U.S. DEPARTMENT OF LABOR
OFFICE OF INSPECTOR GENERAL

PRESS RELEASE

Bank Fraud to Benefit Fraud—DOL OIG Secures Prison Sentences and Millions in Restitution, Defending American Taxpayers

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FOR IMMEDIATE RELEASE
U.S. Department of Labor, Office of Inspector General

WASHINGTON— This week, the U.S. Department of Labor Office of Inspector General (DOL OIG) secured significant victories against fraudsters who stole from American taxpayers through bank fraud, identity theft, wire fraud, and unemployment insurance schemes. The cases resulted in combined federal prison sentences exceeding 36 years and nearly $2 million in financial penalties and restitution. Under the leadership of Inspector General Anthony P. D'Esposito, the DOL OIG continues its unrelenting pursuit of those who exploit benefit programs and defraud hardworking taxpayers.

DUBUQUE, Iowa — Jacob Michael Laufenberg, of Dubuque Iowa, was sentenced to more than two years in federal prison, followed by a five-year term of supervised release, and ordered to make $17,102 in restitution for stealing government funds intended to aid unemployed workers during the COVID-19 pandemic. Laufenberg applied for Iowa unemployment benefits in May 2020 and received payments through April 2021 while concealing his employment with two employers and a nearly two-month incarceration in county jail. His false statements about his employment and custody status caused him to receive unemployment funds to which he was not entitled. "Laufenberg tried to cheat the system and take advantage of a vulnerable moment in our nation's history. Let this be a clear example for all the other fraudsters out there: he's going back behind bars," **said Anthony P. D'Esposito, Inspector General, U.S. Department of Labor.**

MOBILE, AL — Two men, Vernon McCreath of New Jersey and Mikhail McCreath of Florida, were sentenced to 192 months and 140 months in federal prison, respectively, for their roles

in a sophisticated, multimillion dollar bank fraud and identity theft scheme that operated across the United States for nearly a decade. Vernon McCreath, Mikhail McCreath, and their associates obtained stolen checks and money orders, used victims' personally identifiable information to open fraudulent bank accounts, manufactured forged identification documents, and counterfeited hundreds of financial instruments. Victims included religious organizations, small businesses, charitable organizations, and public-school systems, among others. The defendants will also be subject to five years of supervised release and a restitution payment of over $687,000 to the victims of their crimes. “They spent nearly a decade preying on churches, charities, schools, and small businesses across America. That ends today. Steal from the American people, and this administration will guarantee you spend years behind bars. Justice is not optional,” **said Inspector General D’Esposito.**

WASHINGTON — Karin L. Contreras, a citizen of the Dominican Republic and a U.S. lawful permanent resident, was sentenced to 27 months in prison, followed by two years of supervised release, and ordered to pay $551,674.78 in restitution for her role in a scheme that attempted to defraud unemployment insurance programs during the COVID-19 pandemic. From June 2020 through March 2021, Contreras conspired with others to fraudulently obtain unemployment insurance benefits using stolen identities. As a result of the fraudulent applications, conspirators received prepaid ATM cards loaded with benefits totaling more than $1 million. **“**For those thinking about defrauding the American people and their institutions – think again. You just might end up sitting next to Ms. Contreras in federal prison,” **said Inspector General D’Esposito.**

BALTIMORE — A former Maryland Department of Labor (MD-DOL) contractor, Katrina McCant, was sentenced to four years in prison and three years of supervised release for scheming to fraudulently obtain unemployment insurance (UI) benefits during the COVID-19 Pandemic. While working for the MD-DOL, McCant used her insider access to facilitate fraudulent UI benefit payments. She also provided fraudulent assistance to other individuals, who paid her one-time fees in exchange for approving or facilitating fraudulent UI claims. She agreed to a forfeiture of at least $550,000. “The trust of the American public is not to be broken. We will not stop until all fraudsters from within are rooted out, “**said Inspector General D’Esposito.**

For additional information on DOL OIG, please visit oig.dol.gov. If you suspect wrongdoing involving DOL programs or operations, contact the DOL-OIG Hotline at (800) 347-3756 or oig.dol.gov/hotlinecontact.htm.

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For Media Inquiries:

Stone.Olivia@oig.dol.gov
(202) 716-4115

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