \$500,000 in pandemic-related unemployment benefits, announced U.S. Attorney Nick Brown. At the time of his arrest, Abidermi Rufai was the Special Assistant to the Governor of Nigeria's Ogun State. He admitted a long history of using stolen identities to defraud U.S. disaster programs, including aid for Hurricanes Harvey and Irma, and file fraudulent U.S. tax returns. At the sentencing hearing U.S. District Judge Benjamin H. Settle said, "The motivation was greed, unrestrained greed, and a callousness towards those who have suffered."

"Mr. Rufai was relentless in his scheme to use the stolen identities of Americans for fraud," said U.S. Attorney Nick Brown. "He orchestrated 'mystery shopper' scams, business email compromise attempts, and filed fake tax returns to financially harm individuals and businesses. But when disaster struck, so did Mr. Rufai. Whether it was hurricane disaster relief, small business loans, or COVID unemployment benefits, he stole aid that should have gone to disaster victims in the United States."

"Abdemi Rufai chose to exploit the pandemic for personal gain, using stolen identities of Americans to support his lavish lifestyle overseas," said Associate Deputy Attorney General Kevin Chambers, the Justice Department's Director of COVID-19 Fraud Enforcement. "The U.S. Attorney's Office and their law enforcement partners did exceptional work bringing this defendant to justice. The Department will continue to pursue fraudsters who abused these programs and seek to recover their ill-gotten gains, whether they are in the United States or overseas."

According to records filed in the case, since 2017, Rufai stole the personal identifying information of more than 20,000 Americans to submit more than \$2 million in claims for federally funded disaster relief benefits and fraudulent tax returns. The various agencies involved paid out more than \$600,000.

The largest amount of fraud was committed against the Washington State Employment Security Department, which paid out \$350,763 in fraudulent pandemic unemployment claims to accounts controlled by Rufai. Rufai also submitted fraudulent pandemic unemployment claims in at least 17 other states.

"The Employment Security Department deeply appreciates the tireless efforts of the Department of Justice, federal agencies and law enforcement in this matter," said Cami Feek, Commissioner for the Employment Security Department. "We always stand ready to hold those accountable who steal public funds and we appreciate the partnership in catching and prosecuting this individual."

Rufai also defrauded the Small Business Administration (SBA) by attempting to obtain Economic Injury Disaster loans (EIDL) tied to the COVID-19 pandemic. Between April 8, 2020, and June 26,

2020, he submitted 19 fraudulent EIDL applications. SBA paid out \$10,000 based on the applications.

Between 2017 and 2020, Rufai attempted to obtain more than \$1.7 million in IRS tax refunds by submitting 675 false claims. The IRS paid out \$90,877 on these claims.

Rufai's efforts to exploit disaster in the United States did not start with COVID-19. In September and October 2017, he submitted 49 disaster relief claims connected to Hurricane Harvey and Hurricane Irma. He filed \$24,500 in false claims and was paid on 13 claims totaling \$6,500.

In asking for a nearly six-year prison sentence Assistant United States Attorney Cindy Chang noted that Rufai's scheme damaged real people who needed help. "In this case, Rufai successfully used the stolen identities of at least 238 real individuals who qualified for disaster aid and may have needed it urgently. This number does not account for the number of stolen identities Rufai attempted to use but failed."

Rufai has agreed to pay full restitution of \$604,260 to the defrauded agencies, however he has not fully cooperated with efforts to identify and forfeit assets that could be used for restitution.

"Mr. Rufai did not care if the disaster was the pandemic or a hurricane, or if the victim was a hard-working American taxpayer, a small business, or the U.S. government," said Richard A. Collodi, Special Agent in Charge of the FBI Seattle Field Office. "He could have used his influence to be a role model in his community. Instead, he stole the identities of Washington state residents and money meant for those in need."

"Mr. Rufai said, 'The choices we make are ultimately our responsibility,' and he is correct. This sentence is a result of the culmination of choices he made funding his luxurious lifestyle. His fraud schemes began with filing fraudulent tax returns from stolen identities to pilfering economic aid designed to help disadvantaged workers and families suffering through the COVID-19 pandemic," said Seattle Field Office Special Agent in Charge Bret Kressin. "IRS-CI continues to provide our financial expertise to investigate large-scale fraud with our law enforcement partners."

"Rufai used stolen personal identifying information of thousands of Americans in order to defraud more than \$600,000 in government benefits, including approximately \$350,000 from the Washington Employment Security Department. We will continue to work with our law enforcement partners to aggressively investigate and prosecute those who defrauded unemployment insurance programs during the global health crisis," said Quentin Heiden, Special Agent-in-Charge of the U.S. Department of Labor, Office of Inspector General, Los Angeles Region.

Abidemi Rufai has been in custody since his arrest at New York's JFK airport in May 2021. The Eastern District of New York U.S. Attorney's Office assisted with detention hearings following Rufai's arrest.

This case was investigated by the FBI, with assistance from the Department of Labor Office of Inspector General, Internal Revenue Service Criminal Investigations, Department of Homeland Security Office of Inspector General, and the United States Small Business Administration Office of the Inspector General, and the Washington Employment Security Department (ESD).

The case is being prosecuted by Assistant United States Attorneys Cindy Chang and Seth Wilkinson of the Western District of Washington.

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 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 via the NCDF Web Complaint Form at <https://www.justice.gov/disaster-fraud/ncdf-disaster-complaint-form>.

Topic(s):

Coronavirus
Cybercrime
Financial Fraud
Identity Theft

Component(s):

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